

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



SOLID STONE COMPANY LIMITED

**ANNUAL REPORT
2016-2017**

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TWENTY SEVENTH ANNUAL REPORT 2016-2017

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 SEVENTH ANNUAL GENERAL MEETING

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

on Friday, 22nd September, 2017 at 9:15 A.M.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

REGISTERED OFFICE :

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

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Half Centrum, Centre 1, World Trade Centre, 1st Floor, Cuffe Parade, Mumbai - 400005 on Friday, 22nd September, 2017 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, 2017, 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, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. V. B. Khakhar (holding DIN 00394207) who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby ratifies the appointment of M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company, to hold office till the conclusion of the ensuing Annual General Meeting to be held in the calendar year 2018 at a remuneration to be decided by the Audit Committee of Directors of the Company”.

By Order of the Board of Directors

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

Place : Mumbai

Date : 29th May, 2017**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 16th September, 2017 to 22nd September, 2017 (both days inclusive)
- D) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.
- E) Members are requested to :
 - i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.
 - ii) Notify immediately any change in their address, at the *Registered office* of the Company, quoting their Folio numbers.
 - iii) Send all their documents and communications pertaining to shares to Sharex (India) Pvt. Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, Tel.No. 022 28515606/28515644, Email: investor@sharexindia.com
- F) The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.

- G) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.
- (H) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- (I) As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members.

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

- (J) The route map showing directions to reach the venue of the 27th 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 27th 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 19th September, 2017 (9:00 AM) and ends on 21st September, 2017 (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 13th September, 2017 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

SOLID STONE COMPANY LIMITED

(CIN : L26960MH1990PLC056449)

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SOLID STONE COMPANY LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

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

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

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

By Order of the Board of Directors

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

Place : Mumbai
Date : 29th May, 2017

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting their Twenty-seventh Annual Report of the Company for the year ended on 31st March, 2017.

FINANCIAL RESULTS :

	Year Ended 31 st March, 2017 Rs..in '000s	Year Ended 31 st March, 2016 Rs..in '000s
Gross Income from Operations	7,39,758	6,00,382
Profit before Depreciation and Tax	17,831	16,353
Profit after Tax	7,256	5,935
Balance brought forward from Previous year	78,928	72,993
Amount available for Appropriation	86,183	78,928
Proposed Dividend	NIL	NIL
Tax on Dividend	NIL	NIL
Surplus carried to Balance Sheet	86,183	78,928

DIVIDEND :

Your Directors, in order to conserve resources, have not recommend any Dividend for the year ended 31st March, 2017 on the Equity Share Capital.(Previous Year : NIL).

OPERATIONS :

During the year under review the Company posted a higher gross income as well as higher net profits on account of improved margins due to overall improvement in operations and higher sales, both in terms of quantity and value.

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

SUBSIDIARIES AND ASSOCIATE :

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

CONSOLIDATED FINANCIAL STATEMENTS :

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

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

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

RELATED PARTY TRANSACTIONS

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

The related party transactions are disclosed under Note No. 27E of the Notes to Financial Statements for the financial year 2016-17.

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

Key Managerial Personnel

Mr.Milan Khakhar, Chairman and Managing Director, Mr.Prakash Khakhar, Joint Managing Director, Mr.Manoj Dewani, Chief Financial Officer and Mr.Hardik Valia, Company Secretary of the Company are Key Managerial Personnel of the Company.

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 2016-17.

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 2016-17 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 29th May, 2017 in this regard, are annexed hereto and form part of the Report.

ANALYSIS OF REMUNERATION

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

AUDITORS AND AUDITOR'S REPORT :**Statutory Auditors**

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

Secretarial Audit

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

AUDITORS QUALIFICATIONS

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

RISK MANAGEMENT POLICY

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

MEETINGS OF THE BOARD

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

PARTICULARS OF EMPLOYEES

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

EXTRACT OF ANNUAL RETURN

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

GENERAL

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

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iii) No significant or material order were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

APPRECIATION :

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

By Order of the Board of Directors

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

Place : Mumbai
Date : 29th May, 2017