CONTENTS

TWENTY EIGHTH ANNUAL REPORT 2017-2018

BOARD OF DIRECTORS

Mr. Milan B. Khakhar	-	Chairman and Managing Director
Mr. Prakash B. Khakhar	-	Joint Managing Director
Mrs. Vasumati B. Khakhar	-	Director
Ms. A. Y. Parekh	-	Director
Mr. K. Gopi Nair	-	Director
Mr. Gaurav S.Davda	-	Director

CHIEF FINANCIAL OFFICER
Mr.Manoj Dewani

COMPANY SECRETARY
Mr.Hardik Valia

AUDITORS
M/s. Ashar & Co.
Chartered Accountants
Mumbai

BANKERS
State Bank of India

WORKS
Plot No. 33/34, S. No. 831/15 & 25,
Village Mahim, Chintupada,
Taluka Palghar, Dist. Thane.

REGISTRAR & TRANSFER AGENT
Sharex (India) Pvt.Ltd.
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400072.
Tel. 022 28515606/28515644
Email : investor@sharexindia.com

REGISTERED OFFICE
SOLID STONE COMPANY LIMITED 1501,
Maker Chambers - V, Nariman Point,
Mumbai - 400 021.
CIN: L26960MH1990PLC056449
Email: sglinvserv@gmail.com
Tel. +91 22 66115800 Fax. +91 22 2826439
Website : www.solid-stone.com

TWENTY EIGHTH ANNUAL GENERAL MEETING

At:
Half South Lounge, Centre 1,
1st Floor, World Trade Centre,
Cuffe Parade, Mumbai-400005.

on Friday, 21st September, 2018 at 9:15 A.M.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH11990PLC056449)

REGISTERED OFFICE :
1501, Maker Chambers-V, Nariman Point, Mumbai – 400 021.

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Half South Lounge, Ground Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai - 400005 on Friday, 21st September, 2018 at 9.15 am to transact, as may be permissible the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt :

    a. the Audited Financial Statements of the Company for financial year ended March 31, 2018, together with the Reports of Board of Directors and the Auditors thereon.

    b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mrs. V. B. Khakhar (holding DIN 00394207) who retires by rotation and being eligible offers herself for re-appointment.

3. To ratify the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby ratifies the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company, to hold office till the conclusion of the ensuing Annual General Meeting to be held in the calendar year 2019 at a remuneration to be decided by the Audit Committee of Directors of the Company".

By Order of the Board of Directors
Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 16th May, 2018

NOTES :

A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

B) The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

C) The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2018 to 21st September, 2018 (both days inclusive)

D) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.

E) Members are requested to :

i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.

ii) Notify immediately any change in their address, at the *Registered office* of the Company, quoting their Folio numbers.

iii) Send all their documents and communications pertaining to shares to Sharex (India) Pvt. Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, Tel.No. 022 28515606/28515644, Email: investor@sharexindia.com

F) The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.

G) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.

(H) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.

(I) As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members.

We, therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and / or DP ID / Client ID to the dedicated email address at investor@sharexindia.com or login at the R&TA's website www.shareproservices.com and register their request.

(J) The route map showing directions to reach the venue of the 28th Annual General Meeting is given on the reverse of the Attendance Slip.

Voting through electronic means

(K) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 28th Annual General Meeting of the Company. E-voting is optional and the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL). The Company has appointed CA Kamal Patel as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The instructions for members for voting electronically are as under:-

(i) **The voting period begins on 18th September, 2018 (9:00 AM) and ends on 20th September, 2018 (5:00 PM).** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.· ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant SOLID STONE COMPANY LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) ***Note for Non – Individual Shareholders and Custodians:***

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to to helpdesk.evoting@cdslindia.com. and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(M) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(N) The Results declared alongwith the Scrutinizer's Report shall be placed on the website of the company and website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited. The result shall also be placed on Notice Board of the Registered office of the company.

(O) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 16th May, 2018

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-Eighth Annual Report of the Company for the year ended on 31st March, 2018.

FINANCIAL RESULTS :

	Year Ended 31st March, 2018 Rs..in '000s	Year Ended 31st March, 2017 Rs..in '000s
Gross Income from Operations	6,14,461	6,61,654
Profit before Depreciation and Tax	15,040	17,561
Profit after Tax	5,891	7,075
Balance brought forward from Previous year	86,121	78,893
Total Comprehensive Income for the year	5,887	7,228
Surplus carried to Balance Sheet	92,008	86,121

DIVIDEND :

Your Directors, in order to conserve resources, have not recommend any Dividend for the year ended 31st March, 2018 on the Equity Share Capital.(Previous Year : NIL).

OPERATIONS :

During the year under review the Company's gross income as well as net profits were slightly lower but there was no significant impact on margins.

The Company continues to focus on the domestic market which has a growth potential.

SUBSIDIARIES AND ASSOCIATES :

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries' and Associate (in Form AOC-1) is forming part of the Consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the Accounting Standard (AS 21) on consolidated Financial Statements read with Accounting Standard (AS 23) on Accounting for Investment in Subsidiaries, the Audited Consolidated Financial Statements are provided in the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A".

RELATED PARTY TRANSACTIONS

Transactions with related parties during the year under review were in the ordinary course of business and on an arm's length basis. During the year the Company had not entered into any contract or arrangement with a related party which would be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The related party transactions are disclosed under Note No. 27E of the Notes to Financial Statements for the financial year 2017-18.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No.3 of the Notes to the Financial Statements.

INSURANCE :

All the assets of the Company are adequately insured.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in form MGT-9 in "Annexure B" of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Mrs.V.B.Khakhar, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Key Managerial Personnel

Mr.Milan Khakhar, Chairman and Managing Director, Mr.Prakash Khakhar, Joint Managing Director, Mr.Manoj Dewani, Chief Financial Officer and Mr.Hardik Valia, Company Secretary of the Company are Key Managerial Personnel of the Company. There was no change in the Key Managerial Personnel during the year.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its statutory committees viz. Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and that of the individual directors. The results of evaluation are satisfactory and adequate and meet the requirements of the company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

Policy on Directors' Appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

Policy on Remuneration

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that -

- Remuneration to workmen is as per the prevailing structure, qualification, experience and skills.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and such factors so as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made declarations confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the Annual Accounts on a going concern basis.

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

DETAILS OF COMMITTEES OF DIRECTORS

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, Stakeholders Relationship/ Grievance Committee of Directors, number of meetings held of each Committee of Directors during the financial year 2017-18 and meetings attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report and forming part of the report. The recommendations of the Audit Committee, as and when made to the Board, have been accepted by it.

CORPORATE GOVERNANCE :

Your Company reaffirms its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate section of disclosure on Corporate Governance and a Certificate from the Practising Company Secretary dated 16th May, 2018 in this regard, are annexed hereto and form part of the Report.

ANALYSIS OF REMUNERATION

The Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure E".

AUDITORS AND AUDITOR'S REPORT :

Statutory Auditors

The members in the 25th Annual General Meeting have appointed M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in the calendar year 2019. In accordance with the first proviso of Section 139(1) of the Companies Act, 2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the auditors' report.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Jinang Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure F ".

INTERNAL FINANCIAL CONTROLS

The Company is having in place internal financial controls system. The internal financial controls with reference to financial statements were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil / whistle blower mechanism which provides a channel to any employer / director to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or policy. The mechanism provides for adequate safeguards against victimisation of the whistle blower and also provides for direct access to the Chairman & Managing Director /Chairperson of the Audit Committee in exceptional cases.

AUDITORS QUALIFICATIONS

The remarks, if any, either by the Statutory Auditors or by the Practising Company Secretary in their respective reports are self explanatory. There are no qualifications or adverse remarks in the aforesaid reports.

RISK MANAGEMENT POLICY

The Company has formulated a Risk Assessment & Management Policy. The details of the Risk Management are covered in the Corporate Governance Report.

MEETINGS OF THE BOARD

Ten meetings of the Board of Directors were held during the year. For further details please refer to the report on corporate governance in this annual report.

PARTICULARS OF EMPLOYEES

Information pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees is not provided as there are no employees drawing remuneration above the prescribed limits.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure-B).

GENERAL

No disclosure or reporting is required of the following items as there were no transactions on these items during the year under review.

(i) Issue of equity shares with differential rights as to dividend, voting or otherwise

(ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(iii) No significant or material order were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013) during the year under review.

APPRECIATION :

Your Directors wish to place on record their sincere appreciation for their continued support and co-operation received from the Banks, Customers, Suppliers, Employees and Shareholders of the Company.

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 16th May, 2018

ANNEXURE A to Directors' Report :

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

The Company does not belong to the category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance to conservation of energy wherever feasible, and also reviews from time to time, the measures taken / to be taken for reduction of consumption of energy.

	Current Year	Previous Year
Power Consumption (Electricity)		
Units	47,388	47,231
Total Cost	Rs. 5,27,060	Rs. 5,28,240
Rate per unit	Rs.11.12	Rs.11.18

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

i. Research & Development (R & D)

The Company undertakes from time to time, studies for process improvement and plant design development, to improve quality and performance of its products, to substitute imported material and components and to economise the production costs. Based on these studies, appropriate actions are taken to achieve these goals. In absence of a separate research & development department, it is difficult to quantify the amount spent on research & development.

ii. Technology Absorption, Adaptation and Innovation

Efforts are made to absorb the advances in technology with suitable modifications to cater to local needs. The Company keeps itself updated with the latest technological innovations by way of constant communication, personal discussions etc.

C. FOREIGN EXCHANGE USED & EARNED

Foreign exchange used: Rs. 507.68 Lakhs

Foreign exchange earned: Rs. 42.97 Lakhs

ANNEXURE " B " to Directors Report

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2018

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

A REGISTRATION AND OTHER DETAILS:

CIN:-	L26960MH1990PLC056449
Registration Date:	8th May,1990
Name of the Company:	**Solid Stone Company Ltd.**
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office and contact details:	1501, Maker Chambers V, Nariman Point, Mumbai-400021
	Tel.No. 022-66115800 Fax. : 022-22826439
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex (India) Pvt.LTD., Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072. Tel.No. 022-28515606 / 28515644 Email: investor@sharexindia.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
a.	Processing & Sale of Natural & Semi precious stones	23960	**1.14%**
b.	Trading in Natural Stones & related products	47190	**98.86%**

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held
a	GRANITEXX UK LIMITED (Company dissolved on 02/01/2018)	Incorporated in U.K.	Subsidiary	100%
b	STONE SOURCE GB LTD. (Company dissolved on 30/07/2017)	Incorporated in U.K.	Subsidiary	51% held by Granitexx UK Ltd.
c	GLOBAL INSTILE SOLID INDUSTRIES LIMITED	U14100MH1997PLC106541	Associate	29.89%

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1) INDIAN									
(a). Individual	3727400	500	3727900	69.291	3753831	500	3754331	69.783	0.492
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.		0				0			0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
Sub-total (A) (1):-	**3727400**	**500**	**3727900**	**69.291**	**3753831**	**500**	**3754331**	**69.783**	**0.492**
(2) FOREIGN									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholdingof Promoter (A) = (A)(1)+(A)(2)	**3727400**	**500**	**3727900**	**69.291**	**3753831**	**500**	**3754331**	**69.783**	**0.492**

(B) (1). PUBLIC SHAREHOLDING

(a). Mutual Funds		0				0			0.000
(b). Banks / FI		0				0			0.000
(c). Central Govt.		0				0			0.000
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g). FIIs		0			30000	0	30000	0.558	0.558
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**30000**	**0**	**30000**	**0.558**	**0.558**

2. Non-Institutions

(a) BODIES CORP.

(i). Indian	490679	34200	524879	9.756	515612	34200	549812	10.220	0.464
(ii). Overseas		0				0			0.000

(b) Individuals

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	200633	88220	288853	5.369	184479	87220	271699	5.050	-0.319
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	720579	30200	750779	13.955	605551	30200	635751	11.817	-2.138

(c) Other (specify)

Non Resident Indians	1389	0	1389	0.026	233	0	233	0.004	-0.022
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	86200	0	86200	1.602	138174	0	138174	2.568	0.966
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	**1499480**	**152620**	**1652100**	**30.708**	**1444049**	**151620**	**1595669**	**29.659**	**-1.049**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1499480**	**152620**	**1652100**	**30.708**	**1474049**	**151620**	**1625669**	**30.217**	**-0.491**
C. Shares held by Custodian for GDRs & ADRs		**0**				**0**			**0.000**
Grand Total (A+B+C)	**5226880**	**153120**	**5380000**	**100.00**	**5227880**	**152120**	**5380000**	**100.00**	**0.001**

(ii) Shareholding of promoters MGT9 Report

SR No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PRAKASH B KHAKHAR	1378895	25.63	0	1378895	25.63	0	0
2	MILAN B KHAKHAR	808415	15.026	0	808415	15.026	0	0
3	JEENOO M KHAKHAR	699300	12.998	0	699300	12.998	0	0
4	VASUMATI BHAGWANDAS KHAKHAR	682190	12.68	0	682190	12.68	0	0
5	MAHI P KHAKHAR	32300	0.6	0	44191	0.821	0	0.221
6	YASH P KHAKHAR	27800	0.517	0	42340	0.787	0	0.27
7	KANIKA MILAN KHAKHAR	40700	0.757	0	40700	0.757	0	0
8	SHRADDHA PRAKASH KHAKHAR	30500	0.567	0	30500	0.567	0	0
9	ISHA MILAN KHAKHAR	27300	0.507	0	27300	0.507	0	0
10	CHARU SHEKHAR DAVDA	500	0.009	0	500	0.009	0	0
		3727900	**69.291**	**0**	**3754331**	**69.782**	**0**	**0.491**

(iii) Change in Promoter's Shareholding(Please specify,if there is change)

SR No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreseing in share-holding	Reason	No. of Shares	
1	MAHI P KHAKHAR	32300	0.6	01-04-2017				
				06-10-2017	2600	Buy	34900	0.649
				03-11-2017	2500	Buy	37400	0.695
				05-01-2018	1700	Buy	39100	0.727
				09-03-2018	5091	Buy	44191	0.821
	-Closing Balance			31-03-2018			44191	0.821
2	YASH P KHAKHAR	27800	0.517	01-04-2017				
				27-10-2017	2500	Buy	30300	0.563
				10-11-2017	2500	Buy	32800	0.61
				17-11-2017	3020	Buy	35820	0.666
				23-02-2018	2010	Buy	37830	0.703
				16-03-2018	4510	Buy	42340	0.787
	-Closing Balance			31-03-2018			42340	0.787

(iv) Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

SR No.	Name	No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	Falguni S Nayar	184000	3.42	01-04-2017				
	-Closing Balance			31-03-2018		No Change	184000	3.42
2	GLOBALWORTH							
	SECURITIES LTD.	50000	0.929	01-04-2017				
				07-04-2017	11250	Buy	61250	1.138
				14-04-2017	250	Buy	61500	1.143
				12-05-2017	24500	Buy	86000	1.599
				19-05-2017	30000	Buy	116000	2.156
				09-06-2017	335	Buy	116335	2.162
				16-06-2017	3000	Buy	119335	2.218
				23-06-2017	6572	Buy	125907	2.34
				30-06-2017	1028	Buy	126935	2.359
				06-10-2017	-6000	Sold	120935	2.248
				03-11-2017	10000	Buy	130935	2.434
				16-03-2018	6627	Buy	137562	2.557
				23-03-2018	-62	Sold	137500	2.556
	-Closing Balance			31-03-2018			137500	2.556
3	PRIMESEC INVESTMENTS							
	LIMITED	130792	2.431	01-04-2017				
	-Closing Balance			31-03-2018		No Change	130792	2.43
4	RELIGARE FINVEST LTD	121657	2.261	01-04-2017				
				06-10-2017	-600	Sold	121057	2.25
				17-11-2017	-50	Sold	121007	2.249
	-Closing Balance			31-03-2018			121007	2.249
5	JUDITH INVESTMENTS							
	PRIVATE LIMITED	75000	1.394	01-04-2017				
	-Closing Balance			31-03-2018		No Change	75000	1.394
6	G K K CAPITAL MARKETS							
	PVT LTD	49750	0.925	01-04-2017				
	-Closing Balance			31-03-2018		No Change	49750	0.925
7	GAURAV SHEKHAR DAVDA	56206	1.045	01-04-2017				
				19-05-2017	-7200	Sold	49006	0.911
	-Closing Balance			31-03-2018			49006	0.911
8	ASHNI YOGENDRA PAREKH	45951	0.854	01-04-2017				
	-Closing Balance			31-03-2018		No Change	45951	0.854
9	PRIME SECURITIES LIMITED	41939	0.78	01-04-2017				
	-Closing Balance			31-03-2018		No Change	41939	0.78
10	DEEPAK SARDA	36500	0.678	01-04-2017				
	-Closing Balance			31-03-2018		No Change	36500	0.678
11	SANTOSH SARDA	43500	0.809	01-04-2017				
				23-06-2017	-5000	Sold	38500	0.716
				30-06-2017	-3700	Sold	34800	0.647
				10-11-2017	-5300	Sold	29500	0.548
				24-11-2017	-6812	Sold	22688	0.422
				15-12-2017	-3800	Sold	18888	0.351
				02-03-2018	-5000	Sold	13888	0.258
				09-03-2018	-5000	Sold	8888	0.165
	-Closing Balance			31-03-2018			8888	0.165

(v) Shareholding of Directors and Key Managerial Personnel:

SR No.	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	
1	ASHNI YOGENDRA PAREKH	45951	0.854	01-04-2017				
	-Closing Balance			31-03-2018		No Change	45951	0.854
2	GAURAV SHEKHAR DAVDA	56206	1.045	01-04-2017				
				19-05-2017	-7200	Sold	49006	0.911
	-Closing Balance			31-03-2018			49006	0.911
3	K GOPI NAIR	840	0.016	01-04-2017				
	-Closing Balance			31-03-2018		No Change	840	0.016
4	MANOJ DEWANI (CFO)	15503	0.288	01-04-2017				
				07-04-2017	-5000	Sold		
				21-04-2017 12-05-2017	-543 -4000	Sold Sold		
				30-09-2017	-4960	Sold	1000	
	-Closing Balance			31-03-2018			1000	0.019

V. INDEBTEDNESS

(Rs.in '000s)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	130956.90	31763.48	-	162720.38
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	**130956.90**	**31763.48**	**0.00**	**162720.38**
Change in Indebtedness during the financial year				
• Addition	4543.56	24405.50	-	28949.06
• Reduction	-849.13	-24678.97	-	-25528.10
Net Change	**3694.43**	**-273.47**	**0.00**	**3420.96**
Indebtedness at the end of the financial year				
i) Principal Amount	134651.33	31490.01	-	166141.34
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	**134651.33**	**31490.01**	**0.00**	**166141.34**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr.Milan Khakhar (Chairman & Managing Director)	Mr.Prakash Khakhar (Joint Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in			
	section 17(1) of the Income-tax Act, 1961	35,65,800	35,65,800	71,31,600
	(b) Value of the perquisites u/s 17(2)			
	Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify…			
5	Others, please specify (Allowances)	64,200	64,200	128,400
	Total (A)	**36,30,000**	**36,30,000**	**72,60,000**
	Ceiling as per the Act			

B. Remuneration to other directors:
The Directors have waived the Sitting Fees for the year 2017-18

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
	1. Independent Directors	**Ms.A.Y. Parekh**	**Mr.Gaurav Davda**	**Mr.K.Gopi Nair**	
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	
	• Others, please specify	-	-	-	
	Total (1)	**-**	**-**	**-**	**-**
	2. Other Non-Executive Directors	**Mrs.V. B. Khakhar**			
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)				-
	Total Managerial Remuneration Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.Manoj Dewani (CFO)	Mr.Hardik Valia (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1768200	198000	1966200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	34200	-	-
	Total	**1768200**	**198000**	**1966200**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority[RD / NCLT/ COURT]
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
COMPANY SECRETARY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE C to Directors' Report :

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2017-18

Industry Structure and development:

The Global and Domestic Economy have been witnessing sectoral turnaround during the year, yet economic challenges prevail, which have impact on construction and building materials industries.

Opportunities and threats

Your company deals in very special types of Granite/Marble having unique colors for which the overseas and domestic market, both are very eager. Presently, it is one of the few companies which offers all natural stone products under one roof to the buyers. The demand for top quality natural stone products is also growing in the domestic market and the company has setup Retail outlets within the country so as to cater to the local demand for quality products.

Your Company is also engaged in business of Semi Precious stones which has good potential in global and domestic markets.

However, the number of dealers dealing in imported and other natural stones catering to domestic market are increasing, thus reducing the margins and making the business competitive. The availability of manufactured stone products as an alternative to natural stones is also likely to affect the performance of the company.

Further Outlook

National initiatives such as 'Make in India', 'Skill India', 'Startup India', 'Smart Cities', 'Housing for All', 'Affordable Low Cost Housing'; broadening financial inclusion, streamlining of taxation structure with the passage of the GST, strengthening of infrastructure, etc. would lead to improvement in the economic growth of the country in the coming future.

The company foresees reasonable growth of its product line and varieties of Natural stones, designer mosaics as well as semi precious stone products and concepts. The economic outlook for the year is still uncertain but viewed with cautious optimism. Our plans for the growth of the business and profitability are based on an average economic outlook, in the present business scenario.

Performance for 2017-2018

During the financial year 2017-2018, the company achieved a sales turnover of Rs.6137.33 lakhs as against a Sales Turnover of Rs.6609.58 lakhs in the previous year. Total Comprehensive Income after tax stood at Rs.58.87 lakhs as compared to Rs.72.28 lakhs in the previous year. The Company posted slightly lower gross income and net profits for the financial year ended 31st March 2018.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2018, comprises of 53,80,000 equity shares of Rs.10 each.

Internal Control Systems

The internal controls system for safeguarding and protecting assets against loss from unauthorised use or disposition are in place.

Regular internal audits, review by management and documented policies, guidelines and procedures supplements the internal controls which are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectation may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Several factors make a significant difference to the company's operations, including climatic conditions, economic scenario affecting demand and supply, Govt. regulations, taxation, natural calamity and other such factors which the company does not have any direct control.

ANNEXURE D to the Directors' Report :

REPORT ON CORPORATE GOVERNANCE

A. Philosophy:

The Company subscribes fully to the principle and spirit of sound corporate governance practices in all its activities to ensure the ultimate goal of making the company a value driven organization. The Company has taken a series of steps to implement all the measures of good corporate governance practice, laying emphasis on transparency, integrity, accountability and value creation in conducting its Corporate Affairs and enhance value for all its stakeholders.

B. Board of Directors:

Composition, Meetings and Attendance:

The Board of Directors comprises of six Directors, four of them being Non Executive Directors. Fifty percent of the total strength of the Board comprises of Independent Directors.

During the financial year ended 31st March 2018, the Board met ten times on 29th May, 2017, 13th September, 2017, 23rd November, 2017, 7th December, 2017, 18th December, 2017, 21st December, 2017, 2nd January, 2018, 22nd January, 2018, 12th Februray,2018 and 27th February, 2018.

The notice for the Board Meeting and the detailed agenda papers are circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings. The Directors of the company make necessary disclosures regarding the Committee positions held by them in all the Companies in which they are Directors.

The composition of the Board of Directors as on March 31, 2018 and other details are as under:

Name of Director	Category	No of Shares held	No of Board Meetings attended during 2017-18	Whether attended last AGM	No.of Directorships in other Public Limited Companies	No.of Committee positions held in other Companies
Mr.Milan B. Khakhar	Executive Promoter	808415	10	Yes	3	-
Mr.Prakash B. Khakhar	Executive Promoter	1378895	9	Yes	2	-
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	682190	7	No	1	-
Ms.Ashni Y. Parekh	Non-Executive Independent	45951	10	Yes	-	-
Mr. K.Gopi Nair	Non-Executive Independent	840	8	Yes	-	-
Mr.Gaurav Davda	Non-Executive Independent	49006	9	Yes	-	-

1. Mrs.V.B.Khakhar and Mr.M.B.Khakhar, Mr.P.B.Khakhar are related as Mother and Sons and Mr.M.B. Khakhar and Mr.P.B.Khakhar are related as brothers.
2. The Company, through periodical presentation to Board of Directors and various committee of Directors, provides an opportunity to independent directors to facilitate their active participation and familiarise the company's business.
3. The Company have informal plan for orderly succession for appointment to the Board of Directors and Senior Management.
4. Memberships of the Directors in various committees were within the permissible limits of Listing Regulations.

C. Audit Committee:

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Audit Committee comprises Ms.A.Y.Parekh , Mr.K.Gopi Nair and Mr.Gaurav Davda. All the members of this Committee are independent Directors and Ms. A. Y. Parekh is the Chairperson of the Audit Committee. The Chief Financial Officer, Statutory and Internal Auditors are Invitees to the Committee. The Company Secretary of the company acts as the Secretary to the Committee.

The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

The Audit Committee also reviews reports and presentations and the responses thereto by the management. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee.

The composition of the Audit Committee and the details of Meetings attended by the Directors are given below:

Name of Members	Category	No.of Committee Meetings attended during 2017-2018
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	4
Mr.K.Gopi Nair, Member	Independent Non-Executive	3
Mr.Gaurav Davda, Member	Independent Non-Executive	4

During the year 2017-18, Four Audit Committee Meetings were held on 29th May, 2017, 13th September, 2017, 7th December, 2017 and 12th February, 2018.

Meeting of Independent Directors and Attendance Record

Independent Directors to meet at least once in a year to deal with matters listed out in Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review the performance of non-independent directors, chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

Attendance Record of Meetings of Independent Directors

Name of the Director	Number of Meeting held	Number of Meeting attended
Ms.A.Y.Parekh, Chairperson	1	1
Mr.K.Gopi Nair, Member	1	1
Mr.Gaurav Davda, Member	1	1

The meeting of the Independent Directors was held on 29th May, 2017.

Performance Evaluation Criteria for Independent Directors:

The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them.

Whistle Blower Policy:

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Chairperson of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

D. Nomination & Remuneration Committee

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors. The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors, the remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

Role of Nomination and Remuneration Committee inter-alia includes:

The brief description of Terms of Reference of Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, identifying persons and to recommend/review remuneration of the directors including Whole-time/ Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

The Nomination and Remuneration Committee consists of the following Non-Executive Directors:

Ms.A.Y. Parekh (Chairperson)

Mr. K. Gopi Nair

Mr. Gaurav Davda

Meetings of this Committee are held only when required.

No Meeting of this Committee was held during the year 2017-18.

Remuneration Policy

The elements of the remuneration package of Non-Executive Directors consists only of Sitting Fees for attending Board & Committee meetings of the Company. All the Executive Directors of the company have been appointed on a contractual basis, based on the approval of the Shareholders. The elements of the remuneration package of Executive Directors comprises of Salary, Perquisites and Allowances as approved by the Shareholders at the Annual General Meeting.

Details of Remuneration paid to the Directors during the year ended 31st March 2018 are as follows :

Name	Salary	Allowances	Perquisites	Sitting Fees*	Total
Mr.M.B.Khakhar	36,00,000	30,000	—	—	36,30,000
Mr.P.B.Khakhar	36,00,000	30,000	—	—	36,30,000
Mrs.V.B.Khakhar	—	—	—	—	—
Ms.A.Y.Parekh	—	—	—	—	—
Mr.K.Gopi Nair	—	—	—	—	—
Mr.Gaurav Davda	—	—	—	—	—

* The Directors have waived Sitting Fees for the year 2017-18

E. Stakeholders' Relationship/Grievance Committee of Directors :

The Board of Directors has constituted a Stakeholders' Relationship/Grievance Committee of Directors. The role of the committee is to consider and resolve the grievances of security holders and perform such roles as may require under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship/Grievance Committee of Directors.

Mr.Hardik Valia, Company Secretary is the Compliance Officer.

The shareholders/investors can send shares related complaints, if any, through e-mail Id:- sglinvserv@gmail.com designated exclusively for this purpose.

The Stakeholders Relationship Committee met two times during the year on **13th September, 2017, and 12th February, 2018.**

The Attendance and Composition of the Directors of the Committee is as follows :

Name of Members	Category	Meetings Attended During the year 2017-2018
Ms.A.Y.Parekh (Chair Person)	Independent Non-Executive	2
Mr.Milan B.Khakhar	Promoter Executive	2
Mrs.Vasumati B.Khakhar	Promoter Non-Executive	1

All the valid Share Transfer requests received during the year were duly attended to and there were no valid request pending for Share Transfer as on 31st March, 2018.

No.of Investors' complaints received during financial year 2017-18 : Nil

No. of Complaints pending unresolved as on 31st March, 2018 : Nil

F. **Name and Designation of Compliance officer**:
Mr.Hardik Valia – Company Secretary
Solid Stone Company Limited, Maker Chambers V, Nariman Point,
Mumbai - 400021.
Tel: 66115800 Fax: 22826439 Email : sglinvserv@gmail.com

G. **Annual General Meetings**:

a) The details of the location and time for last three Annual General Meetings are given below:

AGM No	Accounting Year	Date & Time	Location	Special Resolutions passed
27th	2016-17	Sep 22 2017 at 9:15 am	Half Centrum, Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai-40005	_
26th	2015-2016	Sep 14 2016 at 9:15 am	Kilachand Conference Hall, Indian Merchant Chambers, 2nd Floor, IMC Marg, Churchgate, Mumbai-400020.	_
25th	2014-2015	Sep 24 2015 at 9:15 am	Orchid & Tulip, Centre-1, 1st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005.	_

(b) Whether any Special Resolutions were passed last year through postal ballot: During the year under review no Special Resolution was passed through postal ballot.

(c) Person who conducted postal ballot exercise: Not Applicable

(d) Whether any special resolution is proposed to be passed through postal ballot this year: NO

Other disclosures:

(a) Related Party Transactions:

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Company has formulated a policy on Related Party Transactions.

(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

(c) Risk Management:

The Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimisation procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

(d) Code of Conduct:

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management of the Company.

Declaration by the Managing Director:

During the year under review i.e. April 01, 2017 to March 31, 2018 all Directors and Senior Management personnel have affirmed adherence to the provisions of the code of conduct for Board Members and Senior Management.

Milan Khakhar
Chairman & Managing Director

(e) **COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER**

A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

MILAN KHAKHAR — Managing Director
MANOJ DEWANI — Chief Financial Officer

The above certificate was placed before the Board at its meeting held on May 16, 2018.

(f) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2017-18.

I. Means of Communication:

The means of communication between the Company and the shareholders are transparent and investor friendly. The Company's quarterly unaudited results are published in leading newspapers in English and Marathi. As such the Company does not send unaudited results to shareholders individually. The company has not made any presentation to any Institutional Investors/ Analysts during the year.

Management Discussion and Analysis Report forms part of this Annual Report:

J. General Shareholder Information:

a) Annual General Meeting

The 28th AGM of the members of the company is scheduled to be held on on Friday, 21st September, 2018 at 9.15 am at Half South Lounge, Ground Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai – 400005.

b) Financial Calendar for the year 2018-2019 (Provisional)

A	Unaudited Results for the first quarter ending on June 30, 2018	By 13th of August, 2018
B	Unaudited Results for the second quarter ending on September 30, 2018	By 14th of November, 2018
C	Unaudited Results for the third quarter ending on December 31, 2018	By 14th of February, 2019
D	Results (Audited) for the financial Year ending March 31, 2019	By 30th of May, 2019
E	Annual General Meeting for the year ending March 31, 2019	By end of September, 2019

c) **Details of book closures**:

From 18th September, 2018 to 21st September, 2018 (both days inclusive)

d) **Dividend Payment**

The Directors have not proposed any Dividend for the financial year ended 31st March, 2018

e) **Stock Exchange Listing**:

The Company's shares are listed on Bombay Stock Exchange (BSE), Mumbai. The Company has paid Annual Listing fees upto financial year 2018-2019 to the Bombay Stock Exchange (BSE)

Scrip code on the Bombay Stock Exchange (BSE) : 513699

ISIN : INE584G01012

f) **Market Price Data**:

The details of monthly highest and lowest closing quotations of the equity shares of the Company at the Bombay Stock Exchange, during financial year 2017-2018 are as under :-

Month	**Quotation at Bombay Stock Exchange High**	**Low**
April, 2017	93.50	69.50
May, 2017	95.15	70.00
June, 2017	123.00	85.00
July, 2017	107.70	97.55
August, 2017	99.50	89.35
September, 2017	105.00	89.10
October, 2017	99.00	88.00
November, 2017	103.00	84.10
December, 2017	92.25	71.00
January, 2018	81.20	66.85
February, 2018	75.90	67.45
March, 2018	75.90	58.90

(Source : www.bseindia.com)

g) **Registrars and Transfer Agents**:

The Company has appointed M/s.Sharex (India) Pvt.Ltd. at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, as Registrars and Share transfer Agents. Email: investor@sharexindia.com

Tel.No. : 022-28515606 / 28515644

h) **Share Transfer System**

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Executives of the Company have been authorized to approve transfers.

Statistics of Shareholders as on 31st March, 2018

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1-500	800	83.68	91,099	1.70
501 – 1000	46	4.81	38,694	0.72
1001 – 2000	31	3.24	44,051	0.82
2001 – 3000	19	1.99	49,092	0.91
3001 – 4000	6	0.63	22,800	0.42
4001 – 5000	9	0.94	42,694	0.79
5001 – 10000	6	0.63	50,540	0.94
10001 and above	39	4.08	50,41,030	93.70
Total	**956**	**100.00**	**53,80,000**	**100.00**

j) Shareholding Pattern as on March 31, 2018:

Categories	No of Shares	% of shareholding
Promoters	37,54,331	69.782
Indian Public	9,07,450	16.868
Private Corporate Bodies	5,49,812	10.220
NRI / OCBs	233	0.004
Clearing Members	1,38,174	2.568
FPI	30,000	0.558
Total	**53,80,000**	**100.000**

k) Dematerialization of Shares:

The company has appointed M/s.Sharex (India) Pvt.Ltd., Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072 as Share Transfer Agents of the Company for transfer of Shares in physical and demat form.

97.17 % of the Company's Share Capital is dematerialized as on 31st March, 2018.

l) The Company has not issued any GDRs/ADRs. No Bonds were outstanding as on 31st March, 2018.

m) Address for correspondence:

1501, Maker Chambers V, Nariman Point, Mumbai-400021.
Ph. 91 22 66115800

n) ROC - Company Identity Number (CIN):

L26960MH1990PLC056449

BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED/RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING

Name	Mrs.Vasumati B.Khakhar
Age	81 Years
Nature of expertise	Business Management
Name of the companies in which also holds directorship	1. Global Instile Solid Industries Limited
Name of the companies in the committees of which also holds membership/chairmanship	-
Other activities	-
No. of shares held in the Company	6,82,190

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai
Date : 16th May, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of
Solid Stone Company Limited

We have examined the compliance of the conditions of Corporate Governance by Solid Stone Company Limited ('the Company') for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015 for the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jinang Shah and Associates
Company Secretaries

Jinang Shah
Proprietor
Membership No.: A38194
C.P.No.14215

Place : Ahmedabad
Date : 16th May, 2018

ANNEXURE "E" to Directors' Report:

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant To Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] for the year ended 31st March, 2018

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2017-18 (Rs.in Lacs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director/to median remuneration of employees during F.Y.2017-18	Remuneration of Director/ KMP for Financial Year 2016-17 (Rs.in Lacs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remu-neration of each Director/ to median remu-neration of employ-ees during F.Y.2016-17
1	Mr.Milan Khakhar, Chairman & Managing Director	**36.30**	**NIL**	**13.75**	36.30	NIL	17.29
2	Mr.Prakash Khakhar, Joint Managing Director	**36.30**	**NIL**	**13.75**	36.30	NIL	17.29
3	Mrs.Vasumati Khakhar, Promoter & Non- Executive	**xxx**	**xxx**	**0**	xxx	xxx	0
4	Ms.Ashni Parekh, Non-Executive & Independent	**xxx**	**xxx**	**0**	xxx	xxx	0
5	Mr.K.Gopi Nair, Non-Executive & Independent	**xxx**	**xxx**	**0**	xxx	xxx	0
6	Mr.Gaurav Davda, Non-Executive & Independent	**xxx**	**xxx**	**0**	xxx	xxx	0
7	Mr.Manoj Dewani, Chief Financial Officer	**18.02**	**7.26%**	**xxx**	16.80	(-) 9.68%	xxx
8	Mr.Hardik Valia, Company Secretary	**1.98**	**NIL**	**xxx**	1.98	NIL	xxx

ii. The median remuneration of employees of the Company during the financial year was Rs.2.64 Lakhs per annum (Previous year Rs.2.10 Lakhs). In the financial year 2017-18, there was a increase of 25.71 % in the median remuneration of employees (Previous year : decrease of 12.5%);

iii. There were 42 number of permanent employees on the rolls of Company as on March 31, 2018 (Previous year: 40);

iv. The *explanation on the relationship between average increase in remuneration and company performance*: The increase in remuneration is linked to the performance of the Company as a whole, the performance of the concerned Division, the performance of the employees and other factors like industry trends and economic environment.

v. a) *Variations in the market capitalisation of the Company :* Our market capitalization decreased by 23.47 % to Rs.3604.60 Lakhs as on March 31, 2018 from Rs.4710.19 Lakhs as on March 31, 2017. (In the previous financial year, market capitalization increased by 147.32% to Rs.4710.19 Lakhs as on March 31, 2017 from Rs.1904.52 Lakhs as on March 31, 2016.)

b) *Price Earnings ratio* of the Company was Rs.61.47 as at March 31, 2018 and was Rs.64.85 as at March 31, 2017.

c) *Percentage increase over / decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer* – The closing price of the Equity Shares as on March 31, 2018 was Rs.67.00 representing 670.00% increase over the IPO price of Rs.10/-. (closing price of the Equity Shares as on March 31, 2017 was Rs.87.55 representing 875.50% increase)

vi. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year. 2017-18 and 2016-17 was 14.73% and (-) 9.34% respectively and the increase/decrease in the managerial remuneration for the same financial year 2017-18 and 2016-17 was 2.01% and Nil respectively.

vii. *Comparison of Remuneration of each Key Managerial Personnel(s) and All Key Managerial Personnel(s) together against the performance of the Company:*

	Mr.Milan B.Khakhar	Mr.Prakash B.Khakhar	Mr.Hardik Valia	Mr.Manoj Dewani	Total
Aggregate remuneration of Key managerial personnel (KMP)in financial year 2017-18 (Rs. in Lakhs)	36.30 (36.30)	36.30 (36.30)	1.98 (1.98)	18.02 (16.80)	92.60 (91.38)
Revenue (Rs. in Lakhs)	6137.33 (6609.58)				
Remuneration of KMPs (as % of revenue)	0.59% (0.55%)	0.59% (0.55%)	0.03% (0.03%)	0.29% (0.25%)	1.50% (1.38%)
Profit before Tax (PBT) (Rs. in Lakhs)	101.42 (109.47)				
Remuneration of KMPs (as % of PBT)	35.79% (33.16%)	35.79% (33.16%)	1.95% (1.81%)	17.77% (15.35%)	91.30% (83.48%)

(Figures in bracket relate to data of previous financial year)

viii. *The key parameters for any variable component of remuneration availed by the directors:* There are no variable components of remuneration to the directors during the financial year 2017-18 and 2016-17.

ix. *The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:* There are no such cases wherein any employee received remuneration in excess of the highest paid Director.

x. *Affirmation that the remuneration is as per the remuneration policy of the company*: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE "F" to Directors' Report:

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Solid Stone Company Limited
CIN No.: L26960MH1990PLC056449
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Solid Stone Company Limited(hereinafter called the ''Company''). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable during the financial year 2017-18;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')as applicable during the financial year 2017-18):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective May 15, 2015);

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective July 1, 2015;

ii. The Listing Agreements entered into by the Company with BSE Limited pursuant toSEBI (Listing Obligations and Disclosure Requirements), 2015 made effective 1st December 2015;

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, Standards as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **JINANG SHAH & ASSOCIATES**

(JINANG SHAH)
Practising Company Secretary
Proprietor
Membership No. A38194 /CP No. 14215

Date : 16th May, 2018
Place : Ahmedabad

Annexure I to Secretarial Audit Report

To,
The Members,
Solid Stone Company Limited
CIN No.: L26960MH1990PLC056449
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.

4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JINANG SHAH & ASSOCIATES**

(JINANG SHAH)
Practising Company Secretary
Proprietor
Membership No. A38194 /CP No. 14215

Date : 16th May, 2018
Place : Ahmedabad

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID STONE COMPANY LIMITED

1. **Report on the STANDALONE FINANCIAL Statements**

1.1 We have audited the accompanying standalone financial statements of SOLID STONE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Standalone Financial Statements.**

2.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2.2 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**

3.1 Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143 (11) of the Act.

3.2 We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

3.3 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

3.4 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. **Opinion**

4.1 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

5. **OTHER MATTERS**

5.1 The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us.

Our opinion is not modified in respect of these matters.

6. **Report on Other Legal and Regulatory Requirements**

6.1 As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

6.2 As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 27 (A) to the Standalone financial statements;

ii. The Company has no long-term contracts including derivative contracts for which there were no material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company during the year ended 31st March, 2018.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259

Place : Mumbai
Date : 16th May, 2018.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED

i) In respect of its Fixed Assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;

b) As explained to us, the Assets have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii) The company has not granted any loans, secured or unsecured during the year to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made during the year.

v) The Company has not accepted any deposits within the meaning of Provisions of Section 73 to 76 of the Act, and the rules framed thereunder from the public.

vi) According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act.

vii) a) The company is regular in depositing undisputed statutory dues, including Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities where applicable except there has been some delay in deposits of Provident Fund dues. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable. However dues of Employee State Insurance has been delayed and the extent of the arrears of outstanding dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable are as follows:

Nature of Liability	Month	Due Date	Amount
Employee State Insurance	April	15/05/2017	16,407
	May	15/06/2017	14,965
	June	15/07/2017	16,153
	July	15/08/2017	17,260
	August	15/09/2017	15,071
	September	15/10/2017	15,227

However the arrears have been paid prior to the adoption of Accounts.

b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Financial Year	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax	IT Matter Under Dispute	2010-11 (A.Y. 2011-12)	8.25 Lakhs	Income Tax Commissioner (Appeals)
Income Tax	IT Matter Under Dispute	2013-14 (A.Y. 2014-15)	1.28 Lakhs	Income Tax Commissioner (Appeals)

viii) The company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.

ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments). Moneys raised by way of Term / Hire Purchase Loan were applied for the purpose for which those are raised.

x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.

xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.

xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 27E as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place : Mumbai
Date : 16th May, 2018

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED.

1. **Report on the Internal Financial Controls OVER FINANCIAL REPORTING under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

   We have audited the internal financial controls over financial reporting of SOLID STONE COMPANY LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

   The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. **Meaning of Internal Financial Controls Over Financial Reporting**

   A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

   Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259

Place : Mumbai
Date : 16th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs.in '000s)

Particulars	Note	As At 31 March 2018	As At 31 March 2017	As At 01 April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2 (a)	**17754.96**	19169.08	26174.28
Other Intangible Assets	2 (b)	**0.00**	0.00	0.00
Financial Assets;				
- Investments	3	**9463.00**	11072.51	11072.51
- Loans		**0.00**	0.00	0.00
- Others financial assets	4	**0.00**	0.00	0.00
Deferred Tax Assets (Net)		**2960.51**	2104.59	708.54
Other non-current assets	5	**2652.91**	2787.87	4076.34
Current Assets				
Inventories	6	**192957.11**	227201.27	248792.72
Financial Assets;				
- Investments		**0.00**	0.00	0.00
- Trade Receivables	7	**177301.09**	120626.29	109111.93
- Cash and cash Equivalents	8	**1233.03**	910.11	1099.38
- Bank balances other than cash and cash equivalents	9	**3405.20**	3456.64	598.87
- Loans	10	**28827.06**	19820.12	39042.58
- Others financial assets	4	**257.57**	75.48	2.41
Other current assets	5	**40388.93**	86843.85	56632.15
TOTAL ASSETS		**477201.38**	494067.80	497311.71
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	SOCE	**53800.00**	53800.00	53800.00
Other Equity	SOCE	**149312.78**	143426.14	136197.74
Total Equity		**203112.78**	197226.14	189997.74
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	11	**13452.94**	9386.93	9158.58
- Trade Payables		**0.00**	0.00	0.00
- Other Financial Liabilities		**0.00**	0.00	0.00
Provisions	12	**3897.19**	3124.38	2847.45
Deferred Tax Liabilities (Net)		**0.00**	0.00	0.00
Other non-current liabilities		**0.00**	0.00	0.00
Current Liabilities				
Financial Liabilities				
- Borrowings	11	**142896.70**	143899.64	117267.34
- Trade Payables	13	**59796.18**	19559.14	41442.29
- Other Financial Liabilities	14	**9791.70**	9433.80	11387.44
Other Current Liabilities	15	**43405.99**	109011.43	123189.10
Provisions	12	**847.90**	2426.33	2021.78
Current Tax Liabilities (Net)		**0.00**	0.00	0.00
Total Liabilities		**274088.60**	296841.66	307313.97
TOTAL EQUITY AND LIABILITIES		**477201.38**	494067.80	497311.71
Significant Accounting Policies	1			

The Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs.in '000s

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			
Revenue from Operations	16	**613733.22**	660958.37
Other Income	17	**727.60**	696.05
TOTAL INCOME		**614460.82**	661654.42
EXPENSES			
Cost of materials consumed	18	**3149.76**	2248.87
Purchases of Stock-in-Trade	19	**488338.10**	547457.48
Changes in inventories of Finished Goods	20	**35206.44**	21089.69
Employee Benefits expense	21	**23031.29**	20766.81
Finance Costs	22	**21134.83**	21383.01
Depreciation and Amortisation expense	2 (a) & (c)	**4899.28**	6614.10
Other Expenses	23	**28560.60**	31147.91
TOTAL EXPENSES		**604320.30**	650707.86
PROFIT BEFORE TAX		**10140.52**	10946.56
TAX EXPENSE			
Current Tax		**4250.00**	5300.00
MAT Credit Entitlement		**0.00**	0.00
Deferred Tax		**-853.63**	1471.93
Earlier year Adjustments		**852.88**	43.71
TOTAL TAX EXPENSE		**4249.24**	3871.79
PROFIT FOR THE YEAR		**5891.28**	7074.78
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		**-6.93**	229.50
Income Tax relating to items that will not be reclassified to Profit or Loss		**2.29**	-75.88
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges		**0.00**	0.00
Income tax relating to items that may be reclassified to Profit or Loss		**0.00**	0.00
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**-4.64**	**153.62**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5886.64**	**7228.40**
EARNINGS PER EQUITY SHARE	28 (b)		
Basic		**1.10**	1.32
Diluted		**1.10**	1.32
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs.in '000s)

Particulars	Note	As At March 31, 2018		As At March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES :					
NET PROFIT BEFORE TAX			**10140.52**		10946.56
Adjustment for :					
Depreciation		**4899.28**		6614.10	
Provision for Doubtful debts		**0.00**		0.00	
Finance Cost (including fair value change in financial instruments)		**21134.83**		21383.01	
Interest Income		**-208.13**		-80.44	
Dividend Income		**0.00**		-1.52	
Remeasurements of Defined benefit plans		**-6.93**		229.50	
Loss / (Gain) on Sale / Disposal of Fixed Assets		**0.00**		434.97	
Fair Value changes in Investments		**0.00**		0.00	
Loss / (Gain) on Sale of Investments		**1609.51**	**27428.56**	0.00	28579.63
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES			**37569.08**		39526.19
Trade receivables		**-56674.80**		-11514.36	
Loans (Financial assets)		**-9006.94**		19222.46	
Other Financial assets		**-182.10**		-73.07	
Other Non Current Assets		**134.95**		1288.47	
Other Current Assets		**46454.91**		-30211.69	
Inventories		**34244.16**		21591.45	
Trade Payable		**40237.04**		-21883.15	
Provisions		**806.85**		292.33	
Other Non Current Financial Liabilities		**0.00**		0.00	
Other non-current liabilities		**0.00**		0.00	
Other Current Financial Liabilities		**0.00**		0.00	
Other liabilities		**-65605.44**	**-9591.36**	-14177.67	-35465.22
CASH GENERATED FROM OPERATIONS			**27977.72**		4060.97
Direct Taxes paid			**-6715.35**		-4954.56
NET CASH FROM OPERATING ACTIVITIES			**21262.37**		-893.59
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets		**-3485.16**		-77.38	
Capital Work in Progress & Capital Advance		**0.00**		0.00	
Proceeds from sale of Fixed Assets		**0.00**		33.50	
Purchase of Investments		**0.00**		0.00	
Proceeds from sale of Investments		**0.00**		0.00	
Investment in Subsidiary Companies		**0.00**		0.00	
Fixed Deposits with Banks		**0.00**		0.00	
Interest Income		**0.00**		0.00	
Dividend income		**0.00**		1.52	
NET CASH USED IN INVESTING ACTIVITIES			**-3485.16**		-42.37
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayments) / Proceeds from Working Capital Facilities (Net)		**-1002.94**		26632.31	
Proceeds from Borrowings		**4423.90**		-1725.28	
Repayments of Borrowings		**0.00**		0.00	
Interest Income		**208.13**		80.44	
Finance Costs		**-21134.83**		-21383.01	
Dividend and Corporate Dividend Tax		**0.00**		0.00	
NET CASH FROM FINANCING ACTIVITIES			**-17505.74**		3604.46
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			**271.47**		2668.50
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2017			**4366.75**		1698.25
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2018			**4638.22**		4366.75

Note: The above Cash Flow Statement has been prepared under the Indirect Method.

This is the Cash Flow statement referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note No 1.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March 2018

A **General Information**

Solid Stone Company Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at 1501, Maker Chambers V, Nariman Point, Mumbai - 400 021. Its Shares are listed on Bombay Stock Exchange (BSE).

The Company is primarily engaged in the business of natural stones, building materials and allied building business activities.

The standalone financial statements are approved and adopted by the board of directors of the Company in their meeting dated May 16, 2018

B **Basis of preparation of Financial Statements**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

These standalone financial statements for the year ended March 31, 2018 are the first the company has prepared in accordance with Ind AS. (Refer Note:- D for the details of first-time adoption exemptions availed by the Company).

The Company has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as per Previous GAAP and Total Comprehensive Income under Ind AS.

i **Statement of Compliance**

The financial statements for the period up to 31-03-2017 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with Ind AS requirements. While preparing these financials statements, the Company has first prepared its opening Balance sheet as at 01-04-2016, the date of transition to Ind AS.

ii **Basis of preparation and presentation**

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 except the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

b) Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee ('INR')

The details of Investments by the Company in Subsidiaries and associates are as follows:-

Name of Company	Principal place of Business	% of ownership/ voting rights			Method of Accounting for Investments
		31st March 2018	31st March 2017	31st March 2016	
Global Instile Industries Limited	India	29.88%	29.88%	29.88%	At Cost
Granitex UK Limited	United Kingdom	N.A.	100%	100%	At Cost
Stone Source GB Limited**	United Kingdom	N.A.	51%**	51%**	At Cost

**** Shareholding held by Granitexx UK Limited,wholly owned subsidiary**

(iii) **Use of Estimate and judgment**

In the application of significant accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses and contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are useful life of Property Plant and Equipment and Intangible Assets; fair valuation of financial assets or liabilities and provision for employee benefits. Similarly, the management provides for inventory obsolescence, surplus inventory and inventory with carrying values in excess of net realizable value based on assessment of the future uses.

The income or expenditure relating to previous period prior to current financial year of immaterial value is recognised in current financial statements.

C **Summary of Significant Accounting Policies**

Property, Plant & Equipment

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016. Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure ncluding borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Research and Development Assets

Expenditure on acquisition of PPE for Research and Development (‘R&D’) is included in PPE and depreciation thereon is provided as applicable. Revenue expenditure on R&D is recognized as an expense in the period in which it is incurred.

Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

Foreign Currency Transactions

The Financial Statements of Company are presented in INR, which is also its functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit & Loss in the period in which they arise.

Inventories

Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit & Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries & joint ventures, investment other than equity shares, loans to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit & Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit & Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognized in the Statement of Profit & Loss.

Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit & Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclas sified to the Statement of Profit & Loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit & Loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit & Loss.

b) Financial Liabilities

The Company's financial liabilities include loans & borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit & Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit & Loss.

Financial Liabilities classified as Fair value through profit &loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognized in the Statement of Profit & Loss immediately unless the derivative is designated and effective as a hedging instrument.

Embedded Derivatives

Derivative embedded in host contract are separated only if the economic characteristics and risk of the embedded derivatives are not closely related to economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants in the form of non-monetary assets are recognised at fair value and presented as deferred income which is recognized in the Statement of Profit & Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit & Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit & Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The grant set up as deferred income is recognised in the Statement of Profit & Loss on a systematic basis.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item (i.e. PPE), are generally capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit & Loss.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit & Loss over the period of lease on straight line basis other than those cases where the escalations are linked to expected general inflation in which case they are charged on contractual terms.

Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Revenue Recognition and Other Income

All the revenues are accounted on accrual basis except dividend income which is recognised when the shareholders' or unitholders' right to receive payment is established

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the EIR method. Interest income on impaired loans is recognised using the original effective interest rate.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Segment Reporting

The Company's operation is considered under one segment "Natural stones, building materials and allied building business activities." for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

Depreciation and Amortization

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is depreciated separately if it's useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets as specified in the Schedule II of the Companies Act 2013 to the extent of 100 percent except the following:-

Individual Asset costing up to Rs. 5000/- is fully depreciated (100 %) in the year of acquisition by retaining Rs. 1/- as balance value as the same does not have any material effect on financial reporting.

Assets acquired on lease arrangement are depreciated over the respective useful life applicable to asset or written off over lease period, whichever is lower. Leasehold land is amortised over the period of lease.

Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of 3 years or its license period, whichever is earlier. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Employee Benefits

Short-term Employees Benefits

All short term employees benefits such as salaries, wages, allowances, performance incentive, employee welfare costs, exgratia are recognised during the period in which the employee render services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Long-term employees benefits

The cost of providing long term employees benefits such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected costs of these benefits are accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit & Loss in which they arise except those included in cost of assets as permitted. These benefits are valued annually by independent actuaries.

Post-employment benefits

The Company provides the following post-employment benefits:

Contributions to the Provident Fund are made at a pre-determined rate and charged to the statement of Profit and Loss.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Defined benefits plans

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit & Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit & Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit & Loss except those included in cost of assets as permitted in the period in which they occur.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit & Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

Current versus non-current classification

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

D **First time adoption of Ind AS – mandatory exceptions / optional exemptions**

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for PPE, CWIP and Intangible assets

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2016 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investment in Subsidiary and Associates

Ind AS 27 requires investments in subsidiaries to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. However Ind AS 101 provides an option in case the Company decides to measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) at that date. The Company can avail the above exemption and recognize the investment in subsidiaries at the previous GAAP carrying amount at the date of transition to Ind AS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

Note 2 (a). Property, Plant and Equipment

Particulars	Furniture and fixtures	Office equipment	Plant & Machinery	Vehicles	Speed Boat	Computers	Land	Buildings	Total
Gross Block									
At Deemed cost as at									
01 April 2016	26860.78	5726.64	7744.43	18148.25	1919.92	2532.80	141.04	4515.38	67589.25
Additions	0.00	77.38		0.00		0.00	0.00	0.00	77.38
Disposals		-876.27							-876.27
At cost as at 31 March 2017	26860.78	4927.76	7744.43	18148.25	1919.92	2532.80	141.04	4515.38	66790.36
Additions	0.00	0.00	476.05	2971.86		37.25	0.00	0.00	3485.16
Disposals									0.00
At cost as at 31 March 2018	26860.78	4927.76	8220.48	21120.11	1919.92	2570.05	141.04	4515.38	70275.52
Depreciation Block									
As at 01 April 2016	17243.49	2752.72	5222.42	11367.26	407.08	2263.86	0.00	2158.14	41414.97
Depreciation / Amortisation for the period	3613.95	422.91	391.42	1685.41	137.53	218.42	0.00	144.45	6614.10
Disposals		-407.79							-407.79
Impairment									0.00
Accumulated depreciation / amortisation as at 31 March 2017	20857.44	2767.83	5613.84	13052.67	544.61	2482.29	0.00	2302.60	47621.28
Depreciation/Amortisation for the year	2545.91	370.63	391.42	1270.10	137.53	39.24	0.00	144.45	4899.28
Disposals									0.00
(Reversal of Impairment)									0.00
Accumulated depreciation / Amortisation as at the 31 March 2018	23403.35	3138.46	6005.26	14322.77	682.14	2521.53	0.00	2447.05	52520.56
Net Block									
As at 01 April 2016	9617.30	2973.92	2522.01	6780.99	1512.84	268.94	141.04	2357.24	26174.28
As at 31 March 2017	6003.34	2159.92	2130.59	5095.58	1375.31	50.52	141.04	2212.78	19169.08
As at 31 March 2018	3457.43	1789.30	2215.22	6797.34	1237.78	48.52	141.04	2068.33	17754.96

Note 2 (b) : Intangibles

Particulars	Computer Software	Total
Gross Block		
At Deemed cost as at		
01 April 2016	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
At cost as at 31 March 2017	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
At cost as at 31 March 2018	37.44	37.44
Depreciation Block		
As at 01 April 2016	37.44	37.44
Depreciation / Amortisation for the period	0.00	0.00
Disposals	0.00	0.00
Impairment	0.00	0.00
Accumulated depreciation / amortisation as at 31 March 2017	37.44	37.44
Depreciation/Amortisation for the year	0.00	0.00
Disposals	0.00	0.00
(Reversal of Impairment)	0.00	0.00
Accumulated depreciation / Amortisation as at the 31 March 2018	37.44	37.44
Net Block		
As at 01 April 2016	0.00	0.00
As at 31 March 2017	0.00	0.00
As at 31 March 2018	0.00	0.00

The Company used carrying amount of PPE as on transition date (i.e. 01.04.2016) as deemed cost for an item of Property, Plant and Equipment & Intangible Assets. The disclosure with respect to value of gross block, accumulated depreciation and net block of PPE accounted as deemed cost existing at the end of current financial year are as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Gross Block	Accumulated Depreciation	Net Block
Furniture and fixtures	26860.78	17243.49	9617.30
Office equipment	5726.64	2752.72	2973.92
Plant & Machinery	7744.43	5222.42	2522.01
Vehicles	18148.25	11367.26	6780.99
Speed Boat	1919.92	407.08	1512.84
Computers	2532.80	2263.86	268.94
Land	141.04	0.00	141.04
Buildings	4515.38	2158.14	2357.24
	67589.25	41414.97	26174.28
Software	37.44	37.44	0.00
Total	67626.69	41452.41	26174.28

Note 3
Non Current Financial Investments

Particulars	Face Value Rs.	No. of Shares / Units			Amount (Rs. in '000s)		
		As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Non Trade - Unquoted							
Subsidiary Companies: (At Cost)							
270000 Equity shares of Rs.10/- each of Global Instile Solid Industries Limited	10	**94,500**	94,500	94,500	**9450.00**	9450.00	9450.00
Trade Unquoted - In Shares: (at fair value through Profit or Loss)							
(i) Granitexx UK Limited	1	**-**	20,001	20,001	**0.00**	1609.51	1609.51
(ii) Shreeji Bhatia Co-operative Bank	25	**520**	520	520	**13.00**	13.00	13.00
Aggregate Amount of Unquoted Investments					**9463.00**	11072.51	11072.51

Note 4
Other Financial Assets

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Bank deposits with more than 12 months maturity	0.00	0.00	0.00	**0.00**	0.00	0.00
Others;						
Security Deposits	0.00	0.00	0.00	**0.00**	0.00	0.00
Interest Accrued on Loans and Deposits	0.00	0.00	0.00	**257.57**	75.48	2.41
Total	**0.00**	**0.00**	**0.00**	**257.57**	**75.48**	**2.41**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 5
Other Assets

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Advances other than capital advances;						
Security Deposits	**2652.91**	2787.87	3972.81	**0.00**	0.00	25.00
Advances to suppliers				**38540.11**	86136.60	55367.69
Sub Total	**2652.91**	2787.87	3972.81	**38540.11**	86136.60	55392.69
Others						
Balance with statutory authorities	**0.00**	0.00	0.00	**1448.61**	506.94	1073.64
Prepaid Expenses	**0.00**	0.00	103.52	**400.21**	200.31	156.38
Others - Miscelleneous Expenditure to the extent not written off or adjusted						9.44
Sub Total	**0.00**	0.00	103.52	**1848.82**	707.25	1239.46
Total	**2652.91**	2787.87	4076.34	**40388.93**	86843.85	56632.15
Includes deposit given to :						
'-Related Party(Milan Marble & Tiles)	**1000.00**	1000.00	1000.00	0.00	0.00	0.00
Includes Advance to :						
'-Related parties (Global Instile Solid Industries Ltd.)				0.00	12923.96	9301.38

Note 6
Inventories

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Raw Materials	**3536.72**	2734.50	3293.62
Finished goods	**189161.70**	224368.14	245457.83
Tools & Spares	**258.69**	98.63	41.27
Total	**192957.11**	227201.27	248792.72

Note 7
Trade Receivables

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Trade receivables						
Unsecured, considered good	0.00	0.00	0.00	**177301.09**	120626.29	109111.93
Total	**0.00**	**0.00**	**0.00**	**177301.09**	120626.29	109111.93

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 8
Cash and Cash Equivalents(as per Cash Flow Statement)

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Balances with Banks (of the nature of cash and cash equivalents)	**151.45**	192.21	561.61
Cash on hand	**1081.57**	717.90	537.76
Total	**1233.03**	910.11	1099.38

Note 9
Bank Balances other than Cash and Cash Equivalents

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Deposits with original maturity of more than 3 months	**3018.31**	3012.52	105.14
In unclaimed Dividend account	**386.89**	444.13	493.73
Total	**3405.20**	3456.64	598.87

Short Term Deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

Note 10
Loans (Unsecured, considered good)

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Loan to Employees				**34.00**	0.00	23.00
Advances Recoverable in cash or in kind				**28793.06**	19820.12	39019.58
Total	**0.00**	**0.00**	**0.00**	**28827.06**	19820.12	39042.58

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

EQUITY SHARE CAPITAL	Number	As at 31 March 2018 Amount	As at 31 March 2017 Amount	As at 01 April 2016 Amount
Authorised Share Capital	75,00,000	75000.00	75000.00	75000.00
Issued Share Capital	53,80,000	53800.00	53800.00	53800.00
Subscribed Share Capital	53,80,000	53800.00	53800.00	53800.00
Fully Paid-up Share Capital	53,80,000	53800.00	53800.00	53800.00
Balance at the beginning of the year	53,80,000	53800.00	53800.00	53800.00
Changes in equity share capital during the year:			0.00	0.00
Share warrants exercised during the period			0.00	0.00
Balance at the end of the reporting year	**53,80,000**	**53800.00**	**53800.00**	**53800.00**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitle to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No.	%	No.	%	No.	%
Prakash Bhagwandas Khakhar	1378895	25.63%	1378895	25.63%	1378895	25.63%
Milan Bhagwandas Khakhar	808415	15.03%	808415	15.03%	808015	15.02%
Jeenoo Milan Khakhar	699300	13.00%	699300	13.00%	699300	13.00%
Vasumati Bhagwandas Khakhar	682190	12.68%	682190	12.68%	682190	12.68%

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

OTHER EQUITY (Rs. in '000s)		Reserves and Surplus				Other Comprehensive Income (OCI)	
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	TOTAL
Balance at the beginning of the comparative reporting period	954.90	52400.00	500.00	3450.00	78927.67		136232.57
Ind AS Adjustments for 01/04/2016					-34.83		-34.83
Balance at the beginning of the comparative reporting period - 1st April, 2016	954.90	52400.00	500.00	3450.00	78892.84	0.00	136197.74
Profit for the Comparative Period ending 31st March 2017					7074.78	0.00	7074.78
Other Comprehensive Income for the Comparative Period ending 31st March 2017						153.62	153.62
Total Comprehensive Income for the Comparative Period					7074.78	153.62	7228.40
Transactions with owners in their capacity as owners:							
Add: Received during the year							0.00
Dividends and Dividend Distribution Tax;							0.00
- Final Dividend (Rs.___ per share)					0.00		0.00
- Dividend Distribution Tax					0.00		0.00
Transfer to General Reserve							0.00
Balance at the end of the comparative reporting period ending 31st March 2017	954.90	52400.00	500.00	3450.00	85967.62	153.62	143426.14
Profit for the Current Reporting year ending 31st March 2018					5891.28		5891.28
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2018						-4.64	-4.64
Total Comprehensive Income for the year		0.00		0.00	5891.28	-4.64	5886.64
Note: No reclassification from OCI to Profit and Loss was required during the reporting period and hence no disclosures reconciling the reclassification adjustments have been made							
Total Comprehensive Income for the year		0.00	0.00	0.00	5891.28	-4.64	5886.64
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							0.00
- Interim Dividends (Rs.__ per share)							0.00
- Final Dividend (Rs. ___ per share)							0.00
- Dividend Distribution Tax							0.00
Transfer to General Reserve			0.00				0.00
Transfer from / (to) Debenture Redemption Reserve							0.00
Balance at the end of the reporting year ending 31st March 2018	954.90	52400.00	500.00	3450.00	91858.90	148.98	149312.78

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

Nature and Purpose of each component of equity		Nature and Purpose
Securities Premium		Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve		General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Remeasurements of Defined Benefit Plans		Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

This is the Statement of Changes in Equity referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 11
Borrowings

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
NON CURRENT			
Secured			
Term loans;			
- from Others	**0.00**	0.00	0.00
Vehicle Loan	**2129.98**	1053.16	273.21
Unsecured			
- from Bank & NBFC	**11322.96**	8333.78	8885.37
Sub - Total	**13452.94**	9386.93	9158.58
CURRENT			
Secured			
Vehicle Loan	**1262.15**	792.10	2236.44
Working Capital Facilities from Banks	**131259.20**	129111.64	97560.34
Loans repayable on demand			
- from related parties	**11637.50**	14788.00	19707.00
- from Bank & NBFC	**8529.55**	8641.70	9151.00
Sub - Total	**152688.40**	153333.45	128654.77
Amounts disclosed under the head 'Other Financial Liabilities' (Note 14)	**-9791.70**	-9433.80	-11387.44
Sub - Total	**142896.70**	143899.64	117267.34
Total	**156349.64**	153286.58	126425.92

Term Loan :
Vehicle loan is secured by a specific charge on respective vehicle purchased. Details of each loan taken are stated below :-

Name of the Bank / NBFC	No. of Instalments	Date of Maturity	Rate of Interest	Instalment Amount (Rupees)
Vehicle Loans				
Daimler Financial Services India P. Ltd	36	13-Jun-19	11.76%	66,677
Volkwagen Finance Private Limited	60	20-Jan-19	9.49%	13,541
Kotak Mahindra Prime Ltd.	60	10-Jan-23	8.25%	24,440
Kotak Mahindra Prime Ltd.	60	28-Feb-23	8.25%	24,440
Unsecured Loans				
Kotak Mahindra bank Ltd.	36	31-May-19	18.50%	273,028
Kotak Mahindra bank Ltd.	36	26-Dec-20	15.00%	157,098
Bajaj Finance Ltd.	36	31-Jul-18	19.75%	37,407
Edelweiss Retail Finance Ltd.	60	25-Feb-21	19.00%	103,763
ICICI Bank Ltd.	36	21-Feb-21	15.00%	104,596
Tata Capital Financial Services P.Ltd.	36	29-Jan-21	18.00%	180,762
Shriram City Union Finance Ltd.	36	4-May-19	19.00%	109,969

Nature of security:

Working Capital facilities from banks are secured on pari passu basis, by way of hypothecation of inventories, book debts and receivables both present and future and further secured by way of equitable mortgage of company's factory and machinery and equipments as well as equitable mortgage over factory and machinery and equipments of M/s. Global Instile Solid Industries Limited (Related party).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 12
Provisions

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Provision for employee benefits (Refer Note 27J)	**3897.19**	3124.38	2847.45	**177.87**	143.83	128.44
Provision for Income Tax (Net of Advance taxes and TDS)	**0.00**	0.00	0.00	**670.03**	2282.50	1893.34
Others;						
- Dividend	**0.00**	0.00	0.00	**0.00**	0.00	0.00
Total	**3897.19**	3124.38	2847.45	**847.90**	2426.33	2021.78

Note 13
Trade Payables

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Outstanding due of Micro and Small Enterprises	**0.00**	0.00	0.00	**0.00**	0.00	0.00
Outstanding due of Creditors other than Micro and Small Enterprises	**0.00**	0.00	0.00	**59796.18**	19559.14	41442.29
Total	**0.00**	0.00	0.00	**59796.18**	19559.14	41442.29
Includes dues payable to :						
'-Related parties (Global Instile Solid Industries Ltd.)				**8772.96**	0.00	0.00
Of the above;						
- Acceptances				**0.00**	0.00	0.00

Note 14
Other Financial Liabilities

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Current maturities of long-term debt				**9791.70**	9433.80	11387.44
Total	**0.00**	**0.00**	**0.00**	**9791.70**	9433.80	11387.44

Note 15
Other Liabilities

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Revenue received in advance	**0.00**	**0.00**	**0.00**	0.00	0.00	0.00
Security Deposit from Clients				**32440.51**	98407.88	112771.35
Statutory Dues	0.00	0.00		**0.00**	0.00	0.00
- Withholding taxes				**559.47**	543.75	284.27
- VAT/ GST/CST	0.00	0.00		**210.41**	1996.86	2345.76
Others	0.00	0.00	0.00	**0.00**		0.00
- Liability for expenses				**9808.72**	7618.82	7294.00
- Unclaimed Dividend*				**386.89**	444.13	493.73
Total	**0.00**	**0.00**	**0.00**	**43405.99**	109011.43	123189.10

*** Investor Protection and education fund shall be credited for unclaimed dividends when due.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 16
Revenue from Operations

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Sale Of Products	**581732.52**	634458.86
Sale Of Services; and	**6973.07**	2782.84
Other Operating Revenues:		
Miscellaneous	**25027.64**	23716.67
Total	**613733.22**	**660958.37**

Note 17
Other Income

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest Income	**208.13**	80.44
Dividend Income	**0.00**	1.52
Rent Equalisation (Ind As Income)	**42.80**	0.00
Interest Income - Ind As Effect	**132.79**	62.28
Net gain / loss on foreign currency translation and transaction	**211.67**	0.00
Other Non-Operating Income;		
Compensation Received for Material	**115.40**	484.81
Miscellaneous Income	**16.80**	67.00
Total	**727.60**	**696.05**

Note 18
Cost of Materials Consumed

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Cost of Materials Consumed		
Opening Stock	**2734.50**	3293.62
Add: Purchases	**3951.98**	1689.75
	6686.48	4983.37
Less: Closing Stock	**3536.72**	2734.50
	3149.76	2248.87
Details of Raw Materials consumed		
Granite	**751.36**	833.48
Slate	**1108.60**	634.49
Marble	**182.92**	72.52
Semi Precious	**1106.88**	708.38
Total	**3149.76**	2248.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 19
Purchases of Stock in Trade

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Purchases of Stock in Trade		
Granite	**650.56**	630.08
Marble	**469590.01**	546008.50
Mosaics	**13946.00**	110.17
Sealants	**40.72**	1.65
Slate	**4095.41**	707.08
Other Misc.Items	**15.40**	0.00
Total	**488338.10**	547457.48

Note 20
Changes in Inventory of Finished goods

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Closing Stock:		
Finished Goods- Manufactured	**6277.05**	4399.22
Finished Goods- Traded	**182884.65**	219968.93
	189161.70	224368.14
Less: Opening Stock:		
Finished Goods- Manufactured	**4399.22**	3820.93
Finished Goods- Traded	**219968.93**	241636.90
	224368.14	245457.83
Differential Excise Duty on Opening and Closing stock of Finished Goods	0.00	0.00
Total	**35206.44**	**21089.69**

Details of Inventory

Class of Goods	Manufactured Goods		Traded Goods	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	185.43	218.82	2035.39	1569.04
Marble	—	1299.86	213388.67	158461.26
Mosaics	145.34	371.01	652.08	652.08
Sealants	—	—	1322.89	1323.97
Semi Precious	3709.93	3635.50	1322.62	1322.62
Slate	358.52	751.87	1247.26	4426.63
TOTAL	**4399.22**	**6277.05**	**219968.93**	**167755.60**

Note 21
Employee Benefits Expense

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Salaries and Wages	**21516.76**	19974.75
Contribution to provident, gratuity and other funds (Refer Note 27J)	**1292.16**	521.83
Staff welfare expenses	**222.37**	270.23
Total	**23031.29**	20766.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 22
Finance Costs

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest on Loans and Deposits	**2866.99**	4227.72
Interest on Working Capital Facilities	**16124.04**	14691.04
Other Borrowing Costs;		
Bank Charges	**2143.80**	2464.25
Total	**21134.83**	**21383.01**

Note 23
Other Expenses

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Tools and Stores Consumed	**613.93**	448.61
Packing Materials consumed	**108.44**	23.29
Power and Fuel	**1266.79**	1643.30
Repairs and Renewals:		
Buildings / Premises	**81.32**	211.48
Plant and Machinery	**371.25**	56.64
Insurance	**365.31**	383.52
Rent	**7223.00**	7130.37
Printing and Stationery	**447.05**	334.61
Travelling & Conveyance	**6542.63**	5496.84
Postage & Courier Expenses	**56.38**	36.47
Telephone Expenses	**837.02**	1134.57
Legal & Professional Charges	**3227.03**	3740.99
As Auditors:		
Audit fees	**210.00**	241.50
Reimbursement of Expenses etc.	**0.00**	0.00
	210.00	241.50
VAT & CST Paid	**59.10**	61.74
Bad Debts	**556.11**	4932.09
Entertainment Expenses	**906.96**	513.67
Vehicle Expenses	**286.51**	335.95
Directors' Sitting Fees	**0.00**	73.00
Freight and Forwarding (Net)	**484.66**	776.24
Net Loss on Foreign Currency transactions	**0.00**	409.89
Loss on fixed assets sold / discarded (Net)	**0.00**	434.97
Loss on Investment written off	**1609.51**	0.00
Miscellaneous Expenses	**3261.68**	2687.78
Total	**28560.60**	31147.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (a) - Reconciliation of Equity as at 1st April 2016 (date of transition)

(Rs.in '000s)

Particulars	Foot Notes	Previous GAAP *	Reclassifi-caation	Ind AS	Adjust-ments	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	24 (d) (v)	26174.28	0.00	26174.28	0.00	26174.28
Other Intangible Assets		0.00	0.00	0.00	0.00	0.00
Financial Assets;						
- Investments	24 (d) (i)	11072.51	0.00	11072.51	0.00	11072.51
- Loans	24 (d) (vii)	0.00	0.00	0.00	0.00	0.00
- Others financial assets		0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets (Net)		708.54	0.00	708.54	0.00	708.54
Other non-current assets		4169.44	0.00	4169.44	-93.11	4076.34
Current assets						
Inventories	24 (d) (v)	248792.72	0.00	248792.72	0.00	248792.72
Financial Assets;						
- Investments	24 (d) (i)	0.00	0.00	0.00	0.00	0.00
- Trade Receivables		109111.93	0.00	109111.93	0.00	109111.93
- Cash and cash Equivalents		1698.25	-598.87	1099.38	0.00	1099.38
- Bank balances other than cash and cash equivalents		0.00	598.87	598.87	0.00	598.87
- Loans		95574.91	-56532.33	39042.58	0.00	39042.58
Current Tax Assets (Net)		0.00	2.41	2.41	0.00	2.41
Other current assets		11.85	56529.92	56541.77	90.38	56632.15
Total assets		**497314.44**	**0.00**	**497314.44**	**-2.72**	**497311.71**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		53800.00	0.00	53800.00	0.00	53800.00
Other equity	24 (d) (i) & (ii)	136232.57	0.00	136232.57	-34.83	136197.74
Equity attributable to owners		**190032.57**	**0.00**	**190032.57**	**-34.83**	**189997.74**
Non-controlling interest						
Total equity		**190032.57**	**0.00**	**190032.57**	**-34.83**	189997.74
LIABILITIES						
Non-current liabilities						
Financial Liabilities						
- Borrowings		9158.58	0.00	9158.58	0.00	9158.58
- Trade Payables		0.00	0.00	0.00	0.00	0.00
- Other Financial Liabilities		0.00	0.00	0.00	0.00	0.00
Provisions		2847.45	0.00	2847.45	0.00	2847.45
Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Other non-current liabilities	24 (d) (vi)	0.00	0.00	0.00	0.00	0.00
		12006.03	**0.00**	**12006.03**	**0.00**	**12006.03**
Current Liabilities						
Financial Liabilities						
- Borrowings		117267.34	0.00	117267.34	0.00	117267.34
- Trade Payables		41442.29	0.00	41442.29	0.00	41442.29
- Other Financial Liabilities		0.00	11387.44	11387.44	11387.44	11387.44
Other Current Liabilities		134544.44	-11387.44	123157.00	-11355.34	123189.10
Provisions	24 (d) (ii)	2021.78	0.00	2021.78	0.00	2021.78
Current Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Total current liabilities		**295275.84**	**0.00**	**295275.84**	**32.10**	**295307.94**
Total liabilities		**307281.87**	**0.00**	**307281.87**	**32.10**	**307313.97**
Total equity and liabilities		**497314.44**	**0.00**	**497314.44**	**-2.72**	**497311.71**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (b) - Reconciliation of Equity as at 31st March 2017

(Rs.in '000s)

Particulars	Foot Notes	Previous GAAP *	Reclassifi-caation	Ind AS	Adjust-ments	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	24 (d) (v)	19169.08	0.00	19169.08	0.00	19169.08
Capital Work-in-Progress		0.00	0.00	0.00	-0.01	-0.01
Other Intangible Assets		0.00	0.00	0.00	0.00	0.00
Financial Assets;						
- Investments		11072.51	0.00	11072.51	0.00	11072.51
- Loans		0.00	0.00	0.00	0.00	0.00
- Others financial assets		0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets (Net)		2091.18	0.00	2091.18	13.41	2104.59
Other non-current assets		2897.22	0.00	2897.22	-109.35	2787.87
Current assets						
Inventories		227201.27	0.00	227201.27	0.00	227201.27
Financial Assets;		0.00	0.00	0.00	0.00	0.00
- Investments		0.00	0.00	0.00	0.00	0.00
- Loans		106560.44	-86740.32	19820.12	0.00	19820.12
- Trade Receivables		120626.29	0.00	120626.29	0.00	120626.29
- Cash and cash Equivalents		4366.75	-3456.64	910.11	0.00	910.11
- Bank balances other than cash and cash equivalents		0.00	3456.64	3456.64	0.00	3456.64
- Others financial assets		0.00	75.48	75.48	0.00	75.48
Other current assets		75.48	86664.85	86740.32	103.52	86843.85
Total assets		**494060.22**	**0.00**	**494060.22**	**7.57**	**494067.79**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		53800.00	0.00	53800.00	0.00	53800.00
Other equity	24 (d) (iii) &(v)	143488.11	0.00	143488.11	-61.97	143426.14
Total equity		**197288.11**	**0.00**	**197288.11**	**-61.97**	**197226.14**
LIABILITIES						
Non-current liabilities						
Financial Liabilities						
- Borrowings		9386.93	0.00	9386.93	0.00	9386.93
- Trade Payables		0.00	0.00	0.00	0.00	0.00
- Other Financial Liabilities		0.00	0.00	0.00	0.00	0.00
Provisions		3124.38	0.00	3124.38	0.00	3124.38
Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Other non-current liabilities		0.00	0.00	0.00	0.00	0.00
		12511.32	**0.00**	**12511.32**	**0.00**	**12511.32**
Current Liabilities						
Financial Liabilities						
- Borrowings		143899.64	0.00	143899.64	0.00	143899.64
- Trade Payables		19559.14	0.00	19559.14	0.00	19559.14
- Other Financial Liabilities	24 (d) (i)	0.00	9433.80	9433.80	0.00	9433.80
Other Current Liabilities		118375.68	-9433.80	108941.88	69.56	109011.43
Provisions		2426.33	0.00	2426.33	0.00	2426.33
Current Tax Liabilities (Net)		0.00	0.00	**0.00**	0.00	0.00
Total current liabilities		284260.79	**0.00**	284260.79	69.56	284330.35
Total liabilities		**296772.11**	**0.00**	**296772.11**	**69.56**	**296841.66**
Total equity and liabilities		**494060.22**	**0.00**	**494060.22**	**7.59**	**494067.80**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (c) - Reconciliation of Total Comprehensive Income for the period ended 31 March 2017

(Rs.in '000s)

Particulars	Foot Notes	Previous GAAP *	Reclassifi-caation	Ind AS	Adjust-ments	Ind AS
INCOME						
Revenue from Operations		739123.62	-78165.25	660958.37	0.00	660958.37
Other Income	23 (d) (vii)	633.77	0.00	633.77	62.28	696.05
TOTAL INCOME		**739757.39**	**-78165.25**	**661592.14**	**62.28**	**661654.42**
EXPENSES						
Cost of Material Consumed		2262.77	-13.90	2248.87	0.00	2248.87
Purchases of Stock-in-Trade		613518.02	-66060.54	547457.48	0.00	547457.48
Changes in inventories of Finished Goods		21089.69	0.00	21089.69	0.00	21089.69
Employee Benefits expense	23 (d) (iii)	20537.31	0.00	20537.31	229.50	20766.81
Finance Costs	23 (d) (vi)	21383.01	0.00	21383.01	0.00	21383.01
Depreciation and Amortisation expense	23 (d) (v)	6614.10	0.00	6614.10	0.00	6614.10
Other Expenses	23 (d) (vi)	43135.88	-12090.81	31045.07	102.85	31147.92
TOTAL EXPENSES		**728540.78**	**-78165.25**	**650375.52**	**332.35**	**650707.87**
PROFIT BEFORE TAX		**11216.62**	**0.00**	**11216.62**	**-270.06**	**10946.55**
TAX EXPENSE						
(1) Current Tax		5300.00	0.00	5300.00	0.00	5300.00
(2) Deferred Tax		-1382.64	0.00	-1382.64	-89.29	-1471.93
Earlier Years Tax adjustments		43.71	0.00	43.71	0.00	43.71
TOTAL TAX EXPENSE		**3961.08**	**0.00**	**3961.08**	**-89.29**	**3871.79**
PROFIT FOR THE YEAR		**7255.54**	**0.00**	**7255.54**	**-180.78**	**7074.77**
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined benefit plans	23 (d) (iii)	0.00	0.00	0.00	229.50	229.50
Income Tax relating to items that will not be reclassified to Profit or Loss	23 (d) (iii)	0.00	0.00	0.00	-75.88	-75.88
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**0.00**	**0.00**	**0.00**	**153.62**	**153.62**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7255.54**	**0.00**	**7255.54**	**-27.16**	**7228.39**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (d) - Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and total comprehensive income for the period ended 31st March, 2017

i) Other Payables:

Under previous GAAP, proposed dividend including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting).

ii) Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is increased by Rs. 2,29,500 (Net of Tax of Rs. 1,53,620) as at 31st March, 2017 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iii) Other Comprehensive Income:

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind-AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind-AS.

iv) Other IND AS Adjustments (Non Current Financial Assets / liabilities and provisions)

Under previous GAAP, the Company accounted for non-current Financial Assets / liabilities and provisions at undiscounted values. In contrast, the IND AS requires that where the effect of time value of money is material, the amount of Non Current Financial Assets / liabilities and provisions should be the present value of expenditure / income expected to be required to settle the obligations / received upon maturity. This impact is recognised as an Interest Income or as other borrowing cost.

v) Revenue from operations: Rebate and Discounts

As per Ind AS, revenue is measured at the fair value of the consideration received or receivable on accrual basis and when its collection or receipt is reasonably certain. Any sales incentives, discounts or rebates in any form, including cash discounts given to customers will be considered as reduction from revenue. Under previous GAAP, these cost were considered as rebates and discounts and included under Administration and Other Expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 25
A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(Rs. in '000s)

Particulars	31st March 2018	31st March 2017
Interest bearing Loans and Borrowings	156349.64	153286.58
Less: Cash and Short Term Deposits	-4638.22	-4366.75
Net Debt	151711.42	148919.83
Equity	53800.00	53800.00
Other Equity	149312.78	143426.14
Total Capital	203112.78	197226.14
Capital and Net Debt	354824.19	346145.97
Gearing Ratio %	0.43	0.43

B. Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company regularly reviews market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk
Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

Interest Rate Risks
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Foreign Currency Risks
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into forward exchange contracts to hedge its foreign currency exposures,

Other Price Risks
The Company imports materials for trading purpose, the pricing is affected due to the volatility of foreign currency, Import duty structure and the global demand and supply constraints for the products. The Company enters into purchase contracts on a short term are entered to minimise price fluctuations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

ii) **Credit Risk**

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents, investments as well as credit exposure to customers.
The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail activities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

iii) **Liquidity Risk**

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debit maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements.

Trade and other payables are plugged into the one month rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

Note 26
Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

Particulars	Hierarchy	Carrying Value			Fair Value		
		As at 31 March 2018	As at 31 March 2017	As as 01 April 2016	As at 31 March 2018	As at 31 March 2017	As as 01 April 2016
Financial Assets							
- Investments	Level One	0.00	0.00	0.00	0.00	11072.51	11072.51
Financial Liabilities							
- Borrowings	Level Two	0.00	153286.58	126425.92	13452.94	153286.58	126425.92

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Investment are based on NAV at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 27
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Accounting Profit before Income Tax	**10140.52**	**10946.56**
At India's statutory income tax rate of 33.063% (31 March 2016: 33.063%)	3352.76	3619.26
Effect of non-deductible expenses	872771.95	1539468.50
Total	**876124.71**	**1543087.76**

NOTE 27 A-D :
OTHER ADDITIONAL NOTES / INFORMATION

A Contingent Liability not provided for:

Demands/claims by various Government Authorities not acknowledged as debts and contested by the company:

a. Income Tax Rs.8.25 lakhs (Prev.Yr. Rs. 8.25 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]

b. Income Tax Rs.1.28 lakhs (Prev.Yr. Rs. 1.28 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15]

It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matters.

B The Company has exposure to currency fluctuations. It does not hedge its position as the management feels it does not have any material impact as the company is importer as well as exporter of goods and services.

C Under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) which came in to force from October 2, 2006, certain disclosures are to made relating to Micro, Small and Medium Enteprises. On the basis of information available with the company, no such parties are being identified, hence no disclosure have been made in accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance to the provisions of this act is not expected to be material.

D Earnings Per Share:

		2017-18	2016-17
Profit/(Loss) after taxation and refund of income tax.	(Rs.in lacs)	**58.91**	70.75
Number of Equity Shares (Face Value Rs. 10/-)		**5380000**	5380000
Earning Per Share in Rupees - Basic & diluted		**1.10**	1.32

NOTE 27 E :
OTHER ADDITIONAL NOTES / INFORMATION

a) List of Parties which significantly influence / are influenced by the company (either individually or with others) -:

1) Relationships :

(a) Key Management Personnel :
Mr. Milan B. Khakhar
Mr. Prakash B. Khakhar

(b) Subsidiaries :
Granitexx UK Ltd.,U.K.
Stone Source GB Ltd.,U.K.

(c) Associate Concern :
Global Instile Solid Industries Ltd.

(d) Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives
Milan Marble & Tiles
Vasumati B. Khakhar
Jeenoo Khakhar
Shraddha Khakhar

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) is as identified by the Company and relied upon by the Auditors

2) Transactions carried out with Related parties referred to in 1 above, in ordinary course of business :

(Rs.in '000s)

Nature of Transactions	**RELATED PARTIES**							
Particulars	Key Management Personnel		Subsidiaries		Associate Concern		Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	2017-18	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
PURCHASES :								
Goods and Material	—	—	—	—	23155.92	16502.42	—	—
SALES :								
Goods and Material	—	—	—	—	—	—	—	—
EXPENSES :								
Rent	—	—	—	—	—	—	720.00	240.00
Remuneration & Allowances	7260.00	7260.00	—	—	—	—	963.60	960.00
Directors' fees	—	—	—	—	—	—	—	15.00
INCOME :	—	—	—	—	—	—	—	—
OUTSTANDINGS :								
Payable	461.00	961.50	—	—	87.73	—	904.94	114.10
Receivable	—	—	—	—	—	12923.96	—	—
LOANS :								
Payable	11637.50	14788.00	—	—	—	—	—	—
Receivable	—	—	—	—	—	—	—	—
Taken	11905.50	22037.00	—	—	—	—	—	—
Re-Paid	15056.00	26856.00	—	—	—	—	—	100.00
DEPOSITS :								
Given	—	—	—	—	—	—	1000.00	1000.00
GUARANTEES :								
Given	—	—	—	—	—	—	—	—
Taken	276000.00	276000.00	—	—	138000.00	138000.00	—	—

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & section 186 of the Companies Act, 2013

Transactions with Subsidiary Companies

(Rs.in'000s)

	Subsidiaries	
	2017-18	2016-17
SALES :		
Goods and Material	**—**	—
INVESTMENTS :	**0.00**	1609.51
OUTSTANDINGS :		
Payable	**—**	—
Receivable	**—**	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE 27 E :
OTHER ADDITIONAL NOTES / INFORMATION

(Rs.in '000s)

Particulars	Key Management Personnel		Subsidiaries		Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives			
	Milan Khakhar	Prakash Khakhar	Granitexx UK Ltd., U.K.	Stone Source GB Ltd., U.K.	Global Instile Solid Industries Ltd.	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar	Shraddha Khakhar
1 Payments to & provision for : a) Director's Remuneration & Allowance	3630.00 (3630.00)	3630.00 (3630.00)	— —	— —	— —	— —	— —	481.80 (480.00)	481.80 (480.00)
b) Rent	— —	— —	— —	— —	— —	720.00 (240.00)	— —	— —	— —
c) Director's Fees	— —	— —	— —	— —	— —	— —	— (15.00)	— —	— —
2 a) Loans Taken	8842.00 (20425.00)	3063.50 (1612.00)	— —	— —	— —	— —	0.00 —	— —	— —
b) Loans refunded	10285.00 (24142.00)	4771.00 (2714.00)	— —	— —	— —	— —	— (100.00)	— —	— —
c) Loans Payable	9737.00 (11180.00)	1900.50 (3608.00)	— —	— —	— —	— —	— —	— —	— —
3 Purchase of Goods	— —	— —	— —	— —	23155.92 (16502.42)	— —	— —	— —	— —
4 Sale of Goods	— —	— —	— —	— —	— —	— —	— —	— —	— —
5 Deposits Receivable as on 31st March	0.00 —	0.00 —	— —	— —	— —	1000.00 (1000.00)	— —	— —	— —
6 Outstanding Payable as on 31st March	230.50 (365.50)	230.50 (596.00)	— —	— —	87.73 —	145.94 (30.10)	84.00 (84.00)	3.65 —	3.10 —
7 Outstanding Receivable as on 31st March	— —	— —	— —	— —	— (12923.96)	— —	— —	— —	— —
8 Outstanding Guarantee taken as on 31st March	138000.00 (138000.00)	138000.00 (138000.00)	— —	— —	138000.00 (138000.00)	— —	— —	— —	— —

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & section 186 of the Companies Act, 2013

	Subsidiaries			
	Granitexx UK Ltd., U.K.		Stone Source GB Ltd., U.K.	
				(Rs.in '000s)
	2017-18	2016-17	**2017-18**	2016-17
SALES : Goods and Material	**—**	—	**—**	—
INVESTMENTS :	**0.00** **(1609.51)**	1609.51 (1609.51)	**—** **(—)**	— (—)
LOANS TO SUBSIDIARIES	**—** **(—)**	— (—)	**—** **(—)**	— (—)
OUTSTANDINGS : Receivable	**—** **(—)**	— (—)	**—** **(—)**	— (1802.03)

(figures in Brackets denote Maximum amount Outstanding)

NOTE 27:
OTHER ADDITIONAL NOTES / INFORMATION

F Remuneration to Directors

1) **Nature of transactions:**

Remuneration to Directors	**31/03/2018**	31/03/2017
Remuneration	**7200.00**	**7200.00**
Perquisites	**60.00**	**60.00**

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.

G Segment Information:

The Company is engaged interalia in the business of natural stones, building material and allied building activities which is considered as a single segment. These in the context of Ind AS 108 " Operating Segment" are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the Accounting Standard. Non-reportable segments have not been disclosed as unallocated reconciling item in view of their materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable.

H Remuneration to Auditors

Particulars	**3/31/2018**	3/31/2017
Audit Fees (inclusive of GST /Service Tax)	**247.80**	241.50
Total	**247.80**	241.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE 27 I :
Disclosures as per IND AS - 19 - Employee Benefits

2) During the year / period, the company has recognised the following amounts in the Statement of Profit and Loss:

	Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
i)	Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 21).	114.35	-
ii)	Defined benefit obligation:		
	a) Leave Encashment - Unfunded	-	-

b) The valuation results for the defined benefit gratuity plan as at 31-3-2018 are produced in the tables below:

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Present Value of Obligation as at the beginning	**3268.21**	**2975.89**
Current Service Cost	253.73	299.82
Interest Expense or Cost	206.00	222.00
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	-635.91	363.68
- experience variance (i.e. Actual experience vs assumptions)	642.84	-593.18
Past Service Cost (vested benefits)	718.08	0.00
Benefits Paid	-377.90	0.00
Present Value of Obligation as at the end	**4075.06**	**3268.21**

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Fair Value of Plan Assets as at the beginning	**0.00**	**0.00**
Investment Income	0.00	**0.00**
Adjustment to opening Fair Value of Plant Asset	0.00	**0.00**
Return on Plan Assets excluding interest income	0.00	**0.00**
Employer's Contribution	377.90	**0.00**
Benefits Paid	-377.90	**0.00**
Fair Value of Plan Assets as at the end	**0.00**	**0.00**

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Current Service Cost	253.73	299.83
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	206.00	222.00
Net Actuarial (Gain)/Loss recongnized for the period	0.00	0.00
Past Service Cost (vested benefits)	718.08	0.00
Expenses Recognised in the Income Statement	**1177.81**	**521.83**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

iv) Other Comprehensive Income

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Actuarial (gains) / losses		
- change in financial assumptions	-635.91	363.68
- experience variance (i.e. Actual experience vs assumptions)	642.84	-593.19
Return on Plan Assets excluding interest income	0.00	0.00
Components of defined benefit costs recognised in other comprehensive income	**6.93**	**-229.51**

v) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on 31 March 2018	As on 31 March 2017
Discount rate (per annum)	7.68%	6.69%
Salary growth rate (per annum)	4.00%	4.00%

b. Demographic Assumptions

Particulars	As on 31 March 2018	As on 31 March 2017
Mortality Rate (% of IALM 06-08)	100%	100%
Employee Atrition Rate: (per annum) (PS)		
0 to 5 Years	20.00%	20.00%
5 to 47 Years	1.00%	1.00%

vi) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As on 31 March 2018
Defined Benefit Obligation (Base)	Rs. 4075057

Particulars	31 March 2018		31 March 2017	
	Increase	**Decrease**	**Decrease**	**Increase**
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	3543.28 *-1.00*	4718.03 *-1.00*	Not Available	
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	4565.73 *-1.00*	3609.33 *-1.00*		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b. Effect of Plan on Entity's Future Cash Flows

- **Funding arrangements and Funding Policy**
  The scheme is unfunded
- **Expected Contribution during the next annual reporting period** — **(Rs. in '000s)**
  The Company's best estimate of Contribution during the next year — 304.17
- **Maturity Profile of Defined Benefit Obligation**
  Weighted average duration (based on discounted cash flows) — 17.1 Years
- **Expected cash flows over the next (valued on undiscounted basis):**

	(Rs. in '000s)
1 year	177.87
2 to 5 years	482.91
6 to 10 years	882.96

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

J Value of Raw Materials and Spare Parts consumed and percentage to the total :

Particulars	**2017-18**		**2016-17**	
	(Rs. in '000s)	**% to Total**	**(Rs. in '000s)**	**% to Total**
1. Raw Materials				
Indigenous	**3149.76**	**100.00**	2248.87	100.00
Imported	**0.00**	**0.00**	0.00	0.00
	3149.76	**100.00**	2248.87	100.00
2. Stores & Consumables				
Indigenous	**613.93**	**100.00**	448.61	100.00
Imported	**0.00**	**0.00**	0.00	0.00
	613.93	**100.00**	448.61	100.00

	2017-18	2016-17
K Value of Imports on CIF Basis:	Rs. in '000s	
1. Finished Products	**46872.56**	32478.05
L Expenditure in Foreign Currency (on cash basis):		
1. Travelling	**3895.70**	2928.14
2. Trading Goods Imports	**46872.56**	32478.05
M Earnings in Foreign Currency -		
1. Export of goods on F.O.B. basis (incl. Deemed Export)	**843.93**	192.51
2. Others	**3453.22**	2649.65

N **Lease :**
Disclosure as required by Indian Accounting Standard 17 (Ind-AS 17) issued by the The Institute of Chartered Accountants of India are as follows :

Operating Lease :
The Company's significant leasing arrangements are in respect of office premises, warehouse and showrooms taken on lease. The arrangements are generally not Non-Cancellable and range from 33 months to 60 months by giving 1 month to 3 months notice for termination of lease. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangement, lease rentals payable are recognised in the Statement of Profit and Loss for the year. Total of Minimum Lease payment for a period is :

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rupees in ‘000s)

Particulars	March 31, 2018	March 31, 2017
Not Later than One Year	**571.71**	607.11
Later than One year and not later than five year	**NIL**	NIL
Later than Five years	**NIL**	NIL

O The Directors have waived their Sitting fees for the year 2017-18.

P Figures of previous year have been regrouped or rearranged wherever necessary

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259

Mumbai,
Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID STONE COMPANY LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **SOLID STONE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards, specified under Section 133 of the Act, read together with Rules thereon. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

8. The subsidiary company Granitexx UK Limited and its step down subsidiary Stonesource GB Limited have been dissolved during the year. Hence for the year ended 31st March, 2018, there has been no balance sheet of the Subsidiaries. The consolidation has been to the extent of giving effect of the Balance Sheet and Book closure of the subsidiaries. The Consolidated results represent total assets as at March 31, 2018 of Rs. Nil, total revenue of Rs. 69.19 Lakhs on account of write offs and write backs for the amounts standing to the debit and credit in the subsidiaries balance sheet and net Cash inflow / outflow of Rs. Nil for the year ended on that date. The Amount of Loss of Rs. 2.49 lakhs of the associate company is part of the consolidated revenue of the consolidated financial statements.

9. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account, maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read together with Rules thereon.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of other auditor, in respect of entity audited by them, for the entity incorporated in India, none of the directors of the Holding Company and subsidiary company incorporated in India, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of a subsidiary company, as noted in the ‘Other Matter’ paragraph;

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 27A to the consolidated financial statements.

ii) The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses during the year ended 31st March, 2018.

iii) There has been no delay in transferring amount required to be transferred, to the Investor Education Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2018.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259
Place : Mumbai
Date : 16th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOLID STONE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **SOLID STONE COMPANY LIMITED** ("the Holding Company") and its associate company incorporated in India (there are no subsidiary incorporated in India), as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its associate, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is company incorporated in India, in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its associate, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

9. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For Ashar & Co.
Chartered Accountants
FRN No. 129159W

Yogesh Ashar
Partner
Mem. No. 046259

Place : Mumbai
Date : 16th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(Rs.in '000s)

Particulars	Note	**As At 31 March 2018**	As At 31 March 2017	As At 01 April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2 (a)	**17754.96**	20495.39	27560.52
Other Intangible Assets	2 (b)	**0.00**	0.00	0.00
Financial Assets;				
- Investments	3	**9213.71**	10169.14	10286.78
- Trade Receivables		**0.00**	0.00	0.00
- Loans		**0.00**	0.00	0.00
- Others financial assets	4	**0.00**	0.00	0.00
Deferred Tax Assets (Net)		**2960.51**	2104.59	708.54
Other non-current assets	5	**2652.91**	2787.87	3997.81
Current Assets				
Inventories	6	**192957.11**	227201.27	249307.43
Financial Assets;				
- Investments		**0.00**	0.00	0.00
- Trade Receivables	7	**177301.09**	120686.95	107846.58
- Cash and cash Equivalents	8	**1233.03**	1124.20	1738.46
- Bank balances other than cash and cash equivalents	9	**3405.20**	3456.64	598.87
- Loans	10	**28827.06**	19820.12	39042.58
- Others financial assets	4	**257.57**	75.48	2.41
Other current assets	5	**40388.93**	86864.07	56922.06
TOTAL ASSETS		**476952.09**	494785.71	498012.05
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	SOCE	**53800.00**	53800.00	53800.00
Other Equity	SOCE	**149063.48**	139808.77	130507.98
Total Equity		**202863.48**	193608.77	184307.98
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	11	**13452.94**	9386.93	9158.58
- Trade Payables		**0.00**	0.00	0.00
- Other Financial Liabilities		**0.00**	0.00	0.00
Provisions	12	**3897.19**	3124.38	2847.45
Deferred Tax Liabilities (Net)		**0.00**	0.00	0.00
Other non-current liabilities		**0.00**	0.00	0.00
Current Liabilities				
Financial Liabilities				
- Borrowings	11	**142896.70**	147618.49	121222.62
- Trade Payables	13	**59796.18**	19597.37	42732.81
- Other Financial Liabilities	14	**9791.70**	9433.80	11387.44
Other Current Liabilities	15	**43405.99**	109589.63	124333.39
Provisions	12	**847.90**	2426.33	2021.78
Current Tax Liabilities (Net)		**0.00**	0.00	0.00
Total Liabilities		**274088.60**	301176.94	313704.07
TOTAL EQUITY AND LIABILITIES		**476952.09**	494785.71	498012.05
Significant Accounting Policies	1			

The Notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Rs.in '000s

	Note	Year Ended 31 March 2018	Year Ended 31 March 2017
INCOME			
Revenue from Operations	16	**613733.22**	661244.85
Other Income	17	**6919.19**	911.92
TOTAL INCOME		**620652.41**	662156.77
EXPENSES			
Cost of materials consumed	18	**3149.76**	2248.87
Excise Duty		**0.00**	0.00
Purchases of Stock-in-Trade	19	**488338.10**	547563.35
Changes in inventories of Finished Goods	20	**35206.44**	21604.40
Employee Benefits expense	21	**23031.29**	20766.81
Finance Costs	22	**21134.83**	21392.47
Depreciation and Amortisation expense	2 (a) & (c)	**4899.28**	6674.03
Other Expenses	23	**28407.86**	29787.16
TOTAL EXPENSES		**604167.56**	650037.09
PROFIT BEFORE TAX		**16484.85**	12119.68
TAX EXPENSE			
Current Tax		**4250.00**	5300.00
MAT Credit Entitlement		**0.00**	0.00
Deferred Tax		**-853.63**	-1471.93
Earlier year Adjustments		**852.88**	43.71
TOTAL TAX EXPENSE		**4249.24**	3871.79
PROFIT FOR THE YEAR		**12235.61**	8247.89
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		**-6.93**	229.50
Income Tax relating to items that will not be reclassified to Profit or Loss		**2.29**	-75.88
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges		**0.00**	0.00
Income tax relating to items that may be reclassified to Profit or Loss		**0.00**	0.00
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**-4.64**	153.62
Add / (Less):			
Share of Profit / (Loss) of Minority Interest		**-2716.37**	
Share of Profit / (Loss) of Associate Company		**-249.29**	-117.64
		-2970.30	35.98
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9265.31**	8283.88
EARNINGS PER EQUITY SHARE	28 (g)		
Basic		**2.27**	1.53
Diluted		**2.27**	1.53

Significant Accounting Policies 1
The Notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

			Year Ended 31 March 2018		Year Ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	NET PROFIT BEFORE TAX		**16484.85**		12119.68
	Adjustment for :				
	Depreciation	**4899.28**		6674.03	
	Foreign Translation Reserve	**625.75**		1016.92	
	Share in Minority Interest	**-2716.37**		0.00	
	Finance Cost (including fair value change in financial instruments)	**21134.83**		21392.47	
	Interest Income	**-208.13**		-80.44	
	Dividend Income	**0.00**		-1.52	
	Remeasurements of Defined benefit plans	**-6.93**		229.50	
	Loss / (Gain) on Sale / Disposal of Fixed Assets	**587.31**		434.97	
	Loss / (Gain) on Sale of Investments	**808.80**	**25124.54**	0.00	29665.94
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**41609.39**		41785.62
	Trade receivables	**-56614.14**		-12840.37	
	Loans (Financial assets)	**-9006.94**		19222.46	
	Other Financial assets	**-182.10**		-73.07	
	Other Non Current Assets	**134.95**		1209.95	
	Other Current Assets	**46475.13**		-29942.01	
	Inventories	**34244.16**		22106.16	
	Trade Payable	**40198.82**		-23135.44	
	Provisions	**806.85**		292.33	
	Other Non Current Financial Liabilities	**0.00**		0.00	
	Other non-current liabilities	**0.00**		0.00	
	Other Current Financial Liabilities and Provisions	**357.89**		0.00	
	Other liabilities	**-66183.64**	**-9769.01**	-14743.76	-37903.75
	CASH GENERATED FROM OPERATIONS		**31840.38**		3881.87
	Direct Taxes paid		**-6715.35**		-4954.56
	NET CASH FROM OPERATING ACTIVITIES		**25125.03**		-1072.68
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**-3485.16**		-77.38	
	Capital Work in Progress & Capital Advance	**0.00**		0.00	
	Proceeds from sale of Fixed Assets	**0.00**		33.50	
	Increase / (Decrease) in value of Investments	**0.00**		0.00	
	Proceeds from sale of Investments	**0.00**		0.00	
	Investment in Subsidiary Companies	**0.00**		0.00	
	Fixed Deposits with Banks	**0.00**		0.00	
	Interest Income	**0.00**		0.00	
	Dividend income	**0.00**		1.52	
	NET CASH USED IN INVESTING ACTIVITIES		**-3485.16**		-42.37
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	(Repayments) / Proceeds from Working Capital Facilities (Net)	**-4721.79**		26395.87	
	Proceeds from Borrowings	**4066.00**		-1725.28	
	Repayments of Borrowings	**0.00**		0.00	
	Increase in Share Capital including Premium	**0.00**		0.00	
	(Repayments) / Proceeds from Fixed Deposits (Net)	**0.00**		0.00	
	Interest Income	**208.13**		80.44	
	Deferred payment Credit	**0.00**		0.00	
	Interest paid	**-21134.83**		-21392.47	
	Dividend and Corporate Dividend Tax	**0.00**		0.00	
	NET CASH FROM FINANCING ACTIVITIES		**-21582.49**		3358.55
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**57.39**		2243.50
	CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2017		**4580.84**		2337.34
	CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2018		**4638.22**		4580.84

Note: The above Cash Flow Statement has been prepared under the Indirect Method.

This is the Cash Flow statement referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note No 1.

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements as at and for the period ended 31st March 2018

A **General Information**

Solid Stone Company Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at 1501, Maker Chambers V, Nariman Point, Mumbai - 400 021.

The Company is primarily engaged in the business of natural stones, building materials and allied building business activities.

It also operated a Retail Store in Leicester (U.K.) through its subsidiary Stone Source GB Limited wherein it was 51% shareholder through its 100% subsidiary Granitexx UK Limited till December, 2016. Stone Source GB Limited has been dissolved on 30th July, 2017.

Granitexx UK Limted, a 100% subsidiary of Solid Stone Company Limited has also been dissolved on 2nd January, 2018.

The Consolidation has been to the extent of giving effect of the Balance Sheet and Book closure of these subsidiaries.

Solid Stone Company Limited also has an associate named Global Instile Solid Industries Limited wherein Solid Stone Company Limited holds 29.88% of its Equity Share Capital. Global Instile Solid Industries Limited is manufacturer and dealer in natural stones and products thereof.

The amount of loss of Rs.2.49 Lakhs of the associate company is part of the consolidated revenue of the consolidated financial statements.

The consolidated financial statements are approved and adopted by the Board of directors of the Company in their meeting dated May 16, 2018

B **Basis of preparation of Financial Statements**

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated. (Refer Note:- D for the details of first-time adoption exemptions availed by the Company).

The Company has adopted all the applicable Indian Accounting Standards (‘Ind AS’) in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

i **Statement of Compliance**

The financial statements for the period up to 31-03-2017 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with Ind AS requirements. While preparing these financials statements, the Company has first prepared its opening Balance sheet as at 01-04-2016, the date of transition to Ind AS.

ii **Basis of preparation and presentation**

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 except the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

b) Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee (‘INR’)

(iii) **Use of Estimate and judgment**

In the application of significant accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses and contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The few critical estimations and judgments made in applying accounting policies are useful life of Property Plant and Equipment and Intangible Assets; fair valuation of financial assets or liabilities and provision for employee benefits. Similarly, the management provides for inventory obsolescence, surplus inventory and inventory with carrying values in excess of net realizable value based on assessment of the future uses.

The income or expenditure relating to previous period prior to current financial year of immaterial value is recognised in current financial statements.

C **Summary of Significant Accounting Policies**

Principles of consolidation :

The consolidated financial statements include the financial statements of Solid Stone Company Limited (the parent company)and its subsidiaries, Granitexx UK Limited, U.K. and Stone Source GB Limited, U.K. The consolidated financial statements have been prepared on the basis of AS 21 - " Consolidated Financial Statements", and profit of associate concern Global Instile Solid Industries Limited on the basis of AS 23 - "Accounting for investment in associates in consolidated finanacial statements'', issued by the ICAI.

Subsidiaries :

The financial statements of the parent company and its subsidaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating Intra - group balances/ transactions and resulting unrealized profits in full. Unrealized losses resulting from Intra - group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances except where it is not practicable to do so. Minority interest's share of net loss is adjusted against the income to arrive at the net income attributable to shareholders. Minority interest's share of net assets is to be presented separately in the balance sheet. However, during the year under review, the losses applicable to the minority exceeds the minority interest and hence the excess is adjusted against the minority interest. Consequently, Minority Interest does not appear in the Consolidated Balance Sheet.

The following subsidiary companies are considered in the consolidated financial statements :

Sr.No.	Name of Subsidiary	Country of Incorporation	% of holding as at March 31, 2018	% of holding as at March 31, 2017
1.	Granitexx UK Limited	United Kingdom	NIL	100%
2.	Stone Source GB Limited	United Kingdom	NIL	51% Equity held by Granitexx UK Ltd (100% subsidiary)

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

Associate

The following associate is considered in the consolidated financial statements

Sr.No.	Name of Associate Company	Country of Incorporation	% of holding as at March 31, 2018
1.	Global Instile Solid Industries Limited	India	29.88%

Property, Plant & Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant & Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Research and Development Assets

Expenditure on acquisition of PPE for Research and Development ('R&D') is included in PPE and depreciation thereon is provided as applicable. Revenue expenditure on R&D is recognized as an expense in the period in which it is incurred.

Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

Foreign Currency Transactions

The Financial Statements of Company are presented in INR, which is also its functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit & Loss in the period in which they arise.

Inventories

Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit & Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries & joint ventures, investment other than equity shares, loans to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit & Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit & Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI

- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognized in the Statement of Profit & Loss .

Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit & Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit & Loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit & Loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit & Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

b) Financial Liabilities

The Company's financial liabilities include loans & borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit & Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit & Loss.

Financial Liabilities classified as Fair value through profit &loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivatives

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognized in the Statement of Profit & Loss immediately unless the derivative is designated and effective as a hedging instrument.

Embedded Derivatives

Derivative embedded in host contract are separated only if the economic characteristics and risk of the embedded derivatives are not closely related to economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants in the form of non-monetary assets are recognised at fair value and presented as deferred income which is recognized in the Statement of Profit & Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit & Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit & Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The grant set up as deferred income is recognised in the Statement of Profit & Loss on a systematic basis.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item (i.e. PPE), are generally capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit & Loss.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit & Loss over the period of lease on straight line basis other than those cases where the escalations are linked to expected general inflation in which case they are charged on contractual terms.

Provisions, Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

Revenue Recognition and Other Income

All the revenues are accounted on accrual basis except dividend income which is recognised when the shareholders' or unitholders' right to receive payment is established

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the EIR method. Interest income on impaired loans is recognised using the original effective interest rate.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Segment Reporting

The Company's operation is considered under one segment "Natural stones, building materials and allied building business activities." for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

Depreciation and Amortization

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is depreciated separately if it's useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets as specified in the Schedule II of the Companies Act 2013 to the extent of 100 percent except the following:-

Individual Asset costing up to Rs. 5000/- is fully depreciated (100 %) in the year of acquisition by retaining Rs. 1/- as balance value as the same does not have any material effect on financial reporting.

Assets acquired on lease arrangement are depreciated over the respective useful life applicable to asset or written off over lease period, whichever is lower. Leasehold land is amortised over the period of lease.

Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of six years or its license period, whichever is earlier. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Employee Benefits

Short-term Employees Benefits

All short term employees benefits such as salaries, wages, allowances, performance incentive, employee welfare costs, exgratia are recognised during the period in which the employee render services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Long-term employees benefits

The cost of providing long term employees benefits such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected costs of these benefits are accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit & Loss in which they arise except those included in cost of assets as permitted. These benefits are valued annually by independent actuaries.

Post-employment benefits

The Company provides the following post-employment benefits:

Contributions to the Provident Fund are made at a pre-determined rate and charged to the statement of Profit and Loss.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Defined benefits plans

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit & Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit & Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit & Loss except those included in cost of assets as permitted in the period in which they occur.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit & Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current tax

Current tax includes provision for Income Tax computed under Special provision (i.e. Minimum alternate tax) or normal provision of applicable Income Tax Act. The tax currently payable is determined on the basis of taxable profit for the year computed in accordance with the provision of relevant Income Tax Act by using tax rates that have been enacted or by any amendment thereof for the reporting period. Further, Taxable profit differs from profit as reported in the Statement of Profit & Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

Current versus non-current classification

The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

D **First time adoption of Ind AS – mandatory exceptions / optional exemptions**

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for PPE, CWIP and Intangible assets

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2016 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investment in Subsidiary and Associates

Ind AS 27 requires investments in subsidiaries to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. However Ind AS 101 provides an option in case the Company decides to measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) at that date. The Company can avail the above exemption and recognize the investment in subsidiaries at the previous GAAP carrying amount at the date of transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

Note 2 (a). Property, Plant and Equipment

Particulars	Furniture and fixtures	Office equipment	Plant & Machinery	Vehicles	Speed Boat	Computers	Land	Buildings	Total
Gross Block									
At Deemed cost as at 01 April 2016	26860.78	5752.00	10593.75	18148.25	1919.92	2532.80	141.04	4515.38	70463.92
Additions	0.00	77.38		0.00		0.00	0.00	0.00	77.38
Disposals		-876.27							-876.27
At cost as at 31 March 2017	26860.78	4953.11	10593.75	18148.25	1919.92	2532.80	141.04	4515.38	69665.04
Additions	0.00	0.00	476.05	2971.86		37.25	0.00	0.00	3485.16
Disposals		-30.95	-2367.04						-2397.99
Foreign Currency Translation Reserve			-739.00						-739.00
At cost as at 31 March 2018	26860.78	4922.16	7963.75	21120.11	1919.92	2570.05	141.04	4515.38	70752.20
Depreciation Block									
As at 01 April 2016	17243.49	2758.53	6705.04	11367.26	407.08	2263.86	0.00	2158.14	42903.40
Depreciation / Amortisation for the period	3613.95	423.64	450.62	1685.41	137.53	218.42	0.00	144.45	6674.03
Disposals		-407.79							-407.79
Impairment									0.00
Accumulated depreciation / amortisation as at 31 March 2017	20857.44	2774.37	7155.67	13052.67	544.61	2482.29	0.00	2302.60	49169.64
Depreciation / Amortisation for the year	2545.91	370.63	391.42	1270.10	137.53	39.24	0.00	144.45	4899.28
Disposals		-28.92	-1781.77						-1810.68
(Reversal of Impairment)									0.00
Accumulated depreciation / Amortisation as at the 31 March 2018	23403.35	3116.08	5765.32	14322.77	682.14	2521.53	0.00	2447.05	52258.24
Net Block									
As at 01 April 2016	9617.30	2993.47	3888.71	6780.99	1512.84	268.94	141.04	2357.24	27560.52
As at 31 March 2017	6003.34	2178.74	3438.08	5095.58	1375.31	50.52	141.04	2212.78	20495.39
As at 31 March 2018	3457.43	1806.08	2198.43	6797.34	1237.78	48.52	141.04	2068.33	17754.96

The Company used carrying amount of PPE as on transition date (i.e. 01.04.2016) as deemed cost for an item of Property, Plant and Equipment & Intangible Assets. The disclosure with respect to value of gross block, accumulated depreciation and net block of PPE accounted as deemed cost existing at the end of current financial year are as under:

Note 2 (b) : Intangibles

Particulars	Computer Software	Total
Gross Block		
At Deemed cost as at		
01 April 2016	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
At cost as at 31 March 2017	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
Foreign Currency Translation Reserve	0.00	0.00
At cost as at 31 March 2018	37.44	37.44
Depreciation Block		
As at 01 April 2016	37.44	37.44
Depreciation / Amortisation for	0.00	0.00
the period		0.00
Disposals	0.00	0.00
Impairment	0.00	
Accumulated depreciation / amortisation as at 31 March 2017	37.44	37.44
Depreciation/Amortisation for the year	0.00	0.00
Disposals	0.00	0.00
(Reversal of Impairment)	0.00	0.00
Accumulated depreciation / Amortisation as at the 31 March 2018	37.44	37.44
Net Block		
As at 01 April 2016	0.00	0.00
As at 31 March 2017	0.00	0.00
As at 31 March 2018	0.00	0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

Particulars	Gross Block	Accumulated Depreciation	Net Block
Furniture and fixtures	26860.78	17243.49	9617.30
Office equipment	5726.64	2752.72	2973.92
Plant & Machinery	7744.43	5222.42	2522.01
Vehicles	18148.25	11367.26	6780.99
Speed Boat	1919.92	407.08	1512.84
Computers	2532.80	2263.86	268.94
Land	141.04	0.00	141.04
Buildings	4515.38	2158.14	2357.24
	67589.25	41414.97	26174.28
Software	37.44	37.44	0.00
Total	67626.69	41452.41	26174.28

Note 3
Non Current Financial Investments

Particulars	Face Value Rs.	No. of Shares / Units			Amount (Rs. in '000s)		
		As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Non Trade - Unquoted							
Subsidiary Companies: (At Cost)							
270000 Equity shares of Rs.10/- each of Global Instile Solid Industries Limited	10	94,500	94,500	94,500	**9200.71**	10156.14	10273.78
Trade Unquoted - In Shares:							
(at fair value through Profit or Loss)							
(1) Shreeji Bhatia Co-operative Bank	25	520	520	520	**13.00**	13.00	13.00
Aggregate Amount of Unquoted Investments					**9213.71**	10169.14	10286.78

Note 4
Other Financial Assets

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Bank deposits with more than 12 months maturity	0.00	0.00	0.00	**0.00**	0.00	0.00
Others;						
Security Deposits	0.00	0.00	0.00	**0.00**	0.00	0.00
Interest Accrued on Loans and Deposits	0.00	0.00	0.00	**257.57**	75.48	2.41
Total	**0.00**	**0.00**	**0.00**	**257.57**	**75.48**	**2.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 5
Other Assets

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Advances other than capital advances;						-
Security Deposits	**2652.91**	2787.87	3997.81	**0.00**	0.00	0.00
Advances to suppliers	**0.00**	0.00	0.00	**38540.11**	86136.60	55367.69
Sub Total	**2652.91**	2787.87	3997.81	**38540.11**	86136.60	55367.69
Others						
Balance with statutory authorities	**0.00**	0.00	0.00	**1448.61**	527.16	1073.64
Prepaid Expenses	**0.00**	0.00	0.00	**400.21**	200.31	471.29
Others - Miscelleneous Expenditure to the extent not written off or adjusted						9.44
Sub Total	**0.00**	0.00	0.00	**1848.82**	727.47	1554.37
Total	**2652.91**	2787.87	3997.81	**40388.93**	86864.07	56922.06

Note 6
Inventories

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Raw Materials	**3536.72**	2734.50	3293.62
Finished goods	**189161.70**	224368.14	245972.54
Tools & Spares	**258.69**	98.63	41.27
Total	**192957.11**	227201.27	249307.43

Note 7
Trade Receivables

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Trade receivables						
Unsecured, considered good	**0.00**	0.00	0.00	**177301.09**	120686.95	107846.58
Total	**0.00**	**0.00**	**0.00**	**177301.09**	120686.95	107846.58

Includes dues from;			
'-Directors of the Company	**0.00**	0.00	0.00

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 8
Cash and Cash Equivalents(as per Cash Flow Statement)

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Balances with Banks (of the nature of cash and cash equivalents)	**151.45**	305.44	878.45
Cash on hand	**1081.57**	818.76	860.02
Total	**1233.03**	1124.20	1738.46

Note 9
Bank Balances other than Cash and Cash Equivalents

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Deposits with original maturity of more than 3 months	**3018.31**	3012.52	105.14
In unclaimed Dividend account	**386.89**	444.13	493.73
Total	**3405.20**	3456.64	598.87

Note 10
Loans (Unsecured, considered good)

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 31 March 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Loan to Employees	**0.00**	0.00	0.00	**34.00**	0.00	23.00
Advances Recoverable in cash or in kind	**0.00**	0.00	0.00	**28793.06**	19820.12	39019.58
Total	**0.00**	**0.00**	**0.00**	**28827.06**	19820.12	39042.58

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

EQUITY SHARE CAPITAL	Number	As at 31 March 2018 Amount	As at 31 March 2017 Amount	As at 01 April 2016 Amount
Authorised Share Capital	75,00,000	75000.00	75000.00	75000.00
Issued Share Capital	53,80,000	53800.00	53800.00	53800.00
Subscribed Share Capital	53,80,000	53800.00	53800.00	53800.00
Fully Paid-up Share Capital	53,80,000	53800.00	53800.00	53800.00
Balance at the beginning of the year	53,80,000	53800.00	53800.00	53800.00
Changes in equity share capital during the year:			0.00	0.00
Share warrants exercised during the period			0.00	0.00
Balance at the end of the reporting year	**53,80,000**	**53800.00**	**53800.00**	**53800.00**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity share having par value of Rs. 10 per share. Each holder of equity share is entitle to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitle to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the share holders.

Note 10
Loans (Unsecured, considered good)

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No.	%	No.	%	No.	%
Prakash Bhagwandas Khakhar	1378895.00	0.26	1378895.00	0.26	1378895.00	0.26
Milan Bhagwandas Khakhar	808415.00	0.15	808415.00	0.15	808015.00	0.15
Jeenoo Milan Khakhar	699300.00	0.13	699300.00	0.13	699300.00	0.13
Vasumati Bhagwandas Khakhar	682190.00	0.13	682190.00	0.13	682190.00	0.13

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

(Rs.in '000s)

OTHER EQUITY		Reserves and Surplus				Other Comprehensive Income (OCI)	
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	TOTAL
Balance at the beginning of the comparative reporting period	954.90	52400.00	500.00	3450.00	73237.90		130542.80
Ind AS Adjustments for 01/04/2016					-34.83		-34.83
Balance at the beginning of the comparative reporting period - 1st April, 2016	954.90	52400.00	500.00	3450.00	73203.08	0.00	130507.98
Profit for the Comparative Period ending 31st March 2017					8247.89	0.00	8247.89
Other Comprehensive Income for the Comparative Period ending 31st March 2017						35.98	35.98
Total Comprehensive Income for the Comparative Period					8247.89	35.98	8283.88
Transactions with owners in their capacity as owners:							
Add: Received during the year							0.00
Dividends and Dividend Distribution Tax;							0.00
- Final Dividend (Rs.___ per share)					0.00		0.00
- Dividend Distribution Tax					0.00		0.00
Transfer to Foreign Translation reserve					1016.92		1016.92
Balance at the end of the comparative reporting period ending 31st March 2017	954.90	52400.00	500.00	3450.00	82467.89	35.98	139808.77
Profit for the Current Reporting year ending 31st March 2018					12235.61		12235.61
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2018						-2970.30	-2970.30
Total Comprehensive Income for the year		0.00		0.00	12235.61	-2970.30	9265.31

Note: No reclassification from OCI to Profit and Loss was required during the reporting period and hence no disclosures reconciling the reclassification adjustments have been detailed relating to each component of OCI.

Total Comprehensive Income for the year		0.00	0.00	0.00	12235.61	-2970.30	9265.31
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							0.00
- Interim Dividends (Rs.__ per share)							0.00
- Final Dividend (Rs. ___ per share)							0.00
- Dividend Distribution Tax							0.00
Transfer to Foreign Translation reserve			0.00		-10.60		-10.60
Transfer from / (to) Debenture Redemption Reserve							0.00
Balance at the end of the reporting year ending 31st March 2018	954.90	52400.00	500.00	3450.00	94692.90	-2934.32	149063.48

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2018

Nature and Purpose of each component of equity		Nature and Purpose
Securities Premium		Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve		General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Remeasurements of Defined Benefit Plans		Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

This is the Statement of Changes in Equity referred to in our report of even date

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 16th May 2018

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 11
Borrowings

(Rs.in '000s)

Particulars	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
NON CURRENT			
Secured			
Term loans;			
- from Others	**0.00**	0.00	0.00
Vehicle Loan	**2129.98**	1053.16	273.21
Unsecured			
- from Bank & NBFC	**11322.96**	8333.78	8885.37
Sub - Total	**13452.94**	9386.93	9158.58
CURRENT			
Secured			
Vehicle Loan	**1262.15**	792.10	2236.44
Working Capital Facilities from Banks	**131259.20**	129111.64	97560.34
Loans repayable on demand			
- from related parties	**11637.50**	18506.85	23662.29
- from Bank & NBFC	**8529.55**	8641.70	9151.00
Sub - Total	**152688.40**	157052.29	132610.06
Amounts disclosed under the head 'Other Financial Liabilities' (Note 14)	**-9791.70**	-9433.80	-11387.44
Sub - Total	**142896.70**	147618.49	121222.62
Total	**156349.64**	**157005.43**	**130381.21**

Term Loan :

Vehicle loan is secured by a specific charge on respective vehicle purchased. Details of each loan taken are stated below :-

Name of the Bank / NBFC	No. of Instalments	Date of Maturity	Rate of Interest	Instalment Amount (Rupees)
Vehicle Loans				
Daimler Financial Services India P. Ltd	36	13-Jun-19	11.76%	66,677
Volkwagen Finance Private Limited	60	20-Jan-19	9.49%	13,541
Kotak Mahindra Prime Ltd.	60	10-Jan-23	8.25%	24,440
Kotak Mahindra Prime Ltd.	60	28-Feb-23	8.25%	24,440
Unsecured Loans				
Kotak Mahindra bank Ltd.	36	31-May-19	18.50%	273,028
Kotak Mahindra bank Ltd.	36	26-Dec-20	15.00%	157,098
Bajaj Finance Ltd.	36	31-Jul-18	19.75%	37,407
Edelweiss Retail Finance Ltd.	60	25-Feb-21	19.00%	103,763
ICICI Bank Ltd.	36	21-Feb-21	15.00%	104,596
Tata Capital Financial Services P.Ltd.	36	29-Jan-21	18.00%	180,762
Shriram City Union Finance Ltd.	36	4-May-19	19.00%	109,969

Nature of security:

Working Capital facilities from banks are secured on pari passu basis, by way of hypothecation of inventories, book debts and receivables both present and future and further secured by way of equitable mortgage of company's factory and machinery and equipments as well as equitable mortgage over factory and machinery and equipments of M/s. Global Instile Solid Industries Limited (Related party).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 12
Provisions

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Provision for employee benefits	**3897.19**	3124.38	2847.45	**177.87**	143.83	128.44
Provision for Income Tax (Net of Advance taxes and TDS)	**0.00**	0.00	**670.03**	2282.50	1893.34	0.00
Others;						
- Dividend	**0.00**	0.00	0.00	**0.00**	0.00	0.00
Total	**3897.19**	**3124.38**	**2847.45**	**847.90**	**2426.33**	**2021.78**

Note 13
Trade Payables

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Outstanding due of Micro and Small Enterprises	**0.00**	0.00	0.00	**0.00**	0.00	0.00
Outstanding due of Creditors other than Micro and Small Enterprises	**0.00**	0.00	0.00	**59796.18**	19597.37	42732.81
Total	**0.00**	**0.00**	**0.00**	**59796.18**	19597.37	42732.81
Of the above;						
- Acceptances	**0.00**	0.00	0.00	**0.00**	0.00	0.00

Note 14
Other Financial Liabilities

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Current maturities of long-term debt	**0.00**	0.00	0.00	**9791.70**	9433.80	11387.44
Total	**0.00**	**0.00**	**0.00**	**9791.70**	9433.80	11387.44

Note 15
Other Liabilities

(Rs.in '000s)

Particulars	Non-Current			Current		
	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016	As as 31 March 2018	As as 31 March 2017	As as 01 April 2016
Revenue received in advance	**0.00**	0.00	0.00	**0.00**	0.00	0.00
Security Deposit from Clients	**0.00**	0.00	0.00	**32440.51**	98407.88	112771.35
Statutory Dues						
- Withholding taxes	**0.00**	0.00	0.00	**559.47**	543.75	284.27
- VAT/ GST/CST	**0.00**	0.00	0.00	**210.41**	2059.38	2345.76
Others						
- Liability for expenses	**0.00**	0.00	0.00	**9808.72**	8134.50	8438.29
- Unclaimed Dividend	**0.00**	0.00	0.00	**386.89**	444.13	493.73
Total	**0.00**	0.00	0.00	**43405.99**	109589.63	124333.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 16
Revenue from Operations

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Sale Of Products	**581732.52**	634745.33
Sale Of Services; and	**6973.07**	2782.84
Other Operating Revenues:		
Miscellaneous	**25027.64**	23716.67
Total	**613733.22**	661244.85

Note 17
Other Income

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest Income	**208.13**	80.44
Dividend Income	**0.00**	1.52
Unspent Liabilities written back	**6191.58**	209.64
Rent Equalisation (Ind As Income)	**42.80**	0.00
Interest Income - Ind As Effect	**132.79**	62.28
Net gain / loss on foreign currency translation and transaction	**211.67**	0.00
Other Non-Operating Income;		
Compensation Received for Material	**115.40**	484.81
Miscellaneous Income	**16.80**	73.23
Total	**6919.19**	911.92

Note 18
Cost of Materials Consumed

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Cost of Materials Consumed		
Opening Stock	**2734.50**	3293.62
Add: Purchases	**3951.98**	1689.75
	6686.48	4983.37
Less: Closing Stock	**3536.72**	2734.50
	3149.76	2248.87
Details of Raw Materials consumed		
Granite	**751.36**	833.48
Slate	**1108.60**	634.49
Marble	**182.92**	72.52
Semi Precious	**1106.88**	708.38
Total	**3149.76**	2248.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 19
Purchases of Stock in Trade

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Purchases of Stock in Trade		
Granite	**650.56**	630.08
Marble	**469590.01**	546008.50
Mosaics	**13946.00**	216.04
Sealants	**40.72**	1.65
Slate	**4095.41**	707.08
Other Misc.Items	**15.40**	0.00
Total	**488338.10**	547563.35

Note 20
Changes in Inventory of Finished goods

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Closing Stock:		
Finished Goods- Manufactured	**6277.05**	4399.22
Finished Goods- Traded	**182884.65**	219968.93
	189161.70	224368.14
Less: Opening Stock:		
Finished Goods- Manufactured	**4399.22**	3820.93
Finished Goods- Traded	**219968.93**	242151.61
	224368.14	245972.54
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	-
Total	**35206.44**	21604.40

Details of Inventory

Class of Goods	Manufactured Goods Opening Stock	Manufactured Goods Closing Stock	Traded Goods Opening Stock	Traded Goods Closing Stock
Granite	185.43	218.82	2035.39	1569.04
Marble	—	1299.86	213388.67	158461.26
Mosaics	145.34	371.01	652.08	652.08
Sealants	—	—	1322.89	1323.97
Semi Precious	3709.93	3635.50	1322.62	1322.62
Slate	358.52	751.87	1247.26	4426.63
TOTAL	**4399.22**	**6277.05**	**219968.93**	**167755.60**

Note 21
Employee Benefits Expense

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Salaries and Wages	**21516.76**	19974.75
Contribution to provident, gratuity and other funds	**1292.16**	521.83
Staff welfare expenses	**222.37**	270.23
Total	**23031.29**	20766.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 22
Finance Costs

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Interest on Loans and Deposits	**2866.99**	4227.72
Interest on Working Capital Facilities	**16124.04**	14691.04
Exchange difference	**0.00**	0.00
Other Borrowing Costs;		
Bank Charges	**2143.80**	2473.71
Total	**21134.83**	21392.47

Note 23
Other Expenses

(Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Tools and Stores Consumed	**613.93**	448.61
Packing Materials consumed	**108.44**	23.29
Power and Fuel	**1266.79**	1643.30
Repairs and Renewals:		
Buildings / Premises	**81.32**	211.48
Plant and Machinery	**371.25**	56.64
Insurance	**365.31**	383.52
Rent	**7223.00**	7130.37
Printing and Stationery	**447.05**	335.66
Travelling & Conveyance	**6542.63**	5496.84
Postage & Courier Expenses	**56.38**	36.47
Telephone Expenses	**837.02**	1134.57
Legal & Professional Charges	**3227.03**	3847.19
As Auditors:		
Audit fees	**210.00**	241.50
Reimbursement of Expenses etc.	**0.00**	0.00
	210.00	241.50
VAT & CST Paid	**59.10**	61.74
Service Tax	**45.93**	40.38
Bad Debts	**616.77**	3470.00
Entertainment Expenses	**906.96**	513.67
Vehicle Expenses	**286.51**	336.35
Directors' Sitting Fees	**0.00**	73.00
Freight and Forwarding (Net)	**484.66**	776.24
Net Loss on Foreign Currency transactions	**0.00**	402.94
Loss on fixed assets sold / discarded (Net)	**587.31**	434.97
Loss on Investment written off	**808.80**	0.00
Miscellaneous Expenses	**3261.68**	2688.42
Total	**28407.86**	29787.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (a) - Reconciliation of Equity as at 1st April 2016 (date of transition)

(Rs.in '000s)

Particulars	Foot Notes	Previous GAAP *	Reclassifi-caation	Ind AS	Adjust-ments	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	24 (d) (v)	27560.52	0.00	27560.52	0.00	27560.52
Other Intangible Assets		0.00	0.00	0.00	0.00	0.00
Financial Assets;						
- Investments	24 (d) (i)	10286.78	0.00	10286.78	0.00	10286.78
- Loans	24 (d) (vii)	4169.44	-4169.44	0.00	0.00	0.00
- Trade Receivables		0.00	0.00	0.00	0.00	0.00
- Others financial assets		0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets (Net)		708.54	0.00	708.54	0.00	708.54
Other non-current assets			4169.44	4169.44	-171.63	3997.81
Current assets		0.00	0.00	0.00	0.00	0.00
Inventories	24 (d) (v)	249307.43	0.00	249307.43	0.00	249307.43
Financial Assets;						
- Investments	24 (d) (i)	0.00	0.00	0.00	0.00	0.00
- Trade Receivables		107846.58	0.00	107846.58	0.00	107846.58
- Cash and cash Equivalents		2337.34	-598.87	1738.46	0.00	1738.46
- Bank balances other than cash and cash equivalents			598.87	598.87	0.00	598.87
- Loans		95786.30	-56743.71	39042.58	0.00	39042.58
Current Tax Assets (Net)			2.41	2.41	0.00	2.41
Other current assets		11.85	56741.30	56753.15	168.91	56922.06
Total assets		**498014.78**	**0.00**	**498014.78**	**-2.72**	**498012.05**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		53800.00		53800.00	0.00	53800.00
Other equity	24 (d) (i) & (ii)	130542.80	0.00	130542.80	-34.83	130507.98
Equity attributable to owners		**184342.80**		**184342.80**	**-34.83**	**184307.98**
Non-controlling interest						
Total equity		**184342.80**		**184342.80**	**-34.83**	184307.98
LIABILITIES						
Non-current liabilities						
Financial Liabilities						
- Borrowings		9158.58	0.00	9158.58	0.00	9158.58
- Trade Payables		0.00	0.00	0.00	0.00	0.00
- Other Financial Liabilities		0.00	0.00	0.00	0.00	0.00
Provisions		2847.45	0.00	2847.45	0.00	2847.45
Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Other non-current liabilities	24 (d) (vi)	0.00	0.00	0.00	0.00	0.00
Current Liabilities		**12006.03**	**0.00**	**12006.03**	**0.00**	**12006.03**
Financial Liabilities						
- Borrowings		121222.62	0.00	121222.62	0.00	121222.62
- Trade Payables		42732.81	0.00	42732.81	0.00	42732.81
- Other Financial Liabilities			11387.44	11387.44	11387.44	11387.44
Other Current Liabilities		135688.73	-11387.44	124301.29	-11355.34	124333.39
Provisions	24 (d) (ii)	2021.78	0.00	2021.78	0.00	2021.78
Current Tax Liabilities (Net)		0.00	0.00		0.00	0.00
Total current liabilities		**301665.94**	**0.00**	**301665.94**	**32.10**	**301698.04**
Total liabilities		**313671.97**	**0.00**	**313671.97**	**32.10**	**313704.07**
Total equity and liabilities		**498014.78**	**0.00**	**498014.78**	**-2.72**	**498012.05**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (b) - Reconciliation of Equity as at 31st March 2017

(Rs.in '000s)

Particulars	Foot Notes	Previous GAAP *	Reclassifi-caation	Ind AS	Adjust-ments	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	24 (d) (v)	20495.39	0.00	20495.39	0.00	20495.39
Capital Work-in-Progress		0.00	0.00	0.00		
Other Intangible Assets		0.00	0.00	0.00	0.00	0.00
Financial Assets;						
- Investments		10169.14	0.00	10169.14	0.00	10169.14
- Loans		2897.22	-2897.22	0.00	0.00	0.00
- Trade Receivables		0.00	0.00	0.00	0.00	0.00
- Others financial assets		0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets (Net)		2091.18	0.00	2091.18	13.41	2104.59
Other non-current assets			2897.22	2897.22	-109.35	2787.87
Current assets			0.00		0.00	0.00
Inventories		227201.27	0.00	227201.27	0.00	227201.27
Financial Assets;						
- Investments		0.00	0.00	0.00	0.00	0.00
- Loans		106580.66	-86760.54	19820.12	0.00	19820.12
- Trade Receivables		120686.95	0.00	120686.95	0.00	120686.95
- Cash and cash Equivalents		4580.84	-3456.64	1124.20	0.00	1124.20
- Bank balances other than cash and cash equivalents			3456.64	3456.64	0.00	3456.64
- Others financial assets			75.48	75.48	0.00	75.48
Other current assets		75.48	86685.07	86760.54	103.52	86864.07
	0.00			0.00	0.00	
Total assets		**494778.13**	**0.00**	**494778.13**	**7.58**	**494785.71**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		53800.00	0.00	53800.00	0.00	53800.00
Other equity	24 (d) (iii) &(v)	139870.75	0.00	139870.75	-61.97	139808.77
Total equity		**193670.75**	**0.00**	**193670.75**	**-61.97**	**193608.77**
LIABILITIES						
Non-current liabilities						
Financial Liabilities						
- Borrowings		9386.93	0.00	9386.93	0.00	9386.93
- Trade Payables		0.00	0.00	0.00	0.00	0.00
- Other Financial Liabilities		0.00	0.00	0.00	0.00	0.00
Provisions		3124.38	0.00	3124.38	0.00	3124.38
Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Other non-current liabilities		0.00	0.00	0.00	0.00	0.00
		12511.32	**0.00**	**12511.32**	**0.00**	**12511.32**
Current Liabilities						
Financial Liabilities						
- Borrowings		147618.49	0.00	147618.49	0.00	147618.49
- Trade Payables		19597.37	0.00	19597.37	0.00	19597.37
- Other Financial Liabilities	24 (d) (i)		9433.80	9433.80	0.00	9433.80
Other Current Liabilities		118953.88	-9433.80	109520.08	69.56	109589.63
Provisions		2426.33	0.00	2426.33	0.00	2426.33
Current Tax Liabilities (Net)		0.00	0.00	0.00	0.00	0.00
Total current liabilities		288596.07	0.00	288596.07	**69.56**	**288665.62**
Total liabilities		**301107.38**	**0.00**	**301107.38**	**69.56**	**301176.94**
Total equity and liabilities		**494778.13**	**0.00**	**494778.13**	**7.58**	**494785.71**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (c) - Reconciliation of Total Comprehensive Income for the period ended 31 March 2017

(Rs. in '000s)

Particulars	Foot Note	Previous GAAP *	Adjustments	Ind AS
INCOME				
Revenue from Operations		661244.85	0.00	661244.85
Other Income	23 (d) (vii)	849.64	62.28	911.92
TOTAL INCOME		**662094.49**	**62.28**	**662156.77**
EXPENSES				
Cost of Material Consumed		2248.87	0.00	2248.87
Purchases of Stock-in-Trade		547563.35	0.00	547563.35
Changes in inventories of Finished Goods		21604.40	0.00	21604.40
Employee Benefits expense	23 (d) (iii)	20537.31	229.50	20766.81
Finance Costs	23 (d) (vi)	21392.47	0.00	21392.47
Depreciation and Amortisation expense	23 (d) (v)	6674.03	0.00	6674.03
Other Expenses	23 (d) (vi)	29684.32	102.84	29787.16
TOTAL EXPENSES		**649704.75**	**332.34**	**650037.09**
PROFIT BEFORE TAX		**12389.74**	**-270.06**	**12119.68**
TAX EXPENSE				
(1) Current Tax		5300.00	0.00	5300.00
(2) Deferred Tax		-1382.64	-89.29	-1471.93
Earlier Years Tax adjustments		43.71	0.00	43.71
TOTAL TAX EXPENSE		**3961.08**	**-89.29**	**3871.79**
PROFIT FOR THE YEAR		**8428.66**	**-180.77**	**8247.89**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to Profit or Loss				
Remeasurements of Defined benefit plans	23 (d) (iii)	0.00	229.50	229.50
Income Tax relating to items that will not be reclassified to Profit or Loss	23 (d) (iii)	0.00	-75.88	-75.88
Add / (Less):				
Share of Profit / (Loss) of Minority Interest		0.00	0.00	0.00
Share of Profit / (Loss) of Associate Company		-117.64	0.00	-117.64
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**-117.64**	**153.62**	**35.98**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8311.02**	**-27.15**	**8283.88**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24 (d) - Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and total comprehensive income for the period ended 31st March, 2017

i) Other Payables:

Under previous GAAP, proposed dividend including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting).

ii) Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is increased by Rs. 2,29,500 (Net of Tax of Rs. 1,53,620) as at 31st March, 2017 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iii) Other Comprehensive Income:

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind-AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind-AS.

iv) Other IND AS Adjustments (Non Current Financial Assets / liabilities and provisions)

Under previous GAAP, the Company accounted for non-current Financial Assets / liabilities and provisions at undiscounted values. In contrast, the IND AS requires that where the effect of time value of money is material, the amount of Non Current Financial Assets / liabilities and provisions should be the present value of expenditure / income expected to be required to settle the obligations / received upon maturity. This impact is recognised as an Interest Income or as other borrowing cost.

v) Revenue from operations: Rebate and Discounts

As per Ind AS, revenue is measured at the fair value of the consideration received or receivable on accrual basis and when its collection or receipt is reasonably certain. Any sales incentives, discounts or rebates in any form, including cash discounts given to customers will be considered as reduction from revenue. Under previous GAAP, these cost were considered as rebates and discounts and included under Administration and Other Expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 24
A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(Rs. in '000s)

Particulars	31st March 2018	31st March 2017
Interest bearing Loans and Borrowings	**156349.64**	157005.43
Less: Cash and Short Term Deposits	**0.00**	-4580.84
Net Debt	**156349.64**	152424.59
Equity	**53800.00**	53800.00
Other Equity	**149063.48**	139808.77
Total Capital	**202863.48**	193608.77
Capital and Net Debt	**359213.13**	346033.36
Gearing Ratio %	**43.53%**	44.05%

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.
The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into forward exchange contracts to hedge its foreign currency exposures,

Other Price Risks

The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like Natural Rubber, Synthetic Rubber and other Chemicals, the Company enters into purchase contracts on a short term and forward foreign exchange contracts(matching the purchase contracts) are entered into to minimise price fluctuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

ii) Credit Risk

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents, investments as well as credit exposure to customers.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's marketing policies are well structured and all replacement sales are predominantly through direct communication with the parties. As regards sales, the Company carries out periodic credit checks and also limits the exposure by establishing maximum payment period for customers and by offering prompt payment discounts, etc.

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Trade and other payables are plugged into the one month rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

Note 25
Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Hierarchy	Carrying Value			Fair Value		
		As at 31 March 2018	As at 31 March 2017	As as 01 April 2016	As at 31 March 2018	As at 31 March 2017	As as 01 April 2016
Financial Assets							
- Investments	Level One	**0.00**	0.00	0.00	**0.00**	10169.14	10286.78
Financial Liabilities							
- Borrowings	Level Two	**0.00**	157005.43	130381.21	**13452.94**	157005.43	130381.21

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Investment are based on NAV at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 26
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (Rs.in '000s)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Accounting Profit before Income Tax	**16484.85**	12119.68
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	**5705.08**	4194.38
Effect of non-deductible expenses	**0.00**	649.71
Total	**5705.08**	4844.09

NOTE 27
OTHER ADDITIONAL NOTES / INFORMATION

A Contingent Liability not provided for:

Demands/claims by various Government Authorities not acknowledged as debts and contested by the company:

a. Income Tax Rs.8.25 lakhs (Prev.Yr. Rs. 8.25 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2011-12]

b. Income Tax Rs.1.28 lakhs (Prev.Yr. Rs. 1.28 lakhs) [Appeal filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15]

It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matters.

B The Company has exposure to currency fluctuations. It does not hedge its position as the management feels it does not have any material impact as the company is importer as well as exporter of goods and services.

C Under Micro, Small and Medium Enterprise Development Act, 2006; (MSMED) which came in to force from October 2, 2006, certain disclosures are to made relating to Micro, Small and Medium Enteprises. On the basis of information available with the company, no such parties are being identified, hence no disclosure have been made in accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance to the provisions of this act is not expected to be material.

D Earnings Per Share:

		2017-18	2016-17
Profit/(Loss) after taxation and refund of income tax.	(Rs.in lakhs)	**122.36**	82.48
Number of Equity Shares (Face Value Rs. 10/-)		**5380000**	5380000
Earning Per Share in Rupees - Basic & diluted		**2.27**	1.53

E **Related Party Disclosure:**

a) List of Parties which significantly influence / are influenced by the company (either individually or with others) -:

1) Relationships :

(a) Key Management Personnel :
Mr. Milan B. Khakhar
Mr. Prakash B. Khakhar

(b) Key Management Personnel of Subsidiaries :
Mr.M.S.Munde
Mr.H.S.Munde
Ms.Bharti Padharia
Mr.Satish Padharia

(c) Associate Concern :
Global Instile Solid Industries Ltd.

(d) Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives
M.Stones
Milan Marble & Tiles
Vasumati B. Khakhar
Jeenoo Khakhar
Shraddha Khakhar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) is as identified by the Company and relied upon by the Auditors

2) Transactions carried out with Related parties referred to in 1 above, in ordinary course of business :

(Rs.in '000s)

Nature of Transactions	RELATED PARTIES							
Particulars	Key Management Personnel		Key Management Personnel of Subsidiaries		Associate Concern		Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	2017-18	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
PURCHASES :								
Goods and Material	—	—	—	—	23155.92	16502.42	—	—
SALES :								
Goods and Material	—	—	—	—	—	—	—	—
EXPENSES :								
Rent	—	—	—	—	—	—	720.00	240.00
Remuneration & Allowances	7260.00	7260.00	—	—	—	—	963.60	960.00
Directors' fees	—	—	—	—	—	—	—	15.00
INCOME :	—	—	—	—	—	—	—	—
OUTSTANDINGS :								
Payable	461.00	961.50	—	—	87.73	—	904.94	114.10
Receivable	—	—	—	—	—	12923.96	—	—
LOANS :								
Payable	11637.50	14788.00	—	3718.89	—	—	—	—
Receivable	—	—	—	—	—	—	—	—
Taken	11905.50	22037.00	—	8.09	—	—	—	—
Re-Paid	15056.00	26856.00	—	133.07	—	—	—	100.00
DEPOSITS :								
Given	—	—	—	—	—	—	1000.00	1000.00
GUARANTEES :								
Given	—	—	—	—	—	—	—	—
Taken	276000.00	276000.00	—	—	138000.00	138000.00	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

NOTE 27 E :
OTHER ADDITIONAL NOTES / INFORMATION

(Rs.in '000s)

Particulars	Key Management Personnel		Key Management Personnel of Subsidiaries		Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives			
	Milan Khakhar	Prakash Khakhar	Granitexx UK Ltd., U.K.	Stone Source GB Ltd., U.K.	Global Instile Solid Industries Ltd.	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar	Shraddha Khakhar
1 Payments to & provision for : a) Director's Remuneration & Allowance	3630.00 (3630.00)	3630.00 (3630.00)	— —	— —	— —	— —	— —	481.80 (480.00)	481.80 (480.00)
b) Rent	— —	— —	— —	— —	— —	720.00 (240.00)	— —	— —	— —
c) Director's Fees	— —	— —	— —	— —	— —	— —	— (15.00)	— —	— —
2 a) Loans Taken	8842.00 (20425.00)	3063.50 (1612.00)	— (8.09)	— —	— —	— —	— —	— —	— —
b) Loans refunded	10285.00 (24142.00)	4771.00 (2714.00)	— (92.34)	— (40.73)	— —	— —	— (100.00)	— —	— —
c) Loans Payable	9737.00 (11180.00)	1900.50 (3608.00)	— (3718.89)	— —	— —	— —	— —	— —	— —
3 Purchase of Goods	— —	— —	— —	— —	23155.92 (16502.42)	— —	— —	— —	— —
4 Sale of Goods	— —	— —	— —	— —	— —	— —	— —	— —	— —
5 Deposits Receivable as on 31st March	— —	—- —	— —	— —	— —	1000.00 (1000.00)	— —	— —	— —
6 Outstanding Payable as on 31st March	230.50 (365.50)	230.50 (596.00)	— —	— —	87.73 —	145.94 (30.10)	84.00 (84.00)	3.65 —	3.10 —
7 Outstanding Receivable as on 31st March	— —	— —	— —	— —	— (12923.96)	— —	— —	— —	— —
8 Outstanding Guarantee taken as on 31st March	138000.00 (138000.00)	138000.00 (138000.00)	— —	— —	138000.00 (138000.00)	— —	— —	— —	— —

(figures in Brackets relate to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

F Remuneration to Directors

1) **Nature of transactions:**

Remuneration to Directors	3/31/2018	3/31/2017
Remuneration	**7200.00**	**7200.00**
Perquisites	**60.00**	**60.00**

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related party.

G Segment Information:

The Company is engaged interalia in the business of natural stones, building material and allied building activities which is considered as a single segment. These in the context of Ind AS 108 " Operating Segment" are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the Accounting Standard. Non-reportable segments have not been disclosed as unallocated reconciling item in view of their materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable.

H Remuneration to Auditors

Particulars	3/31/2018	3/31/2017
Audit Fees (inclusive of GST / Service Tax)	**247.80**	241.50
Total	**247.80**	241.50

NOTE 27 I :
Disclosures as per IND AS - 19 - Employee Benefits

During the year / period, the company has recognised the following amounts in the Statement of Profit and Loss:

	Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
i)	Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 21).	114.35	0.00
II)	Defined benefit obligation:		
	a) Leave Encashment - Unfunded	0.00	0.00
	b) The valuation results for the defined benefit gratuity plan as at 31-3-2018 are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Present Value of Obligation as at the beginning	**3268.21**	**2975.89**
Current Service Cost	**253.73**	299.82
Interest Expense or Cost	**206.00**	222.00
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	**-635.91**	363.68
- experience variance (i.e. Actual experience vs assumptions)	**642.84**	-593.18
Past Service Cost (vested benefits)	**718.08**	0.00
Benefits Paid	**-377.90**	0.00
Present Value of Obligation as at the end	**4075.06**	**3268.21**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Fair Value of Plan Assets as at the beginning	**0.00**	**0.00**
Investment Income	**0.00**	**0.00**
Adjustment to opening Fair Value of Plant Asset	**0.00**	**0.00**
Return on Plan Assets excluding interest income	**0.00**	**0.00**
Employer's Contribution	**377.90**	**0.00**
Benefits Paid	**-377.90**	**0.00**
Fair Value of Plan Assets as at the end	**0.00**	**0.00**

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Current Service Cost	**253.73**	299.83
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	**206.00**	222.00
Net Actuarial (Gain)/Loss recongnized for the period	**0.00**	0.00
Past Service Cost (vested benefits)	**718.08**	0.00
Expenses Recognised in the Income Statement	**1177.81**	**521.83**

iv) Other Comprehensive Income

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Actuarial (gains) / losses		
- change in financial assumptions	**-635.91**	363.68
- experience variance (i.e. Actual experience vs assumptions)	**642.84**	-593.19
Return on Plan Assets excluding interest income	**0.00**	0.00
Components of defined benefit costs recognised in other comprehensive income	**6.93**	**-229.51**

v) Actuarial Assumptions

a. Financial Assumptions
The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on 31 March 2018	As on 31 March 2017
Discount rate (per annum)	**7.68%**	6.69%
Salary growth rate (per annum)	**4.00%**	4.00%

b. Demographic Assumptions

Particulars	As on 31 March 2018	As on 31 March 2017
Mortality Rate (% of IALM 06-08)	**100%**	100%
Employee Atrition Rate: (per annum) (PS)		
0 to 5 Years	**20.00%**	20.00%
5 to 47 Years	**1.00%**	1.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

vi) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in '000s)

Particulars	As on 31 March 2018
Defined Benefit Obligation (Base)	4075.06

Particulars	31 March 2018		31 March 2017	
	Increase	**Decrease**	**Decrease**	**Increase**
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	3543.28 *-13.0%*	4718.03 *15.8%*	Not Available	
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	4565.73 *12.0%*	3609.33 *-11.4%*		

b. Effect of Plan on Entity's Future Cash Flows

- **Funding arrangements and Funding Policy**

  The scheme is unfunded

- **Expected Contribution during the next annual reporting period** **(Rs. in '000s)**

  The Company's best estimate of Contribution during the next year 304.17

- **Maturity Profile of Defined Benefit Obligation**

  Weighted average duration (based on discounted cash flows) 17.1 Years

- **Expected cash flows over the next (valued on undiscounted basis):**

	(Rs. in '000s)
1 year	177.87
2 to 5 years	482.91
6 to 10 years	882.96

J Value of Raw Materials and Spare Parts consumed and percentage to the total :

	Particulars	2017-18		2016-17	
		(Rs. in '000s)	**% to Total**	**(Rs. in '000s)**	**% to Total**
1.	Raw Materials				
	Indigenous	**3149.76**	**100.00**	2248.87	100.00
	Imported	**0.00**	**0.00**	0.00	0.00
		3149.76	**100.00**	2248.87	100.00
2.	Stores & Consumables				
	Indigenous	**613.93**	**100.00**	448.61	100.00
	Imported	**0.00**	**0.00**	0.00	0.00
		613.93	**100.00**	448.61	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

		2017-18	2016-17
K	Value of Imports on CIF Basis:	Rs. in '000s	
	1. Finished Products	**46872.56**	32478.05
L	Expenditure in Foreign Currency (on cash basis):		
	1. Travelling	**3895.70**	2928.14
	2. Trading Goods Imports	**46872.56**	32478.05
M	Earnings in Foreign Currency -		
	1. Export of goods on F.O.B. basis (incl. Deemed Export)	**843.93**	192.51
	2. Others	**3453.22**	2649.65

N **Lease :**

Disclosure as required by Indian Accounting Standard 17 (Ind-AS 17) issued by the The Institute of Chartered Accountants of India are as follows :

Operating Lease :

The Company's significant leasing arrangements are in respect of office premises, warehouse and showrooms taken on lease. The arrangements are generally not Non-Cancellable and range from 33 months to 60 months by giving 1 month to 3 months notice for termination of lease. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangement, lease rentals payable are recognised in the Statement of Profit and Loss for the year. Total of Minimum Lease payment for a period is :

(Rupees in '000s)

Particulars	March 31, 2018	March 31, 2017
Not Later than One Year	**572**	607
Later than One year and not later than five year	**NIL**	NIL
Later than Five years	**NIL**	NIL

O The Directors have waived their Sitting fees for the year 2017-18.

P Figures of previous year have been regrouped or rearranged wherever necessary

Signatures to the Notes to the Financial Statements which form an integral part of these Financial Statements.

For Ashar & Co
Chartered Accountants
Firm Reg.No.129159W

Yogesh Ashar
Partner
Mem.No.046259

Mumbai,
Dated 16th May 2018

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
(DIN: 00394065)

P. B. KHAKHAR
Jt.ManagingDirector
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary

FORM AOC-I

Part "A": Subsidiaries Information

Sr. No.	Particulars	Details	Details
1	Name of Subsidiary	**Granitexx UK Limited**	**Stone Source GB Ltd.**
2	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Financial year - April 1, 2017 to January 2, 2018	Financial year - April 1, 2017 to July 30, 2017
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 GBP = Rs.92.2846	1 GBP = Rs.92.2846
4	Share Capital (Rs.in '000s)	NIL	NIL
5	Reserves & Surplus (Rs.in '000s)	NIL	NIL
6	Total Assets (Rs.in '000s)	NIL	NIL
7	Total liabilities (Rs.in '000s)	NIL	NIL
8	Investments (Rs.in '000s)	NIL	NIL
9	Turnover / Total income (Rs.in '000s)	NIL	NIL
10	Profit/Loss before taxation (Rs.in '000s)	317.53	5543.61
11	Provision for taxation (Rs.in '000s)	0.00	0.00
12	Profit/Loss after taxation (Rs.in '000s)	317.53	5543.61
13	Proposed Dividend	-	-
14	% of Shareholding	100%	51% held by Granitexx UK Limited

Granitexx UK Limited was holding 51% shares of Stone Source GB Limited.
Stone Source GB Limited has been dissolved on 30 July, 2017.
Granitexx UK Limited has been dissolved on 2 January, 2018.

Part "B": Associate and Joint ventures

Sr. No.	Particulars	Global Instile Solid Industires Limited (Associate Company)
1	Latest audited Balance Sheet date	31/03/2018
2	Shares of Associate held by the company on the year end	
	Number	2,70,000
	Amount of Investment in Associate (Rs.in '000s)	9450.00
	Extent of Holding %	29.88%
3	Description of how there is significant influence	Voting Power
4	Reason why the associate is not consolidated	Not Applicable
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs.in '000s)	3101.16
6	Profit/Loss for the year	
	i. Considered in Consolidated (Rs.in '000s)	-249.29
	ii. Not Considered in Consolidated (Rs.in '000s)	Not Applicable

SOLID STONE COMPANY LIMITED
CIN:L26960MH1990PLC056449;
Regd. Off.: 1501, Maker Chambers V,
Nariman Point, Mumbai-400021.
Tel. No.: +91 22-66115800 Fax: +91 22-22826439
Website: www.solid-stone.com
Email Id : sglinvserv@gmail.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	Folio No. / DP ID Client ID No.
Registered address:	E-mail Id:

I/we, being the member(s) of______________________shares of SOLID STONE COMPANY LIMITED hereby appoint:

1) Name : ___________________________________Address : ____________________________________

___________________________________ Email Id : _________________________or failing him

2) Name : ___________________________________Address : ____________________________________

___________________________________ Email Id : _________________________or failing him

3) Name : ___________________________________Address : ____________________________________

___________________________________ Email Id : ____________________________________

and whose signature(s) are appended in this form, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, 21st September, 2018 at 9.15 A.M. at Half South Lounge, Centre 1, Ground Floor, World Trade Centre, Cuffe Parade, Mumbai- 400005 or any adjournment thereof, in respect of such resolutions as are indicated below:

RESOLUTIONS	OPTIONAL*	
	For	Against
Ordinary Business 1. Adoption of the Audited Financial Statements for FY ended 31.03.2018, reports of Board of Directors and Auditors thereon and adoption of Audited Consolidated Financial Statements for FY ended 31.03.2018 and report of Auditors thereon. 2. Re-appointment of Mrs.V B. Khakhar as Director, who retires by rotation. 3. Ratification of Appointment of M/s Ashar & Co., Chartered Accountants (Regn.No. 129159W) as Statutory AuditorsAuditors.		

Signed this_________________ day of __________ 2018 Signature of Shareholder_______________

Affix
Revenue
Stamp

____

Signature of PROXY

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

*4. This is only optional. Please put a ‘ü’ in the appropriate column against the resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.