



Solid Stone Company Limited

The General Manager,
The Mumbai Stock Exchange,
Dalal Street, Fort,
Mumbai – 400023.

August 20, 2019

Dear Sir,

Re : **Submission of Soft Copy of Annual Report for 2018-19**

We are enclosing herewith soft copy of Annual Report of our company for the year ended 31st March, 2019.

We have already uploaded the same on the BSE Portal and are emailing a soft copy of our Annual Report (2018-19) today i.e. on 20th August, 2019 to corp.relations@bseindia.com and corp.compliance@bseindia.com pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on your records.

Thanking You,

Yours Faithfully,

For SOLID STONE COMPANY LTD.


(MANOJ DEWANI)
Chief Financial Officer



**A Commitment to quality
that leaves no stone unturned**



SOLID STONE COMPANY LIMITED

**ANNUAL REPORT
2018-2019**

CONTENTS

NOTICE	1
DIRECTORS' REPORT	12
ANNEXURES TO DIRECTORS' REPORT	17
MANAGEMENT DISCUSSION & ANALYSIS	25
REPORT ON CORPORATE GOVERNANCE	26
STANDALONE FINANCIAL STATEMENTS :	
AUDITOR'S REPORT	42
BALANCE SHEET	50
STATEMENT OF PROFIT AND LOSS	51
CASH FLOW STATEMENT	52
NOTES TO THE FINANCIAL STATEMENTS	56
CONSOLIDATED FINANCIAL STATEMENTS :	
AUDITORS' REPORT	86
BALANCE SHEET	92
STATEMENT OF PROFIT AND LOSS	93
CASH FLOW STATEMENT	94
NOTES TO THE FINANCIAL STATEMENTS	98
ATTENDANCE SLIP AND PROXY FORM	

TWENTY NINTH ANNUAL REPORT 2018-2019

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 NINTH ANNUAL GENERAL MEETING

At:

Half Centrum, 1st Floor, Centre 1,
World Trade Centre, Cuffe Parade, Mumbai-400005.

on Friday, 13th September, 2019 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 Ninth Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Half Centrum, 1st Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai - 400005 on Friday, 13th September, 2019 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, 2019, 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, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. K..Gopi Nair (holding DIN 00763252) whose tenure of appointment ends on 30th September 2019 and being eligible offers himself for re-appointment.
3. To re-appoint 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 re-appoints 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 2020 at a remuneration to be decided by the Audit Committee of Directors of the Company”.

SPECIAL BUSINESS :

4. **Re-Appointment of Ms. Ashni Parekh (DIN: 00763224) as an Independent Director for a further period of five years:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provision of Section 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Ashni Parekh (DIN: 00763224) who was appointed as an Independent Director of the Company on September 29, 2014 and whose first term of five years expires on September 28, 2019, be and is hereby re-appointed as Independent Director of the Company for a period of 5 years w.e.f. September 29, 2019 to September 28, 2024 and who shall not be subject to retirement by rotation.”

5. **Re-Appointment of Mr. Gaurav Davda (DIN: 01372614) as an Independent Director for a further period of five years:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provision of Section 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gaurav Davda (DIN: 01372614) who was appointed as an Independent Director of the Company on September 29, 2014 and whose first term of five years expires on September 28, 2019, be and is hereby re-appointed as Independent Director of the Company for a period of 5 years w.e.f. September 29, 2019 to September 28, 2024 and who shall not be subject to retirement by rotation.”

6. **Consent to Board to give Loan, Guarantee, Invest in other Body Corporates:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to section 186 and any other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and all other

enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to :

- (a) Give any loan to any person or other body corporate
- (b) Give any guarantee or provide security in connection with a loan to any person or body corporate and
- (c) Acquire by way of subscription, purchase or otherwise the securities of any other body corporates

upon such terms and conditions as they may think fit (including Associates, Subsidiaries, Related Parties), notwithstanding that the loans so given, guarantees so provided or shares so acquired exceed the sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. Provided that the total amount of loans given, guarantees provided or investments made by the Board of Directors and outstanding at anytime shall not exceed the sum of Rs. 100 Crores (Rupees Hundred Crores) “

7. To re-appoint Mr. Milan B. Khakhar. (holding DIN 00394065) as Chairman and Managing Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Milan B. Khakhar (DIN:00394065) as Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2019 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration, including granting of increments, as it may deem fit from time to time during the tenure of appointment and as may be acceptable to Mr. Milan B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To re-appoint Mr. Prakash B. Khakhar. (holding DIN 00394135) as Joint Managing Director:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Prakash B. Khakhar (DIN:00394135) as Joint Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2019 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration, including granting of increments, as it may deem fit time to time during the tenure of appointment and as may be acceptable to Mr. Prakash B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve / authorise to transact with related party / material entity

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactments thereof (the Act) for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such other approvals, consents, permissions and sanctions of any Authorities as may be necessary, consent of Shareholders be and is hereby accorded to the Board of Directors (acting on behalf of the company), (including any committee thereof or any director or official of the company authorized in this behalf) to enter into transactions, either individual or taken together with previous transactions on arms length basis and in ordinary course of business with the Promoter Directors and their relatives (as detailed in the explanatory statement annexed hereto) considered to be related to the company, pursuant to the Act and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an aggregate amount upto Rs.400 Lakhs.

RESOLVED FURTHER THAT the Board (which term shall include its duly authorised committee or directors or officials of the Company), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with Related Party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

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

Place : Mumbai

Date : 28th May, 2019

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 10th September, 2019 to 13th September, 2019 (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.sharexindia.com and register their request.
- J) The route map showing directions to reach the venue of the 29th 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 29th 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 10th September, 2019 (9:00 AM) and ends on 12th September, 2019 (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 6th September, 2019 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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 a Compliance User should be created 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 linked in the login should be mailed 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.
- (xx) 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.**

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013****Item No.4**

Ms.Ashni Parekh is a Independent Director of the Company. She joined the Board of Directors of the Company in the year 1997, She is a Commerce and Law Graduate from University of Mumbai. She has rich experience of more than 22 years in legal and commercial matters.

The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Ms. Ashni Parekh as Director of the Company. Ms. Ashni Parekh has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Ms. Ashni Parekh on the Board as an Independent Director.

Copy of the draft letter of appointment of Ms. Ashni Parekh setting out the terms and condition of appointment is available for inspection by the Members at the registered office of the Company.

The details/ information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 with respect to appointment of Director is detailed in Annexure-1 to this notice.

The Company has also received declaration from Ms. Ashni Parekh that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, she is not disqualified from being appointed as a Director in terms of Companies Act, 2013.

Based on the outcome of performance evaluation of the Independent Directors, on the recommendation of the Nomination and remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019 have approved the reappointment of Ms. Ashni Parekh for the second term as provided in the resolution.

Except Ms. Ashni Parekh, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP of the Company are concerned with or interested in the proposed Resolution as set out at Item No. 4 of this Notice.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

Item No.5

Mr.Gaurav Davda is a Independent Director of the Company. He joined the Board of Directors of the Company in the year 2014.

Mr.Gaurav Davda, has more than 14 years of experience in Investment Banking and Corporate Advisory. He has worked across the entire spectrum of Investment Banking products such as M&A, Equity Capital Markets, PE Advisory etc. with reputed Companies. Mr.Gaurav Davda is an MBA and also holds a degree in Securities Law from Government Law College, Mumbai.

The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr.Gaurav Davda as Director of the Company. Mr.Gaurav Davda has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Mr.Gaurav Davda on the Board as an Independent Director.

Copy of the draft letter of appointment of Mr.Gaurav Davda setting out the terms and condition of appointment is available for inspection by the Members at the registered office of the Company.

The details/ information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 with respect to appointment of Director is detailed in Annexure-1 to this notice.

The Company has also received declaration from Mr.Gaurav Davda that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, he is not disqualified from being appointed as a Director in terms of Companies Act, 2013.

Based on the outcome of performance evaluation of the Independent Directors, on the recommendation of the Nomination and remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019 have approved the reappointment of Mr.Gaurav Davda for the second term as provided in the resolution.

Except Mr.Gaurav Davda, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP of the Company are concerned with or interested in the proposed Resolution as set out at Item No. 4 of this Notice.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

Item No.6

Section 186 of the Companies Act, 2013 requires that the Board of Directors of a Company shall not give loans, provide guarantees or make investments exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more except with the consent of the Company accorded by way of a Special Resolution.

In view of our company's business requirements and relations, there may be need to give loans, provide guarantees in excess of sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 186 of the Companies Act, 2013 to enable the Board of Directors to give loans, provide guarantees or make investments subject to a limit of Rs.100 crores (Rupees Hundred Crores). The Resolution under item No.6 of the accompanying Notice is to obtain consent of the shareholders for this purpose.

The Directors accordingly recommend the resolutions in item no. 6 of the accompanying notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item No.6

Item Nos. 7 and 8

The Board of Directors of the Company (the 'Board'), at its meeting held on 28th May, 2019 has, subject to the approval of members, re-appointed Mr. Milan B.Khakhar as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2019, at the remuneration recommended by Nomination and Remuneration Committee (the 'NRC') of the Board and approved by the Board.

Further, the Board at its meeting held on 28th May, 2019 has, subject to the approval of members, re-appointed Mr. Prakash B.Khakhar as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which will expire on 31st July, 2019, at the remuneration recommended by the NRC of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Milan B.Khakhar as Managing Director and Mr. Prakash B.Khakhar as Joint Managing Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar are as under:

Mr.Milan Khakhar

Salary, Perquisites and Allowances per annum:

1. *Salary* : Basic Salary of Rs.3,00,000/- per month, with such increments as may be determined by the Board of Directors of the Company from time to time, in the salary range of Rs.3,00,000/- to Rs. 6,00,000/- per month and with proportionate increase in all benefits related to the quantum of salary.
2. *Perquisites*: The Company may contribute to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, and shall not be included for the purpose of computation of the overall ceiling of remuneration.
3. *Reimbursement of Expenses*: Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Mr.Prakash Khakhar

Salary, Perquisites and Allowances per annum:

1. *Salary* : Basic Salary of Rs.3,00,000/- per month, with such increments as may be determined by the Board of Directors of the Company from time to time, in the salary range of Rs.3,00,000/- to Rs. 6,00,000/- per month and with proportionate increase in all benefits related to the quantum of salary.
2. *Perquisites*: The Company may contribute to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, and shall not be included for the purpose of computation of the overall ceiling of remuneration.
3. *Reimbursement of Expenses*: Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

General:

- (i) The Managing Director and the Joint Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Joint Managing Director will be under the overall authority of the Managing Director.
- (ii) The Managing Director and the Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director and the Joint Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The office of the Managing Director and the Joint Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar under Section 190 of the Act.

Brief resume of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Milan B. Khakhar and Mr. Prakash B. Khakhar are related to each other and are deemed to be interested in the resolutions set out respectively at Item Nos.7 and 8 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them and each other.

The relatives of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 7 and 8 of the Notice for approval by the shareholders.

Item No. 9

The Company is at present holding 29.88% Equity in its Associate company, Global Instile Solid Industries Limited. The Balance 70.12% is held by the Promoter Directors of the Company and their Relatives.

It is proposed to acquire the 100% holding in Global Instile Solid Industries Limited by purchasing / transfer of the entire share holding of the existing shareholders of Global Instile Solid Industries Limited, who are also the Promoter Directors of the Company and their relatives subject to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such other approvals, consents, permissions and sanctions of any Authorities as may be necessary, consents of Shareholders.

Material Related Party transactions require the approval of the shareholders through a Special Resolution. Further as required under Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no Related Party shall vote to approve the proposed resolution.

The Members are requested to take note of below information:

Nature of Transactions: Purchase of 6,33,588 Equity Shares of Rs.10/- each fully paid representing 70.12% of the Issued, Subscribed and Paid up Capital of Global Instile Solid Industries Limited.

Name of the Entity:

1. Mr.Milan Khakhar
2. Mr.Prakash Khakhar
3. Mrs.Vasumati Khakhar
4. Mrs.Jeenoo Khakhar
5. Ms.Kanika Khakhar
6. Ms.Isha Khakhar
7. Mrs.Shraddha Khakhar
8. Ms.Mahi Khakhar
9. Mr.Yash Khakhar

Name of the Director or Key Management Personnel who is related, if any:

Persons in Serial Numbers 1 to 3 above are Promoter Directors of Solid Stone Company Limited and of Global Instile Solid Industries Limited.

Persons in Serial Numbers 4 to 9 above are relatives of the Promoter Directors listed in Serial No.1 to 3 above.

Nature of Relationship: Material entity / Related Party

Nature , Material Terms, Monetary value and particulars of the contract or arrangement: Purchase of 6,33,588 Equity Shares of Global Instile Solid Industries Limited at such value per share as maybe determined in accordance with prevailing regulatory requirements upto Rs.400 Lakhs on such terms as may be agreed between the Company and the Related Parties subject to the applicable laws.

Any other relevant or important information: The Company and Global Instile Solid Industries Limited are associates and in the same line of business. Global Instile Solid Industries Limited has requisite processing Infrastructure and Asset Base for processing and dealing in natural stones and allied products. The Company is already holding 29.88% shares of Global Instile Solid Industries Limited. The 100% acquisition of the shareholding will be advantageous and of strategic importance for our future growth. The transactions covered under the resolution have been reviewed and approved by the audit committee wholly comprising of independent directors.

Your Directors commend the resolution set out at Sr. No. 9 in the accompanying Notice of the AGM for your approval as a special resolution. None of the Directors, Key Management Personnel of the Company and their respective relatives shall be considered to be interested in the proposed resolution except, if so, as a member of any of the entities covered in the proposed resolution.

ANNEXURE – 1**DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SS-2)

Name of Director	Ms.Ashni Parekh	Mr.Gaurav Davda	Mr.K.Gopi Nair
Director Identification Number	00763224	01372614	00763252
Date of appointment	26/09/1997	29/05/2014	01/01/2003
Profile of Director	Ms.Ashni Parekh is a Commerce and Law Graduate from University of Mumbai. She has rich experience of more than 22 years in legal and commercial matters.	Mr.Gaurav Davda, has more than 14 years of experience in Investment Banking and Corporate Advisory. He has worked across the entire spectrum of Investment Banking products such as M&A, Equity Capital Markets, PE Advisory etc. with reputed Companies. Mr.Gaurav Davda is an MBA and also holds a degree in Securities Law from Government Law College, Mumbai.	Mr.K.Gopi Nair is a Commerce Graduate from University of Mumbai with vast experience in natural stone business
Terms and conditions of appointment	Appointed for a period of 5 (Five) years	Appointed for a period of 5 (Five) years	Appointed as a Director liable to retire by rotation
Expert in specific Functional Area	Legal and Commercial matters	Investment Banking and Corporate Advisory	Material Management
Number of Board Meetings attended during the year	9 out of 9	7 out of 9	6 out of 9
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Nil	Nil	Nil
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	Nil	Nil	Nil
No. of shares held in the Company	45,951	40,006	840
Relationship between Directors Interse*	Nil	Nil	Nil
Remuneration	Sitting fee for attending the meetings of Board of Directors and Committees thereof	Sitting fee for attending the meetings of Board of Directors and Committees thereof	Sitting fee for attending the meetings of Board of Directors and Committees thereof

@ Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

* Under the Companies Act, 2013.

Name of Director	Mr.Milan B.Khakhar	Mr. Prakash B.Khakhar
Director Identification Number	00394065	00394135
Date of appointment	08.05.1990	08.05.1990
Profile of Director	Mr.Milan Khakhar is a Commerce and Law Graduate from University of Mumbai. He has rich experience of more than 35 years in natural stones and building material industry.	Mr.Prakash Khakhar is a Commerce Graduate from University of Mumbai. He has rich experience of more than 32 years in natural stones and building material industry.
Terms and conditions of appointment	Appointed for a period of 5 (Five) years	Appointed for a period of 5 (Five) years
Expert in specific Functional Area	Industrialist having rich Business experience	Industrialist having rich Business experience
Number of Board Meetings attended during the year	9 out of 9	9 out of 9
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Private Companies	Global Instile Solid Industries Limited Universal Tiles and Stone Company Limited	Global Instile Solid Industries Limited Universal Tiles and Stone Company Limited
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director @	Nil	Nil
No. of shares held in the Company	8,08,415	13,78,895
Relationship between Directors Interse*	Related to Mrs. Vasumati Khakhar & Mr.Prakash Khakhar	Related to Mrs. Vasumati Khakhar & Mr.Milan Khakhar
Remuneration	Terms of Remuneration are given in text of Resolution at Item No.7	Terms of Remuneration are given in text of Resolution at Item No.8

@ Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered.

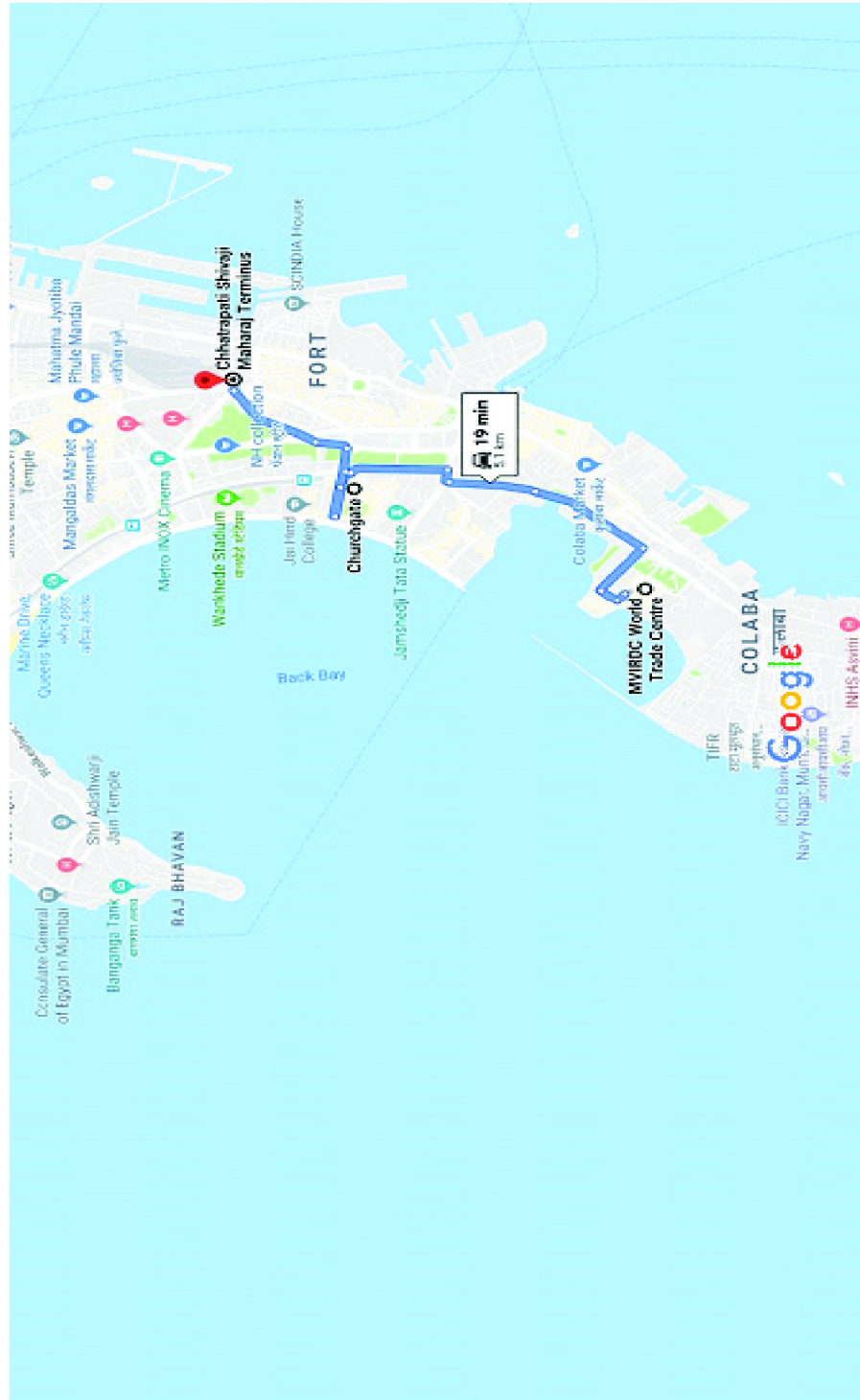
* Under the Companies Act, 2013.

By Order of the Board of Directors

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

Place : Mumbai
Date : 28th May, 2019

Route Map to the AGM Venue World Trade Centre



DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-Ninth Annual Report of the Company for the year ended on 31st March, 2019.

FINANCIAL RESULTS :

	Year Ended 31 st March, 2019 Rs..in '000s	Year Ended 31 st March, 2018 Rs..in '000s
Gross Income from Operations	4,13,905	6,14,461
Profit before Depreciation and Tax	15,059	15,040
Profit after Tax	6,763	5,891
Balance brought forward from Previous year	92,008	86,121
Total Comprehensive Income for the year	6,813	5,887
Surplus carried to Balance Sheet	98,821	92,008

DIVIDEND :

Your Directors, in order to conserve resources, have not recommend any Dividend for the year ended 31st March, 2019 on the Equity Share Capital.(Previous Year : NIL).

OPERATIONS :

During the year under review the Company posted a lower gross income without any significant fall in profits on account of focus in retail business and improvement in 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 this Report.

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. Details of Contracts or Arrangements or Transactions with Related Parties (in Form AOC-2) is forming part of this Report.

The related party transactions are disclosed under Note No. 27E of the Notes to Financial Statements for the financial year 2018-19.

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 retires by rotation at the forthcoming Annual General Meeting and does not offer herself for re-appointment on account of advanced age.

Mrs.V.B.Khakhar is a Promoter Director of the company since its inception. The Board of Directors places on record its deep appreciation for services rendered by her for about three decades as Director of the company.

The tenure of Mr.K.Gopi Nair as an Independent Director shall come to an end on 30th September 2019. He is eligible for re-appointment and offers himself for re-appointment as Director liable to retire by rotation.

The tenure of Ms.Ashni Parekh and Mr.Gaurav Davda, both as Independent Directors, shall come to an end on 28th September 2019. It is proposed to re-appoint them as Independent Directors for a further period of 5 (Five) years.

The tenure of Mr.Milan Khakhar, Chairman and Managing Director and Mr.Prakash Khakhar, Joint Managing Director, both as Managerial Personnel, ends on 31st July 2019. It is proposed to re-appoint Mr.Milan Khakhar as Chairman and Managing Director and Mr.Prakash Khakhar as Joint Managing Director for a further period of 5 (Five) years effective from 1st August 2019.

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 2018-19.

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 2018-19 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 Statutory Auditors dated 28th May, 2019 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 this Annual General Meeting. The Auditors have confirmed their eligibility to be re-appointed and their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. It is proposed to re-appoint them as statutory auditors from the conclusion of this Annual General Meeting till the conclusion of the ensuing Annual General Meeting.

During the year under review, the Audit Report does not contain any qualification, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors of the company under Section 143(12) of the Companies Act, 2013.

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

Nine 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 : 28th May, 2019

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	41,641	47,388
Total Cost	Rs. 5,75,580	Rs. 5,27,060
Rate per unit	Rs.13.82	Rs.11.12

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. 571.18 Lakhs

Foreign exchange earned: Rs. 30.29 Lakhs

ANNEXURE “ B” to Directors Report**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31-03-2019

[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 Limited
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	% to total turnover of the company
a.	Processing & Sale of Natural & Semi precious stones	23960	3.26%
b.	Trading in Natural Stones & related products	47190	96.74%

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	GLOBAL INSTILE SOLID INDUSTRIES LIMITED	U14100MH1997PLC106541	Associate	29.88%

D. SHARE HOLDING PATTERN**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. PROMOTER'S**(1) INDIAN**

(a) Individual	3753831	500	3754331	69.783	3768985	0	3768985	70.055	0.272
(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):-	3753831	500	3754331	69.783	3768985	0	3768985	70.055	0.272

(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 shareholding of Promoter (A)=(A) (1)+(A)(2)	3753831	500	3754331	69.783	3768985	0	3768985	70.055	0.272

(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) FIs	30000	0	30000	0.558	17000	0	17000	0.316	-0.242
(h) Foreign Venture Capital Funds		0				0			0.000
(i) Others (specify)		0				0			0.000
Sub-total (B)(1):-	30000	0	30000	0.558	17000	0	17000	0.316	-0.242

2. Non-Institutions**(a) BODIES CORP.**

(i) Indian	515612	34200	549812	10.220	521441	34200	555641	10.328	0.108
(ii) Overseas		0				0			0.000

(b) Individuals

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	184479	87220	271699	5.050	202470	82620	285090	5.299	0.249
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	605551	30200	635751	11.817	722551	30200	752751	13.992	2.175

(c) Other (specify)

Non Resident Indians	233	0	233	0.004	533	0	533	0.01	0.006
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	138174	0	138174	2.568		0			-2.568
Trusts		0				0			0
Foreign Bodies - D R		0				0			0
Sub-total (B)(2):-	1444049	151620	1595669	29.659	1446995	147020	1594015	29.629	-0.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1474049	151620	1625669	30.217	1463995	147020	1611015	29.945	-0.272
C. Shares held by Custodian for GDRs & ADRs		0				0			0.00
Grand Total (A+B+C)	5227880	152120	5380000	100.00	5232980	147020	5380000	100.00	0

(ii) Shareholding of promoters MGT9 Report

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of 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	25.630	0	1378895	25.630	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	12.680	0	682190	12.680	0	0
5	MAHI PRAKASH KHAKHAR	44191	0.821	0	48216	0.896	0	0.075
6	YASH PRAKASH KHAKHAR	42340	0.787	0	47969	0.892	0	0.105
7	KANIKA MILAN KHAKHAR	40700	0.757	0	40700	0.757	0	0
8	ISHA MILAN KHAKHAR	27300	0.507	0	32300	0.600	0	0.093
9	SHRADDHA PRAKASH KHAKHAR	30500	0.567	0	30500	0.567	0	0
10	CHARU SHEKHAR DAVDA	500	0.009	0	500	0.009	0	0

(iii) Change in Promoter's Shareholding(Please specify,if there is no change)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			
		No.of Shares at the beginning/end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No.Of shares	
1	MAHI PRAKASH KHAKHAR	44191	0.821	01-04-2018				
				13-04-2018	4025	Buy	48216	0.896
	-Closing Balance			31-03-2019			48216	0.896
2	YASH PRAKASH KHAKHAR	42340	0.787	01-04-2018				
				27-04-2018	2629	Buy	44969	0.836
				15-06-2018	2000	Buy	46969	0.873
				07-09-2018	1000	Buy	47969	0.892
	-Closing Balance			31-03-2019			47969	0.892
3	ISHA MILAN KHAKHAR	27300	0.507	01-04-2018				
				07-09-2018	1000	Buy	28300	0.526
				30-11-2018	4000	Buy	32300	0.600
	-Closing Balance			31-03-2019			32300	0.600

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

Sr. No	Shareholder's Name	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	% of total Shares of the company
1	FALGUNI S NAYAR	184000	3.420	01-04-2018				
	-Closing Balance			31-03-2019		No Change	184000	3.420
2	GEETA CHETAN SHAH	140000	2.602	01-02-2019				
	-Closing Balance			31-03-2019		No Change	140000	2.602
3	PRIMESEC INVESTMENTS LIMITED	130792	2.431	01-04-2018				
	-Closing Balance			31-03-2019		No Change	130792	2.431
4	RELIGARE FINVEST LTD	121007	2.249	01-04-2018				
	-Closing Balance			31-03-2019		No Change	121007	2.249
5	JUDITH INVESTMENTS PRIVATE LIMITED	75000	1.394	01-04-2018				
	-Closing Balance			31-03-2019		No Change	75000	1.394
6	G K K CAPITAL MARKETS PVT LTD	49750	0.925	01-04-2018				
	-Closing Balance			31-03-2019		No Change	49750	0.925
7	ASHNI YOGENDRAPAREKH	45951	0.854	01-04-2018				
	-Closing Balance			31-03-2019		No Change	45951	0.854
8	PRIME SECURITIES LIMITED	41939	0.780	01-04-2018				
	-Closing Balance			31-03-2019		No Change	41939	0.780
9	GAURAV SHEKHAR DAVDA	49006	0.911	01-04-2018				
				03-08-2018	-3000	Sold	46006	0.855
				31-08-2018	-1000	Sold	45006	0.837
				07-09-2018	-1000	Sold	44006	0.818
				30-11-2018	-4000	Sold	40006	0.744
	-Closing Balance			31-03-2019			40006	0.744
10	MANISH SARDA	32000	0.595	01-04-2018				
	-Closing Balance			31-03-2019		No Change	32000	0.595
11	DEEPAK SARDA	36500	0.678	01-04-2018				
				27-04-2018	-4000	Sold	32500	0.604
				15-06-2018	-6000	Sold	26500	0.493
				29-06-2018	-4000	Sold	22500	0.418
	-Closing Balance			31-03-2019			22500	0.418
12	GLOBALWORTH SECURITIES LTD.	137500	2.556	01-04-2018				
				27-07-2018	6000	Buy	143500	2.667
				05-10-2018	-3500	Sold	140000	2.602
				07-12-2018	5	Buy	140005	2.602
				14-12-2018	-5	Sold	140000	2.602
	-Closing Balance			28-01-2019	-140000	Sold	0	0

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			
		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	% of total Shares of the company
1	ASHNI YOGENDRAPAREKH	45951	0.854	01-04-2018				
	-Closing Balance			31-03-2019		No Change	45951	0.854
2	GAURAV SHEKHAR DAVDA	49006	0.911	01-04-2018				
				03-08-2018	-3000	Sold	46006	0.855
				31-08-2018	-1000	Sold	45006	0.837
				07-09-2018	-1000	Sold	44006	0.818
				30-11-2018	-4000	Sold	40006	0.744
	-Closing Balance			31-03-2019			40006	0.744
3	K GOPI NAIR	840	0.016	01-04-2018				
	-Closing Balance			31-03-2019		No Change	840	0.016

V. INDEBTEDNESS

(Amount : Rupees in Thousands)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
• Addition		24291.30	-	24291.30
• Reduction	-4856.21	-26711.37	-	-31567.58
Net Change	-4856.21	-2420.07	0.00	-7276.28
Indebtedness at the end of the financial year				
i) Principal Amount	129795.12	29069.94	-	158865.06
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
Total (i+ii+iii)	129795.12	29069.94	0.00	158865.06

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/WTM/ 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	36,30,000	36,30,000	72,60,000
	(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			
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	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 2018-19

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)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1802400	219000	2021400
	(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	-	-	-
	Total	1802400	219000	2021400

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		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
COMPANY SECRETARY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

ANNEXURE C to Directors' Report :**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2018-19****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 2018-2019

During the financial year 2018-2019, the company achieved a sales turnover of Rs.4116.91 lakhs as against a Sales Turnover of Rs.6137.33 lakhs in the previous year. Total Comprehensive Income after tax stood at Rs.68.13 lakhs as compared to Rs.57.87 lakhs in the previous year. The Company posted slightly lower gross income for the financial year ended 31st March 2019, but has been able to maintain the Net Profits.

Capital Structure

There was no change in the capital structure of the company. The issued and paid up share capital as at 31st March, 2019, 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 2019, the Board met nine times on 9th April, 2018, 16th May, 2018, 13th August, 2018, 17th September, 2018, 14th November, 2018, 24th November, 2018, 26th November, 2018, 20th December, 2018 and 12th February, 2019.

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, 2019 and other details are as under:

Name of Director	Category	No of Shares held	No of Board Meetings attended during 2018-19	Whether attended last AGM	No.of Director-ships in other Public Limited Companies	No.of Committee positions held in other Companies
Mr.Milan B. Khakhar	Executive Promoter	808415	9	Yes	2	-
Mr.Prakash B. Khakhar	Executive Promoter	1378895	9	Yes	2	-
Mrs.Vasumati B. Khakhar	Non-Executive Promoter	682190	5	No	1	-
Ms.Ashni Y. Parekh	Non-Executive Independent	45951	9	Yes	-	-
Mr. K.Gopi Nair	Non-Executive Independent	840	6	No	-	-
Mr.Gaurav Davda	Non-Executive Independent	40006	7	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.

Declaration of Independence of Board:

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationship disclosed, all the Non-Executive Independent Directors are independent in terms of the provisions of section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

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 2018-2019
Ms.A.Y.Parekh, Chairperson	Independent Non-Executive	4
Mr.K.Gopi Nair, Member	Independent Non-Executive	4
Mr.Gaurav Davda, Member	Independent Non-Executive	4

During the year 2018-19, Four Audit Committee Meetings were held on 16th May, 2018, 13th August, 2018, 14th November, 2018 and 12th February, 2019.

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 16th May, 2018.

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.

One Meeting of this Committee was held during the year 2018-19.

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 2019 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 2018-19

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 August, 2018, and 12th February, 2019.**

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

Name of Members	Category	Meetings Attended During the year 2018-2019
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, 2019.

No. of Investors' complaints received during financial year 2018-19 : Nil

No. of Complaints pending unresolved as on 31st March, 2019 : 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
28 th	2017-18	Sep 21 2018 at 9:15 am	Half South Lounge, Centre 1, 1 st Floor, World Trade Centre, Cuffe Parade, Mumbai-400005	–
27 th	2016-17	Sep 22 2017 at 9:15 am	Half Centrum, Centre 1, World Trade Centre, 1 st Floor, Cuffe Parade, Mumbai-400005	–
26 th	2015-2016	Sep 14 2016 at 9:15 am	Kilachand Conference Hall, Indian Merchant Chambers, 2 nd Floor, IMC Marg, Churchgate, Mumbai-400020.	–

(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 Indian Accounting Standards (Ind AS24) 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, 2018 to March 31, 2019 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 28, 2019.

(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 2018-19.

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 29th AGM of the members of the company is scheduled to be held on on Friday, 13th September, 2019 at 9.15 am at Half Centrum, Centre 1, 1st Floor, World Trade Centre, Cuffe Parade, Mumbai – 400005.

b) Financial Calendar for the year 2019-2020 (Provisional)

A	Unaudited Results for the first quarter ending on June 30, 2019	By 14 th of August, 2019
B	Unaudited Results for the second quarter ending on September 30, 2019	By 14 th of November, 2019
C	Unaudited Results for the third quarter ending on December 31, 2019	By 14 th of February, 2020
D	Results (Audited) for the financial Year ending March 31, 2020	By 30 th of May, 2020
E	Annual General Meeting for the year ending March 31, 2020	By end of September, 2020

c) Details of book closures:

From 10th September, 2019 to 13th September, 2019 (both days inclusive)

d) Dividend Payment

The Directors have not proposed any Dividend for the financial year ended 31st March, 2019

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 2019-2020 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 2018-2019 are as under :-

Month	Quotation at Bombay Stock Exchange	
	High	Low
April, 2018	74.00	63.65
May, 2018	76.10	70.00
June, 2018	86.00	70.30
July, 2018	93.00	81.45
August, 2018	87.75	87.75
September, 2018	94.00	86.00
October, 2018	91.95	86.95
November, 2018	82.65	82.65
December, 2018	90.30	85.00
January, 2019	89.95	85.50
February, 2019	92.40	88.00
March, 2019	94.00	94.00

(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.

i) Statistics of Shareholders as on 31st March, 2019

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
1-500	792	83.46	90,131	1.68
501 – 1000	46	4.85	38,605	0.72
1001 – 2000	31	3.27	45,241	0.84
2001 – 3000	17	1.79	44,070	0.82
3001 – 4000	7	0.74	26,272	0.49
4001 – 5000	9	0.95	42,684	0.79
5001 – 10000	8	0.84	62,626	1.16
10001 and above	39	4.11	50,30,371	93.50
Total	949	100.00	53,80,000	100.00

j) **Shareholding Pattern as on March 31, 2019:**

Categories	No. of Shareholders	No of Shares	% of shareholding
Promoters	10	37,68,985	70.055
Indian Public	890	10,37,841	19.291
Private Corporate Bodies	44	5,55,641	10.328
NRI / OCBs	4	533	0.010
Clearing Members	-	-	-
FPI	1	17,000	0.316
Total	949	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.

97.27 % of the Company's Share Capital is dematerialized as on 31st March, 2019.

l) The Company has not issued any GDRs/ADRs. No Bonds were outstanding as on 31st March, 2019.

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

The resume of Directors to be re-appointed are given as Annexure to the Notice of Annual General Meeting and form part of this report.

By Order of the Board of Directors

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

Place : Mumbai
Date : 28th May, 2019

CERTIFICATE RELATED TO DEBARMENT / DISQUALIFICATION OF DIRECTOR(S)

The Members,
Solid Stone Company Limited

Sub : Certificate as per Clause (10) (i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Jinang Shah, Company Secretary in Practice, hereby state that based on the examination of records and documents provided by the management of the company, its officers and written representations received from the Directors of the Company, it is certified that as on 31st March, 2019, none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authorities.

For Jinang Shah and Associates
Company Secretaries

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

Place: Ahmedabad
Date: 28th May , 2019

Independent Auditors' Certificate on Corporate Governance

To
The Members of
Solid Stone Company Limited

1. We, Ashar & Co., Chartered Accountants, the Statutory Auditors of Solid Stone Company Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.
8. We 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 Ashar & Co.
Chartered Accountants
FRN No.129159W

Yogesh Ashar
Partner
Membership No.: 046259

Place: Mumbai
Date: 28th May, 2019

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, 2019

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (Rs.in Lakhs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director/to median remuneration of employees during F.Y.2018-19	Remuneration of Director/ KMP for Financial Year 2017-18 (Rs.in Lakhs)	% 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
1	Mr.Milan Khakhar, Chairman & Managing Director	36.30	NIL	13.91	36.30	NIL	13.75
2	Mr.Prakash Khakhar, Joint Managing Director	36.30	NIL	13.91	36.30	NIL	13.75
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	NIL	xxx	18.02	7.26%	Xxx
8	Mr.Hardik Valia, Company Secretary	2.19	10.61%	xxx	1.98	NIL	Xxx

- ii. The median remuneration of employees of the Company during the financial year was Rs.2.61 Lakhs per annum (Previous year Rs.2.64 Lakhs). In the financial year 2018-19, there was a decrease of 1.14 % in the median remuneration of employees (Previous year : increase of 25.71%);
- iii. There were 44 number of permanent employees on the rolls of Company as on March 31, 2019 (Previous year: 42);
- 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 increased by 40.30 % to Rs.5057.20 Lakhs as on March 31, 2019 from Rs.3604.60 Lakhs as on March 31, 2018.(In the previous financial year, 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 .)
- b) *Price Earnings ratio* of the Company was Rs.74.02 as at March 31, 2019 and was Rs.61.47 as at March 31, 2018.
- 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, 2019 was Rs.94.00 representing 940.00% increase over the IPO price of Rs.10/- . (closing price of the Equity Shares as on March 31, 2018 was Rs.67.00 representing 670.00% increase)
- vi. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year . 2018-19 and 2017-18 was (-)0.14% and 14.73% respectively and the increase/decrease in the managerial remuneration for the same financial year 2018-19 and 2017-18 was 0.23% and 2.01% 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 2018-19 (Rs. in Lakhs)	36.30 (36.30)	36.30 (36.30)	2.19 (1.98)	18.02 (18.02)	92.81 (92.60)
Revenue (Rs. in Lakhs)	4116.91 (6137.33)				
Remuneration of KMPs (as % of revenue)	0.88% (0.59%)	0.88% (0.59%)	0.05% (0.03%)	0.44% (0.29%)	2.25% (1.50%)
Profit before Tax (PBT) (Rs. in Lakhs)	101.86 (101.41)				
Remuneration of KMPs (as % of PBT)	35.64% (35.79%)	35.64% (35.79%)	2.15% (1.95%)	17.69% (17.77%)	91.12% (91.30%)

(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 2018-19 and 2017-18.
- 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, 2019

[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.: L26960MH11990PLC056449
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, 2019 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, 2019 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 2018-19;
- 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 2018-19):-
 - 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 to SEBI (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 at least 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: 28th May, 2019
Place: Ahmedabad

Annexure I to Secretarial Audit Report

To,
The Members,
Solid Stone Company Limited
CIN No.: L26960MH11990PLC056449
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: 28th May, 2019

Place : Ahmedabad

ANNEXURE G TO Directors' Report

FORM AOC-1

Part "A": Subsidiaries Information

Sr. No.	Particulars	Details
	NOT APPLICABLE (Since no Subsidiaries during the financial year 2018-19)	

Part "B": Associate and Joint ventures

Sr. No.	Particulars	Global Instile Solid Industries Limited (Associate Company)
1	Latest audited Balance Sheet date	31/03/2019
2	Shares of Associate held by the company on the year end	
	Number	270,000
	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)	2846.59
6	Profit/Loss for the year	
	i. Considered in Consolidated (Rs.in '000s)	-254.56
	ii. Not Considered in Consolidated (Rs.in '000s)	Not Applicable

For and on behalf of the Board

Milan B. Khakhar
Chairman & Managing Director

Place : Mumbai
Dated : 28th May, 2019

ANNEXURE H to Directors' Report**Form AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Part A - Details of Contracts or Arrangements or Transactions not at arm's length basis

Sl. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	None
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

Part B - Details of contracts or arrangements or transactions at arm's length basis

Sl. No.	Particulars	Details	Details
1	Name of the related party & nature of relationship	Global Instile Solid Industries Limited (Associate Company)	Milan Marble and Tiles (Enterprise owned and significantly influenced by Key Management personnel)
2	Nature of contracts/ arrangements/ transaction	Purchase of Goods	Lease of Office premises
3	Duration of the contracts/ arrangements / transaction	As per Individual Purchase Order	1 st April, 2017 to 31 st March, 2020
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase: Rs.6.72 Lakhs	The agreement provides for lease of office premises at Nariman Point owned by Milan Marble and Tiles to the company for the period stipulated above
5	Date of approval by the Board	Not Applicable as the transactions are at an arms length basis and do not fall under the category of material related party transactions. However, these are placed before audit committee every quarter.	13 th February, 2017
6	Amount paid as advances, if any	NIL	Security Deposit paid: Rs.10 Lakhs

For and on Behalf of the Board

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

Place : Mumbai
Date : 28th May, 2019

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

1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **SOLID STONE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit(financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Our Response
1	Evaluation of Related Party Transactions The Company has related party transactions which include, amongst others, sale and purchase of Goods/ services to its associates and other related parties. We focused on identification and disclosure of related parties in accordance with relevant accounting standards as a key audit matter.	Principal Audit Procedures Our audit procedures amongst others included the following: - Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. - Obtained a list of related parties from the Company's Management and traced the related parties to declarations given by directors, where applicable, and to Note 27E of the standalone Ind AS financial statements. We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. - Tested material creditors/debtors, loan outstanding/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee. - Evaluated the disclosures in the Standalone Ind AS financial statements for compliance with Ind AS 24. Our procedures did not identify any material exceptions.

<i>Evaluation of uncertain direct tax positions</i> The Company has material uncertain direct tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	<i>Principal Audit Procedures</i> We performed the following substantive procedures: Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. <i>Conclusion</i> We agree with management's evaluation.
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4. Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibility for the audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7.1 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.

7.2 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

- h) 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 exp
 - 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

For ASHAR& CO
Chartered Accountants
(Firm Regn. No. 129159W)

(Yogesh Ashar)
Partner
Mem. No.: 046259
Mumbai, 28th May, 2019

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:
- The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - 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;
 - 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 loans and 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 Provident Fund, Employees' State Insurance, 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. 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, 2019 for a period of more than six months from the date they became payable.
- 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 Lakhs) | 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 Appellate Tribunal (Mumbai) |
- 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 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
(Firm Regn. No. 129159W)

(Yogesh Ashar)
Partner
Mem. No.: 046259
Mumbai, 28th May, 2019

“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, 2019 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 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, 2019, 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
(Firm Regn. No. 129159W)

(Yogesh Ashar)
Partner
Mem. No.: 046259
Mumbai, 28th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs.in '000s)

	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	13240.98	17754.96
Other Intangible Assets	2 (b)	0.00	0.00
Financial Assets;			
- Investments	3	9463.00	9463.00
- Loans		-	-
- Others financial assets	4	-	-
Deferred Tax Assets (Net)		3127.76	2960.51
Other non-current assets	5	2593.95	2652.91
Current Assets			
Inventories	6	211930.58	192957.11
Financial Assets;			
- Investments		-	-
- Trade Receivables	7	154924.59	177301.09
- Cash and cash Equivalents	8	786.05	1233.03
- Bank balances other than cash and cash equivalents	9	3683.23	3405.20
- Loans	10	8248.62	28827.06
- Other financial assets	4	82.08	257.57
Other current assets	5	41637.26	40388.93
TOTAL ASSETS		449718.09	477201.37
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	53800.00	53800.00
Other Equity	SOCE	156125.91	149312.77
Total Equity		209925.91	203112.77
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	11	15090.17	13452.94
- Trade Payables		-	-
- Other Financial Liabilities		-	-
Provisions	12	4435.37	3897.19
Deferred Tax Liabilities (Net)		-	-
Other non-current liabilities		-	-
Current Liabilities			
Financial Liabilities			
- Borrowings	11	131102.74	142896.70
- Trade Payables	13	12626.71	59796.18
- Other Financial Liabilities	14	12672.14	9791.70
Other Current Liabilities	15	63155.95	43405.99
Provisions	12	709.08	847.90
Current Tax Liabilities (Net)		-	-
Total Liabilities		239792.18	274088.60
TOTAL EQUITY AND LIABILITIES		449718.09	477201.38

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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

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

H.D.VALIA
Company Secretary
(ACS No.22571)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Rs.in '000s

	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
INCOME			
Revenue from Operations	16	411690.55	613733.22
Other Income	17	2213.99	727.60
TOTAL INCOME		413904.54	614460.82
EXPENSES			
Cost of materials consumed	18	3571.47	3149.76
Purchases of Stock-in-Trade	19	339981.83	488338.10
Changes in inventories of Finished Goods	20	-19683.08	35206.44
Employee Benefits expense	21	22583.83	23031.29
Finance Costs	22	21802.14	21134.83
Depreciation and Amortisation expense	2 (a) & (c)	4873.29	4899.28
Other Expenses	23	30588.97	28560.61
TOTAL EXPENSES		403718.46	604320.30
PROFIT BEFORE TAX		10186.08	10140.52
TAX EXPENSE			
Current Tax		3600.00	4250.00
MAT Credit Entitlement		-	-
Deferred Tax		-186.53	-853.63
Earlier year Adjustments		9.50	852.88
TOTAL TAX EXPENSE		3422.98	4249.24
PROFIT FOR THE YEAR		6763.10	5891.28
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		69.32	-6.93
Income Tax relating to items that will not be reclassified to Profit or Loss		-19.28	2.29
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges		-	-
Income tax relating to items that may be reclassified to Profit or Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		50.03	-4.64
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6813.14	5886.64
EARNINGS PER EQUITY SHARE			
	28 (b)		
Basic		1.26	1.10
Diluted		1.26	1.10

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 28th May 2019

For and on Behalf of the Board

M. B. KHAKHAR
Chairman & Managing Director
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Jt.ManagingDirector
(DIN: 00394135)

H.D.VALIA
Company Secretary
(ACS No.22571)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs.in '000s)

	Note	As At March 31, 2019	As At March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX		10186.08	10140.52
Adjustment for :			
Depreciation	4873.29	4899.28	
Finance Cost (including fair value change in financial instruments)	21802.14	21134.83	
Interest Income	-213.02	-208.13	
Remeasurements of Defined benefit plans	69.32	-6.93	
Loss / (Gain) on Sale / Disposal of Fixed Assets	-84.75	-	
IndAS Adjustment for Rent and Deposits	79.50	-39.30	
Loss / (Gain) on Sale of Investments	-	-	
		26526.49	25779.75
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		36712.57	35920.27
Trade receivables	22376.51	-56674.80	
Loans (Financial assets)	20578.43	-9006.94	
Other Financial assets	175.50	-182.10	
Other Non Current Assets	-	55.00	
Other Current Assets	-1188.47	46531.36	
Inventories	-18973.46	34244.16	
Trade Payable	-47169.47	40237.04	
Provisions	477.20	806.85	
Other Current liabilities	19669.57	-65562.63	-9552.07
CASH GENERATED FROM OPERATIONS		32658.37	26368.21
Direct Taxes paid		-3687.34	-6715.35
NET CASH FROM OPERATING ACTIVITIES		28971.03	19652.86
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-359.31	-3485.16	
Proceeds from sale of Fixed Assets	84.75	-	
Proceeds from sale of Investments	-	1609.51	
NET CASH USED IN INVESTING ACTIVITIES		-274.57	-1875.64
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayments) / Proceeds from Working Capital Facilities (Net)	-11793.96	-1002.94	
Proceeds from Borrowings	4517.68	4423.90	
Interest Income	213.02	208.13	
Finance Costs	-21802.14	-21134.83	
NET CASH FROM FINANCING ACTIVITIES		-28865.40	-17505.74
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-168.94	271.47
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2018		4638.22	4366.75
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2019		4469.28	4638.22
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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

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

H.D.VALIA
Company Secretary
(ACS No.22571)

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in '000s)

EQUITY SHARE CAPITAL	Number	As at	As at
		31 March 2019	31 March 2018
		Amount	Amount
Authorised Share Capital	75,00,000	75,000	75,000
Issued Share Capital	53,80,000	53,800	53,800
Subscribed Share Capital	53,80,000	53,800	53,800
Fully Paid-up Share Capital	53,80,000	53,800	53,800
Balance at the beginning of the year	53,80,000	53,800	53,800
Changes in equity share capital during the year:			-
Share warrants exercised during the period	-	-	-
Balance at the end of the reporting year	53,80,000	53,800	53,800

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 entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitled 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 sharesAs at
31 March 2019As at
31 March 2018

	No.	%	No.	%
Prakash Bhagwandas Khakhar	1378895	25.63%	1378895	25.63%
Milan Bhagwandas Khakhar	808415	15.03%	808415	15.03%
Jeenoo Milan Khakhar	699300	13.00%	699300	13.00%
Vasumati Bhagwandas Khakhar	682190	12.68%	682190	12.68%

(Rs. in '000s)

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 1, 2018	954.90	52400.00	500.00	3450.00	91858.90	148.98	149312.77
Profit for the year					6763.10	-	6763.10
Other Comprehensive Income for the year						50.03	50.03
Total Comprehensive Income					6763.10	50.03	6813.14
Transactions with owners in their capacity as owners:							
Add: Received during the year							-
Dividends and Dividend Distribution Tax;							-
- Final Dividend (Rs.____ per share)							-
- Dividend Distribution Tax							-
Transfer to General Reserve							-
Balance as at March 31, 2019	954.90	52400.00	500.00	3450.00	98622.00	199.01	156125.91
Profit for the Current Reporting year ending 31st March 2019							-
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2019							-
Total Comprehensive Income for the year		-		-	-	-	-

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

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Total Comprehensive Income for the year		-	-	-	-	-	-
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Interim Dividends (Rs. ___ per share)							-
- Final Dividend (Rs. ___ per share)							-
- Dividend Distribution Tax							-
Transfer to General Reserve			-				-
Transfer from / (to) Debenture Redemption Reserve							-
Balance at the end of the reporting year ending 31st March 2019	954.90	52400.00	500.00	3450.00	98622.00	199.01	156125.91

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 1, 2017	954.90	52400.00	500.00	3450.00	85967.62	153.62	143426.14
Profit for the year					5891.28	-	5891.28
Other Comprehensive Income for the year						-4.64	-4.64
Total Comprehensive Income					5891.28	-4.64	5886.64
Transactions with owners in their capacity as owners:							
Add: Received during the year							-
Dividends and Dividend Distribution Tax;							-
- Final Dividend (Rs. ___ per share)					-		-
- Dividend Distribution Tax					-		-
Transfer to General Reserve							-
Balance as at March 31, 2018	954.90	52400.00	500.00	3450.00	91858.90	148.98	149312.77
Profit for the Current Reporting year ending 31st March 2018					-		-
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2018						-	-
Total Comprehensive Income for the year		-		-	-	-	-

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

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

Total Comprehensive Income for the year		-	-	-	-	-	-
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Interim Dividends (Rs. ___ per share)							-
- Final Dividend (Rs. ___ per share)							-
- Dividend Distribution Tax							-
Transfer to General Reserve			-				-
Transfer from / (to) Debenture Redemption Reserve							-
Balance at the end of the reporting year ending 31st March 2018	954.90	52400.00	500.00	3450.00	91858.90	148.98	149312.77

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 28th May 2019

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

M.D.DEWANI
Chief Financial Officer

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

H.D.VALIA
Company Secretary
(ACS No.22571)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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 2019****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 28, 2019

B Basis of preparation of Financial Statements**i 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')

ii Statement of Compliance

These Separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other provisions of the act.

(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**

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. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 including 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

The Company has elected to continue with the carrying value of intangible assets recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 financial 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 financial 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 its 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**D Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

i) Issue of IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

Currently operating lease expenses are charged to statement of profit and loss account. As regards accounting requirements of lessor are concerned IND AS 116, Substantially carries forward the requirements in IND AS 17. In accordance with the standard the company will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value

The company is currently evaluating the effect of adoption as on the transition date.

ii) Amendments to existing issued Ind AS

The MCA has also carried out amendments to the following accounting standards :-

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

The amendment needs to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is proposing to use retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application without adjusting comparatives.

The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., 1st April, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements

Amendment to Ind AS 12 – Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Company is currently evaluating the effect of this amendment on the standalone financial statements

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

The amendments require an entity to use updated assumptions to determine current service and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate

The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendments on the separate and consolidated financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(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
YEAR ENDED MARCH 31, 2018									
Gross Block									
Cost / Deemed Cost as at 1 April, 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
Cost / Deemed 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									
Accumulated depreciation / amortisation as at 1 April, 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									
(Reversal of Impairment)									
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 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
YEAR ENDED MARCH 31, 2019									
Gross Block									
Cost / Deemed Cost as at 1 April, 2018	26860.78	5403.80	7744.43	21120.11	1919.92	2570.05	141.04	4515.38	70275.52
Additions		205.43				153.88			359.31
Disposals				-1234.66					-1234.66
Cost / Deemed Cost as at 31 March 2019	26860.78	5609.24	7744.43	19885.45	1919.92	2723.93	141.04	4515.38	69400.17
Depreciation Block									
Accumulated depreciation / amortisation as at 1 April, 2018	23403.35	3137.10	6005.26	14322.77	682.14	2522.89	0.00	2447.05	52520.56
Depreciation / Amortisation for the year	2189.79	397.13	391.42	1574.22	137.53	38.75		144.45	4873.29
Disposals									0.00
(Reversal of Impairment)				-1234.66					-1234.66
Accumulated depreciation / Amortisation as at the 31 March 2019	25593.14	3534.23	6396.68	14662.32	819.67	2561.64	0.00	2591.51	56159.19
Net Block									
As at 31 March 2018	3457.43	2266.70	1739.17	6797.34	1237.78	47.17	141.04	2068.33	17754.96
As at 31 March 2019	1267.64	2075.01	1347.75	5223.12	1100.25	162.29	141.04	1923.87	13240.98

Note 2 (b) : Intangibles

Particulars	Computer Software	Total
Gross Block		
Cost / Deemed Cost as at 1 April, 2017	37.44	37.44
Additions	0.00	0.00
Disposals		0.00
Cost / Deemed Cost as at 31 March 2018	37.44	37.44
Depreciation Block		
Accumulated depreciation / amortisation as at 1 April, 2017	37.44	37.44
Depreciation / Amortisation for the year	0.00	0.00
Disposals		
(Reversal of Impairment)		
Accumulated depreciation / Amortisation as at the 31 March 2018	37.44	37.44
Net Block		
As at 31 March 2017	0.00	0.00
As at 31 March 2018	0.00	0.00
YEAR ENDED MARCH 31, 2019		
Gross Block		
Cost / Deemed Cost as at 1 April, 2018	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
Cost / Deemed Cost as at 31 March 2019	37.44	37.44
Depreciation Block		
Accumulated depreciation / amortisation as at 1 April, 2018	37.44	37.44
Depreciation / Amortisation for the year	0.00	0.00
Disposals	0.00	0.00
(Reversal of Impairment)		
Accumulated depreciation / Amortisation as at the 31 March 2019	37.44	37.44
Net Block		
As at 31 March 2018	0.00	0.00
As at 31 March 2019	0.00	0.00

NOTES TO THE STANDALONE CFINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 3****Non Current Financial Investments**

Particulars	Face Value Rs.	No. of Shares / Units		Amount (Rs. in '000s)	
		As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Non Trade - Unquoted					
Subsidiary Companies: (At Cost)					
270000 Equity shares of Rs.10/- each of Global Instile Solid Industries Limited	10	2,70,000	2,70,000	9450.00	9450.00
Trade Unquoted - In Shares: (at fair value through Profit or Loss)					
(ii) Shreeji Bhatia Co-operative Bank	25	520	520	13.00	13.00
Aggregate Amount of Unquoted Investments				9463.00	9463.00

Note 4**Other Financial Assets**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Bank deposits with more than 12 months maturity	-	-	-	-
Others;				
Security Deposits	-	-	-	-
Interest Accrued on Loans and Deposits	-	-	82.08	257.57
Total	-	-	82.08	257.57

Note 5**Other Assets**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Advances other than capital advances;				
Security Deposits *	2593.95	2652.91	0.00	0.00
Advances to suppliers	0.00	0.00	40567.99	38540.11
Sub Total	2593.95	2652.91	40567.99	38540.11
Others				
Balance with statutory authorities	0.00	0.00	694.29	1448.61
Prepaid Expenses	0.00	0.00	374.99	400.21
Others - Miscellaneous Expenditure to the extent not written off or adjusted	0.00	0.00	0.00	0.00
Sub Total	0.00	0.00	1069.27	1848.82
Total	2593.95	2652.91	41637.26	40388.93

* Includes deposit given to :

'-Related Party(Milan Marble & Tiles)

1000.00 1000.00

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 6
Inventories

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Raw Materials	2754.76	3536.72
Finished goods	208844.78	189161.70
Tools & Spares	331.03	258.69
Total	211930.58	192957.11

Note 7
Trade Receivables

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Trade receivables				
Unsecured, considered good	-	-	154924.59	177301.09
Total	-	-	154924.59	177301.09

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.

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

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Balances with Banks (of the nature of cash and cash equivalents)	331.39	151.45
Cash on hand	454.67	1081.57
Total	786.05	1233.03

Note 9
Bank Balances other than Cash and Cash Equivalents

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Deposits with original maturity of more than 3 months	3386.11	3018.31
In unclaimed Dividend account	297.12	386.89
Total	3683.23	3405.20

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 10****Loans (Unsecured, considered good)**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Loan to Employees			129.80	34.00
Advances Recoverable in cash or in kind			8118.82	28793.06
Total	-	-	8248.62	28827.06

Note 11**Borrowings**

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
<u>NON CURRENT</u>		
<u>Secured</u>		
Term loans;		
- from Others	-	-
Vehicle Loan	1493.21	2129.98
<u>Unsecured</u>		
- from Bank & NBFC	13596.96	11322.96
Sub - Total	15090.17	13452.94
<u>CURRENT</u>		
<u>Secured</u>		
Vehicle Loan	440.60	1262.15
Working Capital Facilities from Banks	127861.31	131259.20
Loans repayable on demand		
- from related parties	3241.43	11637.50
- from Coporates	1539.95	0.00
- from Bank & NBFC	10691.60	8529.55
Sub - Total	143774.88	152688.40
Amounts disclosed under the head 'Other Financial Liabilities' (Note 14)	-12672.14	-9791.70
Sub - Total	131102.74	142896.70
Total	146192.91	156349.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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
<u>Vehicle Loans</u>				
Kotak Mahindra Prime Ltd.	60	10-Jan-23	8.25%	24440
Kotak Mahindra Prime Ltd.	60	28-Feb-23	8.25%	24440
<u>Unsecured Loans</u>				
Capital First Ltd.	36	2-May-21	18.00%	110627
Kotak Mahindra bank Ltd.	36	31-May-19	18.50%	273028
Kotak Mahindra bank Ltd.	36	26-Dec-20	15.00%	157098
Edelweiss Retail Finance Ltd.	37	5-May-21	18.00%	162686
ICICI Bank Ltd.	36	21-Feb-21	15.00%	104596
IVL Finance Ltd.	36	5-Mar-21	17.00%	180047
Tata Capital Financial Services P.Ltd.	36	29-Jan-21	18.00%	180762
Tata Capital Financial Services P.Ltd.	36	3-Dec-21	15.00%	79478
Shriram City Union Finance Ltd.	36	7-Nov-21	19.00%	129183

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).

Note 12**Provisions**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Provision for employee benefits (Refer Note 27 I)	4435.37	3897.19	116.89	177.87
Provision for Income Tax(Net of Advance taxes and TDS)	0.00	0.00	592.20	670.03
Others;				
- Dividend	0.00	0.00	0.00	0.00
Total	4435.37	3897.19	709.08	847.90

Note 13**Trade Payables**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Outstanding due of Micro and Small Enterprises	-	-	-	-
Outstanding due of Creditors other than Micro and Small Enterprises	-	-	12626.71	59796.18
Total	-	-	12626.71	59796.18
Includes dues payable to :				
-Related parties (Refer Note 27E)	-	-	8658.77	8772.96
Of the above;				
- Acceptances	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 14****Other Financial Liabilities**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Current maturities of long-term debt			12672.14	9791.70
Total	-	-	12672.14	9791.70

Note 15**Other Liabilities**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Revenue received in advance	-	-	-	-
Security Deposit from Clients	-	-	53121.17	32440.51
Statutory Dues				
- Withholding taxes	-	-	519.35	559.47
- VAT/GST/CST	-	-	1062.06	210.41
Others				
- Liability for expenses	-	-	8156.25	9808.72
- Unclaimed Dividend*	-	-	297.12	386.89
Total	-	-	63155.95	43405.99

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

Note 16**Revenue from Operations**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Sale Of Products	395658.37	581732.52
Sale Of Services; and	7164.45	6973.07
Other Operating Revenues:		
Miscellaneous	8867.73	25027.64
Total	411690.55	613733.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 17

Other Income

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest Income	213.02	208.13
Rent Equalisation (Ind As Income)	26.75	42.80
Interest Income - Ind As Effect	137.19	132.79
Net gain / loss on foreign currency translation and transaction	438.51	211.67
Other Non-Operating Income;		
Profit on Sale of Fixed Asset	84.75	-
Compensation Received for Material	399.65	115.40
Insurance Claim Received	783.52	-
Miscellaneous Income	130.61	16.80
Total	2213.99	727.60

Note 18

Cost of Materials Consumed

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Cost of Materials Consumed		
Opening Stock	3536.72	2734.50
Add: Purchases	2789.50	3951.98
	6326.22	6686.48
Less: Closing Stock	2754.76	3536.72
	3571.47	3149.76
Details of Raw Materials consumed		
Granite	658.39	751.36
Slate	1316.41	1108.60
Marble	154.75	182.92
Semi Precious	1441.92	1106.88
Total	3571.47	3149.76

Note 19

Purchases of Stock in Trade

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Purchases of Stock in Trade		
Granite	362.92	650.56
Marble	337220.33	469590.01
Mosaics	423.70	13946.00
Sealants	123.26	40.72
Slate	1459.93	4095.41
Other Misc.Items	391.68	15.40
Total	339981.83	488338.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 20****Changes in Inventory of Finished goods**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Closing Stock:		
Finished Goods- Manufactured	3966.05	6277.05
Finished Goods- Traded	204878.73	182884.65
	208844.78	189161.70
Less: Opening Stock:		
Finished Goods- Manufactured	6277.05	4399.22
Finished Goods- Traded	182884.65	219968.93
	189161.70	224368.14
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	-
Total	-19683.08	35206.44

Details of Inventory

(Rs.in '000s)

Class of Goods	Manufactured Goods		Traded Goods	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	218.82	330.55	1569.04	2204.58
Marble	1299.86		158461.26	183785.45
Mosaics	371.01		652.08	14073.18
Sealants	—	—	1323.97	1399.39
Semi Precious	3635.50	3635.50	1322.62	1322.62
Slate	751.87		4426.63	2093.51
TOTAL	6277.05	3966.05	167755.60	204878.73

Note 21**Employee Benefits Expense**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries and Wages	21266.45	21516.76
Contribution to provident, gratuity and other funds (Refer Note 27 I)	1045.12	1292.16
Staff welfare expenses	272.26	222.37
Total	22583.83	23031.29

Note 22**Finance Costs**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest on Loans and Deposits	4802.19	2866.99
Interest on Working Capital Facilities	14858.37	16124.04
Other Borrowing Costs; Bank Charges	2141.58	2143.80
Total	21802.14	21134.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 23

Other Expenses

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Tools and Stores Consumed	803.85	613.93
Packing Materials consumed	80.81	108.44
Power and Fuel	1228.25	1266.79
Repairs and Renewals:		
Buildings / Premises	85.45	81.32
Plant and Machinery	234.02	371.25
Insurance	656.41	365.31
Rent	7140.84	7223.00
Printing and Stationery	388.48	447.05
Travelling & Conveyance	4732.89	6542.63
Postage & Courier Expenses	78.44	56.38
Telephone Expenses	668.81	837.02
Legal & Professional Charges	3272.95	3227.03
As Auditors:		
Audit fees	210.00	210.00
Reimbursement of Expenses etc.	-	-
	210.00	210.00
VAT & CST Paid	17.36	59.10
Service Tax	-	45.93
Bad Debts	6217.50	556.11
Entertainment Expenses	386.74	906.96
Vehicle Expenses	323.05	286.51
Freight and Forwarding (Net)	209.70	484.66
Loss on Investment written off		1609.51
Miscellaneous Expenses	3853.43	3261.68
Total	30588.97	28560.61

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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 2019	31st March 2018
Interest bearing Loans and Borrowings	146192.91	156349.64
Less: Cash and Short Term Deposits	-4469.28	-4638.22
Net Debt	141723.63	151711.42
Equity	53800.00	53800.00
Other Equity	156125.91	149312.77
Total Capital	209925.91	203112.77
Capital and Net Debt	351649.54	354824.19
Gearing Ratio %	40.30%	42.76%

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 25****Fair Values and Hierarchy****(Rs. In '000s)**

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 as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Financial Assets					
- Investments	Level One	-	-	-	9463.00
Financial Liabilities					
- Borrowings	Level Two	-	156349.64	15090.17	156349.64

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.

Note 26**Ind AS 116**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019

The Core principle of the new standard lies in identifying wheather the contract is or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of lease in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for lease in the books of the lessor is substantially similar to the requirments of Ind AS 17.

The Standard allows for two methods of transition: the full retrospective approach, requires entitiies to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective Apr 1, 2019, and accordingly, the comparative for the year ended March 31, 2019, will not be retrospectively adjusted. The cumulative effect of the initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The company has taken on lease certain office premises and warehouses, which may fall under the scope of Ind As 116. On a preliminary assessment effect on adoption of Ind AS 116 is assessed to be of limited impact of the financials of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.NIL (Prev.Yr. Rs. 1.28 lakhs) [Appeal was filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15, where the demand was upheld by C.I.T.(Appeals). The Company has subsequently filed Appeal with Income Tax Appellate Tribunal (Mumbai) for the same matter. However, the Company has already paid the outstanding demand on the same.]

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 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

(Rs.in '000s)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end (Not forming part of "Trade Payable" but "Other Current Liabilities")	639.40	654.60
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-
Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible Enterprises Development Act, 2006.expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	2018-19	2017-18
D Earnings Per Share:		
Profit/(Loss) after taxation and refund of income tax. (Rs.in lakhs)	67.63	58.91
Number of Equity Shares (Face Value Rs. 10/-)	5380000	5380000
Earning Per Share in Rupees - Basic & diluted	1.26	1.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION****E Related Party Disclosure: (as required by Ind AS 24)**

- 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
Mr. Manoj Dewani
Mr. Hardik Valia

- (b) Associate Concern :

Global Instile Solid Industries Ltd.

- (c) 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
Sonal Dewani

Note : Related party relationship on the basis of the requirements of Ind AS 24 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					
	Key Management Personnel		Associate Concern		Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
PURCHASES :						
Goods and Material	—	—	671.81	23155.92	—	—
SALES :						
Goods and Material	—	—	—	—	—	—
EXPENSES :						
Rent	—	—	—	—	720.00	720.00
Salary / Remuneration & Allowances	9281.40	9260.40	—	—	2047.20	2046.00
Directors' fees	—	—	—	—	—	—
INCOME :	—	—	—	—	—	—
OUTSTANDING :						
Payable	675.20	743.40	8658.77	8772.96	1222.10	1068.84
Receivable	—	—	—	—	—	—
LOANS :						
Payable	3241.43	11637.50	—	—	—	—
Receivable	—	—	—	—	—	—
Taken	3975.00	11905.50	—	—	—	—
Re-Paid	12371.07	15056.00	—	—	—	—
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

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

[illegible]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION Contd...****F Remuneration to Directors****(Rs.in'000s)****1) Nature of transactions:**

	<u>31/03/2019</u>	<u>31/03/2018</u>
Remuneration to Directors		
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.

(Rs.in'000s)**H Remuneration to Auditors**

<u>Particulars</u>	<u>31/03/2019</u>	<u>31/03/2018</u>
Audit Fees (excluding of GST /Service Tax)	210.00	210.00
Total	210.00	210.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

27) I) Disclosures as per IND AS - 19 - Employee Benefits

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

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
i) Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 21).	45.56	114.35
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	-	-
b) The valuation results for the defined benefit gratuity plan as at 31-3-2019 are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Present Value of Obligation as at the beginning	4,075.06	3,268.21
Current Service Cost	304.17	253.73
Interest Expense or Cost	310.35	206.00
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	12.59	(635.91)
- experience variance (i.e. Actual experience vs assumptions)	(81.91)	642.84
Past Service Cost (vested benefits)	-	718.08
Benefits Paid	(68.00)	(377.90)
Present Value of Obligation as at the end	4,552.26	4,075.06

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding interest income	-	-
Employer's Contribution	68.00	377.90
Benefits Paid	(68.00)	(377.90)
Fair Value of Plan Assets as at the end	-	-

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Current Service Cost	304.17	253.73
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	310.35	206.00
Net Actuarial (Gain)/Loss recognized for the period	-	-
Past Service Cost (vested benefits)	-	718.08
Expenses Recognised in the Income Statement	614.52	1,177.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

iv) Other Comprehensive Income

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Actuarial (gains) / losses		
- change in financial assumptions	12.59	(635.91)
- experience variance (i.e. Actual experience vs assumptions)	(81.91)	642.84
Return on Plan Assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	(69.32)	6.93

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 2019	As on 31 March 2018
Discount rate (per annum)	7.66%	7.68%
Salary growth rate (per annum)	4.00%	4.00%

b. Demographic Assumptions

Particulars	As on 31 March 2019	As on 31 March 2018
Mortality Rate (% of IALM 06-08)	100%	100%
Employee Attrition 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 2019 (Rs.in '000s)	As on 31 March 2018 (Rs.in '000s)
Defined Benefit Obligation (Base)	4,552.26	4,075.06

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	3976.04	5245.99	3543.28	4718.03
(% change compared to base due to sensitivity)	-2.4%	28.7%	-13.0%	15.8%
Salary Growth Rate (- / + 1%)	5093.20	4042.11	4565.73	3609.33
(% change compared to base due to sensitivity)	25.0%	-0.8%	12.0%	-11.4%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

The Company's best estimate of Contribution during the next year

- Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)

- Expected cash flows over the next (valued on undiscounted basis):

	Rs. in '000s
	253.73
	16.97 Years
	Rs. in '000s
1 year	116.89
2 to 5 years	550.00
6 to 10 years	1,290.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION Contd**

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

	2018-19		2017-18	
	Rs.in '000s	% to Total	Rs.in '000s	% to Total
1. Raw Materials				
Indigenous	3571.47	100.00	3149.76	100.00
Imported	0.00	0.00	0.00	0.00
	3571.47	100.00	3149.76	100.00
2. Stores & Consumables				
Indigenous	803.85	100.00	613.93	100.00
Imported	0.00	0.00	0.00	0.00
	803.85	100.00	613.93	100.00

	2018-19	2017-18
	Rs. in '000s	Rs. in '000s
K Value of Imports on CIF Basis:		
1. Finished Products	55672.71	46872.56
L Expenditure in Foreign Currency (on cash basis):		
1. Travelling	1445.75	3895.70
2. Trading Goods Imports	55672.71	46872.56
M Earnings in Foreign Currency -		
1. Export of goods on F.O.B. basis (incl. Deemed Export)	575.30	843.93
2. Others	2454.15	3453.22

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	31st March 2019	31st March 2018
Not Later than One Year	6,565.54	6,391.02
Later than One year and not later than five years	9,639.06	16,065.09
Later than Five years	NIL	NIL

O The Directors have waived their Sitting fees for the year 2018-19.

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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

P. B. KHAKHAR
Jt.Managing Director
(DIN: 00394135)

H.D.VALIA
Company Secretary
(ACS No.22571)

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

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **SOLID STONE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its Associate (the Holding Company and its Associate together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity, 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 Ind AS Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2019, and their consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity and their consolidated cash flows for the year ended on that date

Basis of Opinion

3. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

	Key Audit Matters	Our Response
1	<i>Evaluation of Related Party Transactions</i> The Company has related party transactions which include, amongst others, sale and purchase of Goods/services to its associates and other related parties. We focused on identification and disclosure of related parties in accordance with relevant accounting standards as a key audit matter.	<i>Principal Audit Procedures</i> Our audit procedures amongst others included the following: • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Obtained a list of related parties from the Company's Management and traced the related parties to declarations given by directors, where applicable, and to Note 27E of the consolidated Ind AS financial statements. We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. • Tested material creditors/debtors, loan outstanding/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee. • Evaluated the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24. Our procedures did not identify any material exceptions.

	Key Audit Matters	Our Response
	<i>Evaluation of uncertain direct tax positions</i> The Company has material uncertain direct tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	<i>Principal Audit Procedures</i> We performed the following substantive procedures: Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. <i>Conclusion</i> We agree with management's evaluation.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, but does not include the Consolidated Financial Statements and our auditor's report thereon.
6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

8. 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, consolidated changes in equity 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/management 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.
9. In preparing the consolidated financial statements, the respective Board of Directors/management of the companies are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors/management of the companies are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate Internal Financial Controls with reference to these financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

13. As required by Section 143 (3) of the Act, read together with Other Matters Para referred to above, we report, to the extent applicable, 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, the Consolidated Statement of Changes in Equity 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, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of Associate for the entity incorporated in India, none of the directors of the Holding Company and Associate company incorporated in India, is disqualified as on March 31, 2019 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 the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) 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;
 - 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, 2019.
 - 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 Associate company incorporated in India during the year ended 31st March, 2019.

For ASHAR & CO
Chartered Accountants
(Firm Regn. No. 129159W)

(Yogesh Ashar)
Partner
Mem. No.: 046259
Mumbai, 28th May, 2019

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 2019, we have audited the internal financial controls over financial reporting of **SOLID STONE COMPANY LIMITED** (“the Holding Company”) and its associate 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 respective Companies 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 respective 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 Holding Company and its associate, which is a company incorporated in India, 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 with reference to these financial statements 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 is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s and its associate’s Internal Financial Controls with reference to these financial statements 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 with reference to these financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the respective 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.

For ASHAR & CO**Chartered Accountants
(Firm Regn. No. 129159W)****(Yogesh Ashar)****Partner****Mem. No.: 046259****Mumbai, 28th May, 2019**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2019

(Rs.in '000s)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	13240.98	17754.96
Other Intangible Assets	2 (b)	0.00	0.00
Financial Assets;			
- Investments	3	9208.44	9213.71
- Loans		-	-
- Others financial assets	4	-	-
Deferred Tax Assets (Net)		3127.76	2960.51
Other non-current assets	5	2593.95	2652.91
Current Assets			
Inventories	6	211930.58	192957.11
Financial Assets;			
- Investments		-	-
- Trade Receivables	7	154924.59	177301.09
- Cash and cash Equivalents	8	786.05	1233.03
- Bank balances other than cash and cash equivalents	9	3683.23	3405.20
- Loans	10	8248.62	28827.06
- Other financial assets	4	82.08	257.57
Other current assets	5	41637.26	40388.93
TOTAL ASSETS		449463.53	476952.09
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	53800.00	53800.00
Other Equity	SOCE	155871.35	149063.48
Total Equity		209671.35	202863.48
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	11	15090.17	13452.94
- Trade Payables		-	-
- Other Financial Liabilities		-	-
Provisions	12	4435.37	3897.19
Deferred Tax Liabilities (Net)		-	-
Other non-current liabilities		-	-
Current Liabilities			
Financial Liabilities			
- Borrowings	11	131102.74	142896.70
- Trade Payables	13	12626.71	59796.18
- Other Financial Liabilities	14	12672.14	9791.70
Other Current Liabilities	15	63155.95	43405.99
Provisions	12	709.08	847.90
Current Tax Liabilities (Net)		-	-
Total Liabilities		239792.18	274088.60
TOTAL EQUITY AND LIABILITIES		449463.53	476952.09

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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

P. B. KHAKHAR
Jt.Managing Director
(DIN: 00394135)

H.D.VALIA
Company Secretary
(ACS No.22571)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Rs.in '000s

	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
INCOME			
Revenue from Operations	16	411690.55	613733.22
Other Income	17	2213.99	6919.19
TOTAL INCOME		413904.54	620652.41
EXPENSES			
Cost of materials consumed	18	3571.47	3149.76
Purchases of Stock-in-Trade	19	339981.83	488338.10
Changes in inventories of Finished Goods	20	-19683.08	35206.44
Employee Benefits expense	21	22583.83	23031.29
Finance Costs	22	21802.14	21134.83
Depreciation and Amortisation expense	2 (a) & (c)	4873.29	4899.28
Other Expenses	23	30588.97	28407.86
TOTAL EXPENSES		403718.46	604167.56
PROFIT BEFORE TAX		10186.08	16484.85
TAX EXPENSE			
Current Tax		3600.00	4250.00
MAT Credit Entitlement		-	-
Deferred Tax		-186.53	-853.63
Earlier year Adjustments		9.50	852.88
TOTAL TAX EXPENSE		3422.98	4249.24
PROFIT FOR THE YEAR		6763.10	12235.61
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		69.32	-6.93
Income Tax relating to items that will not be reclassified to Profit or Loss		-19.28	2.29
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges		-	-
Income tax relating to items that may be reclassified to Profit or Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		50.03	-4.64
Add / (Less):			
Share of Profit / (Loss) of Minority Interest			-2716.37
Share of Profit / (Loss) of Associate Company		-254.56	-249.29
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		6558.58	9265.31
EARNINGS PER EQUITY SHARE			
	28 (b)		
Basic		1.26	2.27
Diluted		1.26	2.27

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

For and on Behalf of the Board

Yogesh Ashar
Partner
Mem.No.046259
Mumbai, Dated 28th May 2019

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

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Jt.Managing Director
(DIN: 00394135)

M.D.DEWANI
Chief Financial Officer

H.D.VALIA
Company Secretary
(ACS No.22571)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs.in '000s)

		Year Ended 31 March 2019	Year Ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX		10186.08	16484.85
Adjustment for :			
Depreciation	4873.29	4899.28	
Foreign Translation reserve		625.75	
Share in Minority Interest		-2716.37	
Finance Cost (including fair value change in financial instruments)	21802.14	21134.83	
Interest Income	-213.02	-208.13	
Remeasurements of Defined benefit plans	69.32	-6.93	
Loss / (Gain) on Sale / Disposal of Fixed Assets	-84.75	587.31	
Loss / (Gain) on Sale / Disposal of Investments		808.80	
IndAS Adjustment for Rent and Deposits	79.50	-39.30	
		26526.49	25085.24
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		36712.57	41570.09
Trade receivables	22376.51	-56614.14	
Loans (Financial assets)	20578.43	-9006.94	
Other Financial assets	175.50	-182.10	
Other Non Current Assets	-	55.00	
Other Current Assets	-1188.47	46551.58	
Inventories	-18973.46	34244.16	
Trade Payable	-47169.47	40198.82	
Provisions	477.20	806.85	
Other Current Financial liabilities and Provisions		357.89	
Other Current liabilities	19669.57	-66140.83	-9729.72
CASH GENERATED FROM OPERATIONS		32658.37	31840.38
Direct Taxes paid		-3687.34	-6715.35
NET CASH FROM OPERATING ACTIVITIES		28971.03	25125.03
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-359.31	-3485.16	
Proceeds from sale of Fixed Assets	84.75	-	
Proceeds from sale of Investments	-	-	
NET CASH USED IN INVESTING ACTIVITIES		-274.57	-3485.16
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayments) / Proceeds from Working Capital Facilities (Net)	-11793.96	-4721.79	
Proceeds from Borrowings	4517.68	4066.00	
Interest Income	213.02	208.13	
Finance Costs	-21802.14	-21134.83	
NET CASH FROM FINANCING ACTIVITIES		-28865.40	-21582.49
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-168.94	57.39
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2018		4638.22	4580.84
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2019		4469.28	4638.22

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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

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

H.D.VALIA
Company Secretary
(ACS No.22571)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in '000s)

EQUITY SHARE CAPITAL	Number	As at	As at
		31 March 2019	31 March 2018
		Amount	Amount
Authorised Share Capital	75,00,000	75,000	75,000
Issued Share Capital	53,80,000	53,800	53,800
Subscribed Share Capital	53,80,000	53,800	53,800
Fully Paid-up Share Capital	53,80,000	53,800	53,800
Balance at the beginning of the year	53,80,000	53,800	53,800
Changes in equity share capital during the year:			-
Share warrants exercised during the period	-	-	-
Balance at the end of the reporting year	53,80,000	53,800	53,800

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 entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity share will be entitled 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		As at	
	31 March 2019		31 March 2018	
	No.	%	No.	%
Prakash Bhagwandas Khakhar	1378895	25.63%	1378895	25.63%
Milan Bhagwandas Khakhar	808415	15.03%	808415	15.03%
Jeenoo Milan Khakhar	699300	13.00%	699300	13.00%
Vasumati Bhagwandas Khakhar	682190	12.68%	682190	12.68%

(Rs. in '000s)

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 1, 2018	954.90	52400.00	500.00	3450.00	94692.90	-2934.32	149063.48
Profit for the year					6508.54	-	6508.54
Other Comprehensive Income for the year						50.03	50.03
Total Comprehensive Income					6508.54	50.03	6558.58
Transactions with owners in their capacity as owners:							
Add: Received during the year							-
Dividends and Dividend Distribution Tax;							-
- Final Dividend (Rs.____ per share)					-		-
- Dividend Distribution Tax					-		-
Transfer to General Reserve							
Other Adjustments					249.29		249.29
Balance as at March 31, 2019	954.90	52400.00	500.00	3450.00	101450.74	-2884.29	155871.35
Profit for the Current Reporting year ending 31st March 2019							-
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2019							-
Total Comprehensive Income for the year		-		-	-	-	-

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

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Total Comprehensive Income for the year		-	-	-	-	-	-
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Interim Dividends (Rs. ___ per share)							-
- Final Dividend (Rs. ___ per share)							-
- Dividend Distribution Tax							-
Transfer to General Reserve			-				-
Transfer from / (to) Debenture Redemption Reserve							-
Balance at the end of the reporting year ending 31st March 2019	954.90	52400.00	500.00	3450.00	101450.74	-2884.29	155871.35

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income (OCI)	TOTAL
	Capital Subsidy	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 1, 2017	954.90	52400.00	500.00	3450.00	82467.89	35.98	139808.77
Profit for the year					12235.61	-	12235.61
Other Comprehensive Income for the year						-2970.30	-2970.30
Total Comprehensive Income					12235.61	-2970.30	9265.31
Transactions with owners in their capacity as owners:							
Add: Received during the year							-
Dividends and Dividend Distribution Tax;							-
- Final Dividend (Rs. ___ per share)					-		-
- Dividend Distribution Tax					-		-
Transfer to General Reserve							-
Balance as at March 31, 2018	954.90	52400.00	500.00	3450.00	94703.50	-2934.32	149074.08
Profit for the Current Reporting year ending 31st March 2018					-		-
Other Comprehensive Income / (Expenditure) for the Current Reporting year ending 31st March 2018						-	-
Total Comprehensive Income for the year		-		-	-	-	-

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

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

Total Comprehensive Income for the year		-	-	-	-	-	-
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Interim Dividends (Rs. ___ per share)							-
- Final Dividend (Rs. ___ per share)							-
- Dividend Distribution Tax							-
Transfer to Foreign Translation Reserve			-		-10.60		-10.60
Transfer from / (to) Debenture Redemption Reserve							-
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

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 28th May 2019

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

M.D.DEWANI
Chief Financial Officer

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

H.D.VALIA
Company Secretary
(ACS No.22571)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 2019**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 28, 2019

B Basis of preparation of Financial Statements**i 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) an
- b) Any other item as specifically stated in accounting policy.

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

ii Statement of Compliance

These Separate financial statements (also known as Consolidated Financial Statements) have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other provisions of the act.

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**

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. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 including 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

The Company has elected to continue with the carrying value of intangible assets recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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 financial 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 financial 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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 its 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

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 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

i) Issue of IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

Currently operating lease expenses are charged to statement of profit and loss account. As regards accounting requirements of lessor are concerned IND AS 116, Substantially carries forward the requirements in IND AS 17. In accordance with the standard the company will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value.

The company is currently evaluating the effect of adoption as on the transition date.

ii) Amendments to existing issued Ind AS

The MCA as also carried out amendments to the following accounting standards :—

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

The amendment needs to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is proposing to use retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application without adjusting comparatives.

The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., 1st April, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 – Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Company is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

The amendments require an entity to use updated assumptions to determine current service and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate

The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendments on the separate and consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(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
YEAR ENDED MARCH 31, 2018									
Gross Block									
Cost / Deemed Cost as at 1 April, 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
Reserve			-739.00						-739.00
Cost / Deemed Cost as at 31 March 2018	26860.78	4922.16	7963.75	21120.11	1919.92	2570.05	141.04	4515.38	70013.20
Depreciation Block									
Accumulated depreciation / amortisation as at 1 April, 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 (Reversal of Impairment)		-28.92	-1781.77						-1810.68
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 31 March 2017	6003.34	2178.74	3438.08	5095.58	1375.31	50.52	141.04	2212.78	20496.39
As at 31 March 2018	3457.43	1806.08	2198.43	6797.34	1237.78	48.52	141.04	2068.33	17754.96
YEAR ENDED MARCH 31, 2019									
Gross Block									
Cost / Deemed Cost as at 1 April, 2018	26860.78	4922.16	7963.75	21120.11	1919.92	2570.05	141.04	4515.38	70013.20
Additions	0.00	205.43				153.88	0.00	0.00	359.31
Disposals				-1234.66					-1234.66
Cost / Deemed Cost as at 31 March 2019	26860.78	5127.60	7963.75	19885.45	1919.92	2723.93	141.04	4515.38	69137.85
Depreciation Block									
Accumulated depreciation / amortisation as at 1 April, 2018	23403.35	3116.08	5765.32	14322.77	682.14	2521.53	0.00	2447.05	52258.24
Depreciation / Amortisation for the year	2189.79	397.13	391.42	1574.22	137.53	38.75		144.45	4873.29
Disposals (Reversal of Impairment)				-1234.66					0.00
Accumulated depreciation / Amortisation as at the 31 March 2019	25593.14	3513.21	6156.74	14662.32	819.67	2560.28	0.00	2591.51	55896.87
Net Block									
As at 31 March 2018	3457.43	1806.08	2198.43	6797.34	1237.78	48.52	141.04	2068.33	17754.96
As at 31 March 2019	1267.64	1614.39	1807.01	5223.12	1100.25	163.65	141.04	1923.87	13240.98

Note 2 (b) : Intangibles

Particulars	Computer Software	Total
YEAR ENDED MARCH 31, 2018		
Gross Block		
Cost / Deemed Cost as at 1 April, 2017	37.44	37.44
Additions	0.00	0.00
Disposals		
Reserve		
Cost / Deemed Cost as at 31 March 2018	37.44	37.44
Depreciation Block		
Accumulated depreciation / amortisation as at 1 April, 2017	37.44	37.44
Depreciation / Amortisation for the year	0.00	0.00
Disposals (Reversal of Impairment)		
Accumulated depreciation / Amortisation as at the 31 March 2018	37.44	37.44
Net Block		
As at 31 March 2017	0.00	0.00
As at 31 March 2018	0.00	0.00
YEAR ENDED MARCH 31, 2019		
Gross Block		
Cost / Deemed Cost as at 1 April, 2018	37.44	37.44
Additions	0.00	0.00
Disposals	0.00	0.00
Cost / Deemed Cost as at 31 March 2019	37.44	37.44
Depreciation Block		
Accumulated depreciation / amortisation as at 1 April, 2018	37.44	37.44
Depreciation / Amortisation for the year	0.00	0.00
Disposals (Reversal of Impairment)		
Accumulated depreciation / Amortisation as at the 31 March 2019	37.44	37.44
Net Block		
As at 31 March 2018	0.00	0.00
As at 31 March 2019	0.00	0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 3****Non Current Financial Investments**

Particulars	Face Value Rs.	No. of Shares / Units		Amount (Rs. in '000s)	
		As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
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	9195.44	9200.71
Trade Unquoted - In Shares: (at fair value through Profit or Loss)					
(ii) Shreeji Bhatia Co-operative Bank	25	520	520	13.00	13.00
Aggregate Amount of Unquoted Investments				9208.44	9213.71

Note 4**Other Financial Assets**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Bank deposits with more than 12 months maturity	-	-	-	-
Others;				
Security Deposits	-	-	-	-
Interest Accrued on Loans and Deposits	-	-	82.08	257.57
Total	-	-	82.08	257.57

Note 5**Other Assets**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Advances other than capital advances;				
Security Deposits *	2593.95	2652.91	-	-
Advances to suppliers	-	-	40567.99	38540.11
Sub Total	2593.95	2652.91	40567.99	38540.11
Others				
Balance with statutory authorities	-	-	694.29	1448.61
Prepaid Expenses	-	-	374.99	400.21
Others - Miscellaneous Expenditure to the extent not written off or adjusted	-	-	-	-
Sub Total	0.00	0.00	1069.27	1848.82
Total	2593.95	2652.91	41637.26	40388.93

* Includes deposit given to :

'-Related Party(Milan Marble & Tiles)

1000.00 1000.00

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 6
Inventories

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Raw Materials	2754.76	3536.72
Finished goods	208844.78	189161.70
Tools & Spares	331.03	258.69
Total	211930.58	192957.11

Note 7
Trade Receivables

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Trade receivables				
Unsecured, considered good	-	-	154924.59	177301.09
Total	-	-	154924.59	177301.09

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.

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

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Balances with Banks (of the nature of cash and cash equivalents)	331.39	151.45
Cash on hand	454.67	1081.57
Total	786.05	1233.03

Note 9
Bank Balances other than Cash and Cash Equivalents

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
Deposits with original maturity of more than 3 months	3386.11	3018.31
In unclaimed Dividend account	297.12	386.89
Total	3683.23	3405.20

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 10****Loans (Unsecured, considered good)**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Loan to Employees			129.80	34.00
Advances Recoverable in cash or in kind			8118.82	28793.06
Total	-	-	8248.62	28827.06

Note 11**Borrowings**

(Rs.in '000s)

Particulars	As as 31 March 2019	As as 01 April 2018
<u>NON CURRENT</u>		
<u>Secured</u>		
Term loans;		
- from Others	-	-
Vehicle Loan	1493.21	2129.98
<u>Unsecured</u>		
- from Bank & NBFC	13596.96	11322.96
Sub - Total	15090.17	13452.94
<u>CURRENT</u>		
<u>Secured</u>		
Vehicle Loan	440.60	1262.15
Working Capital Facilities from Banks	127861.31	131259.20
Loans repayable on demand		
- from related parties	3241.43	11637.50
- from Coporates	1539.95	0.00
- from Bank & NBFC	10691.60	8529.55
Sub - Total	143774.88	152688.40
Amounts disclosed under the head 'Other Financial Liabilities' (Note 14)	-12672.14	-9791.70
Sub - Total	131102.74	142896.70
Total	146192.91	156349.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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
<u>Vehicle Loans</u>				
Kotak Mahindra Prime Ltd.	60	10-Jan-23	8.25%	24440
Kotak Mahindra Prime Ltd.	60	28-Feb-23	8.25%	24440
<u>Unsecured Loans</u>				
Capital First Ltd.	36	2-May-21	18.00%	110627
Kotak Mahindra bank Ltd.	36	31-May-19	18.50%	273028
Kotak Mahindra bank Ltd.	36	26-Dec-20	15.00%	157098
Edelweiss Retail Finance Ltd.	37	5-May-21	18.00%	162686
ICICI Bank Ltd.	36	21-Feb-21	15.00%	104596
IVL Finance Ltd.	36	5-Mar-21	17.00%	180047
Tata Capital Financial Services P.Ltd.	36	29-Jan-21	18.00%	180762
Tata Capital Financial Services P.Ltd.	36	3-Dec-21	15.00%	79478
Shriram City Union Finance Ltd.	36	7-Nov-21	19.00%	129183

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).

Note 12**Provisions**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Provision for employee benefits (Refer Note 27 I)	4435.37	3897.19	116.89	177.87
Provision for Income Tax(Net of Advance taxes and TDS)	0.00	0.00	592.20	670.03
Others;				
- Dividend	0.00	0.00	0.00	0.00
Total	4435.37	3897.19	709.08	847.90

Note 13**Trade Payables**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Outstanding due of Micro and Small Enterprises	-	-	-	-
Outstanding due of Creditors other than Micro and Small Enterprises	-	-	12626.71	59796.18
Total	-	-	12626.71	59796.18
Includes dues payable to :				
'-Related parties (Refer Note 27E)	-	-	8658.77	8772.96
Of the above;				
- Acceptances	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 14****Other Financial Liabilities**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Current maturities of long-term debt			12672.14	9791.70
Total	-	-	12672.14	9791.70

Note 15**Other Liabilities**

(Rs.in '000s)

Particulars	Non-Current		Current	
	As as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Revenue received in advance	-	-	-	-
Security Deposit from Clients	-	-	53121.17	32440.51
Statutory Dues				
- Withholding taxes	-	-	519.35	559.47
- VAT/GST/CST	-	-	1062.06	210.41
Others				
- Liability for expenses	-	-	8156.25	9808.72
- Unclaimed Dividend*	-	-	297.12	386.89
Total	-	-	63155.95	43405.99

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

Note 16**Revenue from Operations**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Sale Of Products	395658.37	581732.52
Sale Of Services; and	7164.45	6973.07
Other Operating Revenues:		
Miscellaneous	8867.73	25027.64
Total	411690.55	613733.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 17**Other Income**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest Income	213.02	208.13
Unpaid Liabilities written back	-	6191.58
Rent Equalisation (Ind As Income)	26.75	42.80
Interest Income - Ind As Effect	137.19	132.79
Net gain / loss on foreign currency translation and transaction	438.51	211.67
Other Non-Operating Income;		
Profit on Sale of Fixed Asset	84.75	-
Compensation Received for Material	399.65	115.40
Insurance Claim Received	783.52	-
Miscellaneous Income	130.61	16.80
Total	2213.99	6919.19

Note 18**Cost of Materials Consumed**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Cost of Materials Consumed		
Opening Stock	3536.72	2734.50
Add: Purchases	2789.50	3951.98
	6326.22	6686.48
Less: Closing Stock	2754.76	3536.72
	3571.47	3149.76
Details of Raw Materials consumed		
Granite	658.39	751.36
Slate	1316.41	1108.60
Marble	154.75	182.92
Semi Precious	1441.92	1106.88
Total	3571.47	3149.76

Note 19**Purchases of Stock in Trade**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Purchases of Stock in Trade		
Granite	362.92	650.56
Marble	337220.33	469590.01
Mosaics	423.70	13946.00
Sealants	123.26	40.72
Slate	1459.93	4095.41
Other Misc.Items	391.68	15.40
Total	339981.83	488338.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 20****Changes in Inventory of Finished goods**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Closing Stock:		
Finished Goods- Manufactured	3966.05	6277.05
Finished Goods- Traded	204878.73	182884.65
	208844.78	189161.70
Less: Opening Stock:		
Finished Goods- Manufactured	6277.05	4399.22
Finished Goods- Traded	182884.65	219968.93
	189161.70	224368.14
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	-
Total	-19,683.08	35,206.44

Details of Inventory

(Rs.in '000s)

Class of Goods	Manufactured Goods		Traded Goods	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Granite	218.82	330.55	1569.04	2204.58
Marble	1299.86		158461.26	183785.45
Mosaics	371.01		652.08	14073.18
Sealants	—	—	1323.97	1399.39
Semi Precious	3635.50	3635.50	1322.62	1322.62
Slate	751.87		4426.63	2093.51
Total	6277.05	3966.05	167755.60	204878.73

Note 21**Employee Benefits Expense**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries and Wages	21266.45	21516.76
Contribution to provident, gratuity and other funds (Refer Note 27 I)	1045.12	1292.16
Staff welfare expenses	272.26	222.37
Total	22583.83	23031.29

Note 22**Finance Costs**

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest on Loans and Deposits	4802.19	2866.99
Interest on Working Capital Facilities	14858.37	16124.04
Other Borrowing Costs; Bank Charges	2141.58	2143.80
Total	21802.14	21134.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 23

Other Expenses

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Tools and Stores Consumed	803.85	613.93
Packing Materials consumed	80.81	108.44
Power and Fuel	1228.25	1266.79
Repairs and Renewals:		
Buildings / Premises	85.45	81.32
Plant and Machinery	234.02	371.25
Insurance	656.41	365.31
Rent	7140.84	7223.00
Printing and Stationery	388.48	447.05
Travelling & Conveyance	4732.89	6542.63
Postage & Courier Expenses	78.44	56.38
Telephone Expenses	668.81	837.02
Legal & Professional Charges	3272.95	3227.03
As Auditors:		
Audit fees	210.00	210.00
Reimbursement of Expenses etc.	-	-
	210.00	210.00
VAT & CST Paid	17.36	59.10
Service Tax	-	45.93
Bad Debts	6217.50	616.77
Entertainment Expenses	386.74	906.96
Vehicle Expenses	323.05	286.51
Freight and Forwarding (Net)	209.70	484.66
Loss on fixed assets sold . Discarded (net)	-	587.31
Loss on Investment written off		808.80
Miscellaneous Expenses	3853.43	3261.68
Total	30588.97	28407.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**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 2019	31st March 2018
Interest bearing Loans and Borrowings	146,193	156,350
Less: Cash and Short Term Deposits	-4,469	-4,638
Net Debt	141,724	151,711
Equity	53,800	53,800
Other Equity	155,871	149,063
Total Capital	209,671	202,863
Capital and Net Debt	351,395	354,575
Gearing Ratio %	40.33%	42.79%

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**Note 25****Fair Values and Hierarchy****(Rs. In '000s)**

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 as 31 March 2019	As as 31 March 2018	As as 31 March 2019	As as 31 March 2018
Financial Assets					
- Investments	Level One	-	-	-	9,214
Financial Liabilities					
- Borrowings	Level Two	-	156,350	15,090	156,350

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.

Note 26**Ind AS 116**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019

The Core principle of the new standard lies in identifying wheather the contract is or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of lease in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for lease in the books of the lessor is substantially similar to the requirments of Ind AS 17.

The Standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective Apr 1, 2019, and accordingly, the comparative for the year ended March 31, 2019, will not be retrospectively adjusted. The cumulative effect of the initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The company has taken on lease certain office premises and warehouses, which may fall under the scope of Ind As 116. On a preliminary assessment effect on adoption of Ind AS 116 is assessed to be of limited impact of the financials of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.NIL (Prev.Yr. Rs. 1.28 lakhs) [Appeal was filed with the C.I.T.(Appeals), Mumbai for Assessment Year 2014-15, where the demand was upheld by C.I.T.(Appeals). The Company has subsequently filed Appeal with Income Tax Appellate Tribunal (Mumbai) for the same matter. However, the Company has already paid the outstanding demand on the same.]

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 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

(Rs.in '000s)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end (Not forming part of "Trade Payable" but "Other Current Liabilities")	639.40	654.60
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	-
Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible Enterprises Development Act, 2006.expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	2018-19	2017-18
D Earnings Per Share:		
Profit/(Loss) after taxation and refund of income tax. (Rs.in lakhs)	67.63	112.36
Number of Equity Shares (Face Value Rs. 10/-)	5380000	5380000
Earning Per Share in Rupees - Basic & diluted	1.26	2.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION****E Related Party Disclosure: (as required by Ind AS 24)**

- 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
Mr. Manoj Dewani
Mr. Hardik Valia

- (b) Associate Concern :

Global Instile Solid Industries Ltd.

- (c) 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
Sonal Dewani

Note : Related party relationship on the basis of the requirements of Ind AS 24
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					
	Key Management Personnel		Associate Concern		Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
PURCHASES :						
Goods and Material	—	—	671.81	23155.92	—	—
SALES :						
Goods and Material	—	—	—	—	—	—
EXPENSES :						
Rent	—	—	—	—	720.00	720.00
Salary / Remuneration & Allowances	9281.40	9260.40	—	—	2047.20	2046.00
Directors' fees	—	—	—	—	—	—
INCOME :	—	—	—	—	—	—
OUTSTANDINGS :						
Payable	675.20	743.40	8658.77	8772.96	1222.10	1068.84
Receivable	—	—	—	—	—	—
LOANS :						
Payable	3241.43	11637.50	—	—	—	—
Receivable	—	—	—	—	—	—
Taken	3975.00	11905.50	—	—	—	—
Re-Paid	12371.07	15056.00	—	—	—	—
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

NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION

(Rs.in'000s)

Sr. No.	Nature of Transaction	Key Management Personnel				Associate Concern	Relatives of Key Management personnel and Enterprise owned and significantly influenced by Key Management personnel or their relatives					
		Milan Khakhar (Chairman & Managing Director)	Prakash Khakhar (Joint Managing Director)	Manoj Dewani (Chief Financial Officer)	Hardik Valia (Company Secretary)	Global Instile Solid Industries Ltd.	Milan Marble & Tiles	Vasumati Khakhar	Jeenoo Khakhar	Shraddha Khakhar	Sonal Dewani	
1	Payments to & provision for : a) Salary / Remuneration & Allowance	3630.00 (3630.00)	3630.00 (3630.00)	1802.40 (1802.40)	219.00 (198.00)	— —	— —	— —	482.40 (481.80)	482.40 (481.80)	1082.40 (1082.40)	
	b) Rent	— —	— —	— —	— —	— —	720.00 (720.00)	— —	— —	— —	— —	
	c) Director's Fees	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	
2	a) Loans Taken	3600.00 (8842.00)	375.00 (3063.50)	— —	— —	— —	— —	— —	— —	— —	— —	
	b) Loans refunded	10371.07 (10285.00)	2000.00 (4771.00)	— —	— —	— —	— —	— —	— —	— —	— —	
	c) Loans Payable	2965.93 (9737.00)	275.50 (1900.50)	— —	— —	— —	— —	— —	— —	— —	— —	
3	Purchase of Goods	— —	— —	— —	— —	671.81 (23155.92)	— —	— —	— —	— —	— —	
4	Sale of Goods	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	
5	Deposits Receivable as on 31st March	— —	— —	— —	— —	— —	1000.00 (1000.00)	— —	— —	— —	— —	
6	Outstanding Payable as on 31st March	— (230.50)	230.50 (230.50)	424.90 (249.90)	19.80 (32.50)	8658.77 (8772.96)	108.00 (145.94)	84.00 (84.00)	109.40 (365.00)	650.80 (310.00)	269.90 (163.90)	
7	Outstanding Receivable as on 31st March	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	
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 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION Contd...****F Remuneration to Directors****(Rs.in'000s)****1) Nature of transactions:**

	<u>31/03/2019</u>	<u>31/03/2018</u>
Remuneration to Directors		
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.

(Rs.in'000s)**H Remuneration to Auditors**

<u>Particulars</u>	<u>31/03/2019</u>	<u>31/03/2018</u>
Audit Fees (excluding of GST /Service Tax)	210.00	210.00
Total	210.00	210.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

27) I) Disclosures as per IND AS - 19 - Employee Benefits

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

(Rs.in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
i) Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 21).	45.56	114.35
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	-	-
b) The valuation results for the defined benefit gratuity plan as at 31-03-2019 are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Present Value of Obligation as at the beginning	4075.06	3268.21
Current Service Cost	304.17	253.73
Interest Expense or Cost	310.35	206.00
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	12.59	-635.91
- experience variance (i.e. Actual experience vs assumptions)	-81.91	642.84
Past Service Cost (vested benefits)	-	718.08
Benefits Paid	-68.00	-377.90
Present Value of Obligation as at the end	4552.26	4075.06

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Adjustment to opening Fair Value of Plant Asset	-	-
Return on Plan Assets excluding interest income	-	-
Employer's Contribution	68.00	377.90
Benefits Paid	-68.00	-377.90
Fair Value of Plan Assets as at the end	-	-

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Current Service Cost	304.17	253.73
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	310.35	206.00
Net Actuarial (Gain)/Loss recognized for the period	-	-
Past Service Cost (vested benefits)	-	718.08
Expenses Recognised in the Income Statement	614.52	1177.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

iv) Other Comprehensive Income

(Rs. in '000s)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Actuarial (gains) / losses		
- change in financial assumptions	12.59	-635.91
- experience variance (i.e. Actual experience vs assumptions)	-81.91	642.84
Return on Plan Assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	-69.32	6.93

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 2019	As on 31 March 2018
Discount rate (per annum)	7.66%	7.68%
Salary growth rate (per annum)	4.00%	4.00%

b. Demographic Assumptions

Particulars	As on 31 March 2019	As on 31 March 2018
Mortality Rate (% of IALM 06-08)	100%	100%
Employee Attrition 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 2019 (Rs. in '000s)	As on 31 March 2018 (Rs. in '000s)
Defined Benefit Obligation (Base)	4552.26	4075.06

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	3976.04	5245.99	3543.28	4718.03
(% change compared to base due to sensitivity)	-2.4%	28.7%	-13.0%	15.8%
Salary Growth Rate (- / + 1%)	5093.20	4042.11	4565.73	3609.33
(% change compared to base due to sensitivity)	25.0%	-0.8%	12.0%	-11.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

The Company's best estimate of Contribution during the next year

- Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)

- Expected cash flows over the next (valued on undiscounted basis):

	Rs. in '000s
	253.73
	16.97 Years
	Rs. in '000s
1 year	116.89
2 to 5 years	550.00
6 to 10 years	1290.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**NOTE 27 : OTHER ADDITIONAL NOTES / INFORMATION Contd**

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

	<u>2018-19</u>		<u>2017-18</u>	
	<u>Rs.in '000s</u>	<u>% to Total</u>	<u>Rs.in '000s</u>	<u>% to Total</u>
1. Raw Materials				
Indigenous	3571.47	100.00	3149.76	100.00
Imported	0.00	0.00	0.00	0.00
	3571.47	100.00	3149.76	100.00
2. Stores & Consumables				
Indigenous	803.85	100.00	613.93	100.00
Imported	0.00	0.00	0.00	0.00
	803.85	100.00	613.93	100.00

	<u>2018-19</u>	<u>2017-18</u>
	<u>Rs. in '000s</u>	
K Value of Imports on CIF Basis:		
1. Finished Products	55672.71	46872.56
L Expenditure in Foreign Currency (on cash basis):		
1. Travelling	1445.75	3895.70
2. Trading Goods Imports	55672.71	46872.56
M Earnings in Foreign Currency -		
1. Export of goods on F.O.B. basis (incl. Deemed Export)	575.30	843.93
2. Others	2454.15	3453.22

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	31st March 2019	31st March 2018
Not Later than One Year	6,566	6,391
Later than One year and not later than five year	9,639	16,065
Later than Five years	NIL	NIL

O The Directors have waived their Sitting fees for the year 2018-19.

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 28th May 2019

For and on Behalf of the Board

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

M.D.DEWANI
Chief Financial Officer

P. B. KHAKHAR
Jt.Managing Director
(DIN: 00394135)

H.D.VALIA
Company Secretary
(ACS No.22571)

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 : _____ or failing him

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 29th Annual General Meeting of the Company to be held on Friday, 13th September, 2019 at 9.15 A.M. at Half Centrum, 1st Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai- 400005 or any adjournment thereof, in respect of such resolutions as are indicated below :

RESOLUTIONS	OPTIONAL*	
	For	Against
1. Adoption of the Audited Financial Statements for FY ended 31.03.2019, reports of Board of Directors and Auditors thereon and adoption of Audited Consolidated Financial Statements for FY ended 31.03.2019 and report of Auditors thereon.		
2. Re-appointment of Mr.K.Gopi Nair as Independent Director.		
3. Re-appointment of M/s Ashar & Co., Chartered Accountants (Regn.No. 129159W) as Statutory Auditors.		
4. Re-Appointment of Ms. Ashni Parekh (DIN: 00763224) as an Independent Director for a further period of five years.		
5. Re-Appointment of Mr. Gaurav Davda (DIN: 01372614) as an Independent Director for a further period of five years.		
6. Consent to Board to give Loan, Guarantee, Invest in other Body Corporates.		
7. To re-appoint Mr. Milan B. Khakhar. (holding DIN 00394065) as Chairman and Managing Director.		
8. To re-appoint Mr. Prakash B. Khakhar. (holding DIN 00394135) as Joint Managing Director.		
9. To approve / authorise to transact with related party / material entity.		

Signed this _____ day of _____ 2019 Signature of Shareholder _____

Signature of PROXY _____

Affix
Revenue
Stamp

Notes:

- 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.
- A Proxy need not be a member of the company.
- 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 '✓' 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Book-Post

if undelivered, please return to:

SOLID STONE COMPANY LIMITED

1501, Maker Chambers V,
Nariman Point, Mumbai - 400 021.