

# ACE STONE CRAFT LIMITED

CIN : L26994OR1992PLC003022

Date: 24.09.2018

To,

The Listing Manager

Metropolitan Stock Exchange of Limited

Vibgyor Towers, 4th floor, Plot No C 62, G - Block,

Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E),

Mumbai - 400098.

**Subject: Regulation 34- Submission of copy of Annual Report of Ace Stone Craft Limited for the FY 2017-18**

Dear Sir/Madam,

This is in reference to the provisions of Companies Act, 2013 and as per Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby the Company is required to submit its annual report to the stock exchange within twenty one working days of it being approved and adopted in the Annual General Meeting as per the provisions of the Companies Act, 2013.

In compliance to the provisions of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the Annual Report of the Company for the FY 2017-18; which was approved and adopted in the Annual General Meeting of Ace Stone Craft Ltd held on Friday, the 21<sup>st</sup> day of September, 2018 at the Registered Office of the Company at the Registered Office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa- 753004 from 10:30 A.M. to 11:00 A.M. (Outcome and proceeding of which were uploaded on the MSEI Portal on the same day).

Kindly acknowledge the receipt of the same.

Thanking you,

For and on behalf of Board of Directors of

**Ace Stone Craft Limited**

For ACE STONE CRAFT LIMITED

  
Naresh Aggarwal Director

(Managing Director)

**Regd. Off. :** Plot No. 1210, Mahanandivihar, P.O. Nayabazar, Cuttack, Orissa, Pin Code - 753004

**Corporate Office:** 03rd Floor, Plot No. B- 103, South City I, Gurugram, Haryana-122001

**Tel:** +91-0124-4577738 **Email:** contactus@acestonecraft.com **Web:** www.acestonecraft.com

# ACE STONE CRAFT LIMITED

26<sup>TH</sup> ANNUAL REPORT  
2017-18

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

Mr. Anil Arya  
Non-Executive Independent Director

Mr. Chetan Sharma  
Executive Director

Ms. Shivani Bhadoriya  
Non-Executive Independent Director

Mr. Shiv Shankar Singhal  
Non-Executive Independent Director

Mr. Naresh Aggarwal  
Managing Director

### **CHIEF FINANCIAL OFFICER**

Mr. Satyendra Singh Rawat

### **AUDITORS**

#### **VBR & ASSOCIATES**

Chartered Accountants

Address: 405, Roots Tower, Plot No. 7,  
District Centre, Laxmi Nagar, New Delhi - 110092  
Phone No.: +91-011-43042405  
E-mail: vijay@vbrindia.com

### **REGISTERED OFFICE:**

Plot No.1210, Mahanadivihar,  
P.O. Nayabazar, Cuttack, Orissa- 753004

### **CORPORATE OFFICE:**

Third Floor, Plot No. B-103, South  
City- I, Gurugram, Haryana- 122001

**Telephone:** +91 - 0124- 4577738

**Website:** [www.acestonecraft.com](http://www.acestonecraft.com)

**Email id:** [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

### **BANKERS:**

HDFC Bank Limited

### **REGISTRAR & SHARE TRANSFER AGENT**

#### **MAS SERVICES LIMITED**

Address: T-34, IInd Floor, Okhla  
Industrial Area, Phase-II, New Delhi-110020  
Phone No.: +91-011-26387281/ 82/ 83  
E-mail: info@masserv.com

**COMMITTEES OF THE BOARD:**• **AUDIT COMMITTEE:**

<b>S.No.</b>	<b>ame</b>	<b>Category</b>
1.	Shiv Shankar Singhal	Independent Director
2.	Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

• **NOMINATION AND REMUNERATION COMMITTEE:**

<b>S.No.</b>	<b>ame</b>	<b>Category</b>
1.	Shiv Shankar Singhal	Independent Director
2.	Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

• **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

<b>S.No.</b>	<b>ame</b>	<b>Category</b>
1.	Shiv Shankar Singhal	Independent Director
2.	Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

• **RISK COMMITTEE:**

<b>S.No.</b>	<b>ame</b>	<b>Category</b>
1.	Chetan Sharma	Executive Director
2.	Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

## **ANNUAL REPORT 2017-18**

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**BOARD REPORT**

(Pursuant to Section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014)

**DEAR MEMBERS,**

Your Directors are pleased to present the 26<sup>th</sup> Annual Report together with the Audited Financial Statement for the Financial Year ended March 31, 2018.

- **FINANCIAL PERFORMANCE:**

The salient features of Company's Financial Results for the year ended March 31, 2018 under review are as follows:

(Amount in Rs.)		
Particulars	2017-18	2016-17
Other Income	21,540,569	21,544,692
<b>Total Income</b>	<b>21,540,569</b>	<b>21,544,692</b>
Finance Cost	5,643,014	74,76,659
Employee benefits expense	5,171,942	13,04,015
Other Expenses	5,119,669	16,69,468
Total Expenses	15,940,404	10,450,142
<b>Profit/ (Loss) before Tax</b>	<b>5,600,165</b>	<b>11,094,550</b>
Current Tax	1,477,234	34,28,216
Deferred Tax	317,545	0
Dividend Distribution Tax	0	2,53,790
<b>Profit/Loss after Tax</b>	<b>3,805,386</b>	<b>74,12,544</b>
Earning per Equity Share	0.16	0.33

- **INFORMATION ON STATE OF COMPANY'S AFFAIRS AND RESULT OF OPERATIONS:**

The Total Income of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018 is Rs. 21,540,569, which has been decreased by Rs. 4,123 as compared to last year total Income for an amount of Rs. 21,544,692. Moreover, the profit before tax for the Financial Year ended on 31<sup>st</sup> March, 2018 amounted to Rs. 5,600,165 as compared to Rs. 11,094,550 earned in FY 2016-17. The Performance of the Company is expected to be more improved in the coming years.

- **DIVIDEND:**

The Board of Directors of the Company did not declare any dividend for FY 2017-18

- **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is presented as **Annexure-I** in this report.

- **DEPOSITS:**

The Company has not accepted any deposits within the meaning of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during the Financial Year 2017-18 under review.

- **TRANSFER TO RESERVES:**

During the year under review, the Company has transferred an amount of Rs. 38,05,386 to General Reserves of the Company.

- **SHARE CAPITAL:**

There has been no change in the capital structure of the Company, as no new shares were issued by the Company during the period under consideration. The paid up share capital of the Company at the end of Financial Year 2017-18 is Rs. 23,49,21,000/- (Rupees Twenty Three Crore Forty Nine Lacs Twenty One Thousand Only) which is same as it was at the end of the Financial Year 2016-17. Further details are as follows:

- **Issue of equity shares with differential rights:**

The Company has not issued equity shares with differential rights during the FY 2017-18.

- **Issue of sweat equity shares:**

The Company has not issued sweat equity shares during the FY 2017-18.

- **Issue of employee stock options:**

The Company has not issued employee stock options during the FY 2017-18.

- **Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

Since shares of the Company has not purchased by the employees or trustees for their benefits therefore there is no requirement for the provision of money to be made by the Company for the same purpose during the FY 2017-18.

- **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of corporate governance and adhere to the Corporate Governance Requirements set out by SEBI. A detailed Corporate Governance Report of the Company in pursuance of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report of the Company. The requisite Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 15 is attached to the Corporate Governance Report.

• **DIRECTORS:**

The Company is enriched with highly qualified professionals and responsive Board of Directors. It is composed of Executive as well as Non- Executive Directors including Women Director. The details for Composition of Board of Directors of the Company as on date are as follows:

S.No.	IN	ame	esignation
•	05153603	Anil Arya	Non- Executive Director
•	08204492	Chetan Sharma	Executive Director
•	08199970	Shivani Bhadoriya	Non- Executive Director
•	07177451	Shiv Shankar Singhal	Non- Executive Director
•	07815393	Naresh Aggarwal	Managing Director

Mr. Chetan Sharma was appointed as an Additional Executive Director on August 9, 2018 and he shall hold office up to the date of ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 17 and 72 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anil Arya retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Your Board has recommended his Re-Appointment.

Further following changes took place in the board of the Company during the Financial Year and up to date are as under:

**APPOINTMENTS ON THE BOARD:**

- Mr. Chetan Sharma was appointed as Additional Executive Director of the Company w.e.f. 9<sup>th</sup> August, 2018, further be regularized at this upcoming 26<sup>th</sup> AGM the Company as Executive Director of the Company;
- Ms. Shivani Bhadoriya was appointed as Additional Woman Director of the Company w.e.f. 9<sup>th</sup> August, and further be regularized at this upcoming 26<sup>th</sup> AGM the Company as Non- Executive Independent Director of the Company;

**RESIGNATIONS FROM THE BOARD:**

- Mr. Sandeep Kumar resigned from the directorship of the Company w.e.f. 01<sup>st</sup> June, 2017;
- Mr. JatinGarg resigned from the directorship of the Company w.e.f. 22<sup>nd</sup> May, 2018;
- Ms. Seema Malhotra resigned from the directorship of the Company w.e.f. 28<sup>th</sup> July, 2018;



The Company has formulated a policy on performance evaluation of the Independent Directors, Board and its Committees and other individual Directors which shall be based on, inter alia, criteria like attendance, effective participation, domain knowledge, access to management outside Board Meetings and compliance with the Code of Conduct, vision and strategy and benchmark to global peers.

On the basis of policy for performance evaluation of Independent Directors, Board, Committees and other individual directors, a process of evaluation was carried out. The performance of the Board, individual directors and Board Committees were found to be satisfactory.

**Further, Independent Directors of the Company have given declaration that they meet the eligibility criteria of Independence as provided under Section 149(6) of the Companies Act, 2013.**

- **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR :**

Your Company has put in place a system to familiarize its Independent Directors about the Company, its Business Segment, the Industry and Business model of the Company. In addition it also undertakes various measures to update the Independent Director about the ongoing events and development relating to the Company. All the Independent Directors of the Company are made aware of their role, responsibilities & liabilities at the time of their appointment / re appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement, including the compliance required from him under Companies Act 2013, Listing Regulation and other various statutes and an affirmation is obtained for the same. The Detail of the Familiarization Programme for Directors are available on the Company's Website - <http://www.acestonecraft.com>

- **KEY MANAGERIAL PERSONNEL:**

Ms. Pallavi Sahni was appointed as the Company Secretary & Compliance Officer of the Company with effect from 13<sup>th</sup> October, 2016, who resigned from the post on 29<sup>th</sup> May, 2017. Afterwards, Ms. Ishu Kamboj was appointed as Company Secretary of the Company with effect from 31<sup>st</sup> May, 2017, who resigned from the post on 19<sup>th</sup> May, 2018 our present compliance officer is Mr. Naresh Aggrawl.

- **SUBSIDIARIES /JOINT VENTURES /ASSOCIATE COMPANIES:**

During the year under review, no company became or ceased to be a Subsidiary/Joint Venture/Associate of the Company.

- **SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURT:**

No significant and/or material orders were passed by any Regulators/Courts/Tribunals which impact the going concern status of the Company or its future operations.

- **MATERIAL CHANGES AND COMMITMENTS:**

No material changes and commitments affecting the financial position of the company have occurred between the end of financial year of the company to which the financial statements relate and the date of report.

However, on **11<sup>th</sup> April, 2017** the Company received a Letter from **Metropolitan Stock Exchange of India Limited** (MSEI) regarding Listing of Securities of Ace Stone Craft Limited on the Exchange and admitted to dealings on the Capital Market Segment of the Exchange w.e.f. **April 17, 2017**.

Also the Corporate Office of the Company is maintained at Third Floor, Plot No. B-103, South City I, Gurugram, Haryana- 122001 w.e.f. 18<sup>th</sup> day of August, 2017.

• **NUMBER OF MEETINGS OF THE BOARD:**

For the Financial Year ended on March 31, 2018, 7 (seven) Board Meetings were held and the maximum time gap between any two Board meetings was less than 120 days. Further, details of the meetings of the Board and its Committees are given in the Corporate Governance Report, forming part of the Annual Report.

S.No.	Date	Board Strength	No. of Directors present
1.	29 <sup>th</sup> May, 2017	5	5
2.	4 <sup>th</sup> August, 2017	5	5
3.	19 <sup>th</sup> August, 2017	5	5
4.	13 <sup>th</sup> September, 2017	5	5
5.	14 <sup>th</sup> November, 2017	5	5
6.	09 <sup>th</sup> January, 2018	5	4
7.	12 <sup>th</sup> February, 2018	5	4

• **COMMITTEES:**

Pursuant to the requirements under Section 177 and 178 of Companies Act, 2013 and Regulation 18,19, 20 and 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of the Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders; Relationship Committee and Risk Management Committee. The details of composition and terms of reference are in the Corporate Governance Report. The details of Committees formed by the Company are as follows:

• **AUDIT COMMITTEE:**

S.No.	ame	Category
1.	Shiv Shankar Singhal	Independent Director
2.	*Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

Ms. Seema Malhotra resigned from the designation of Woman Director w.e.f 28<sup>th</sup> July 2018 and Ms.

\*Shivani Bhadoriya has been appointed as Woman Director on 09<sup>th</sup> August, 2018.

• **NOMINATION & REMUNERATION COMMITTEE:**

		Category
1.	Shiv Shankar Singhal	Independent Director
2.	*Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

Ms. Seema Malhotra resigned from the designation of Woman Director w.e.f. 28<sup>th</sup> July 2018 and Ms. \*Shivani Bhadoriya has been appointed as Woman Director on 09<sup>th</sup> August, 2018.

• **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

S.No.	ame	Category
1.	Shiv Shankar Singhal	Independent Director
2.	*Shivani Bhadoriya	Independent Director
3.	Anil Arya	Independent Director

Ms. Seema Malhotra resigned from the designation of Woman Director w.e.f. 28<sup>th</sup> July 2018 and Ms. \*Shivani Bhadoriya has been appointed as Woman Director on 09<sup>th</sup> August, 2018.

• **RISK MANAGEMENT COMMITTEE:**

S.No.	ame	Category
1	*Chetan Sharma	Executive Director
2	*Shivani Bhadoriya	Independent Director
3	Anil Arya	Independent Director

Mr. JatinGarg resigned from the post of Executive Director w.e.f. 22<sup>nd</sup> May, 2018, Ms. Seema Malhotra resigned from the designation of Woman Director w.e.f. 28<sup>th</sup> July 2018, Mr. \*Chatan Sharma has been appointed as an Executive Director on the Board w.e.f. 09<sup>th</sup> August, 2018 and Ms. \*Shivani Bhadoriya has been appointed as Woman Director on 09<sup>th</sup> August, 2018.

• **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to Section 135 of Companies Act, 2013, the company doesn't fall under the criteria mentioned in the said section. Therefore, it is not required to constitute a CSR Committee.

- **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the Financial Year ended March 31, 2018, the applicable Accounting Standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts of the Company for the Financial Year ended March 31, 2018 on a 'going concern' basis;
- the Directors have laid down Internal Financial Control to be followed by the Company and that such internal financial control are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **RISK ASSESSMENT/MANAGEMENT:**

The Company has formulated and adopted a Risk Management Policy. The Board of Directors of the Company is responsible for the direction and establishment of internal control to mitigate material business risks. The policy is framed to identify the element of risk for achieving its business objective and to provide reasonable assurance that all the material risks, misstatements, frauds or violation of laws and regulations will be mitigated. The Company has constituted a Risk Management Committee. The Committee shall inter alia oversee, evaluate and implement the Risk Assessment Policy and Manual of the Company and suggest effective measures to counter or mitigate the risks.

- **VIGIL MECHANISM:**

The Company promotes ethical behavior in all its business activities. Towards this, in compliance to the provisions of Section 177 of Companies Act, 2013, the Company has adopted a policy on Vigil Mechanism and Whistle Blower. The Company has constituted Audit Committee to process and investigate a protected disclosure made under the policy. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice or victimization. The Audit Committee oversees the Vigil Mechanism. The policy on vigil mechanism and whistle blower is available on Company's website at <http://www.acestonecraft.com/> and may be accessed at <http://acestonecraft.com/policy.html>.

- **RELATED PARTY TRANSACTIONS:**

In terms of the provisions of Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had not entered into any contract/ arrangement/ transactions with Related Parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions during the year. The policy on dealing with Related Party Transaction and policy for determining Material transactions are posted on the Company's website at [www.acestonecraft.com](http://www.acestonecraft.com) and may be accessed at <http://www.acestonecraft.com/pdf/policy-on-materiality-of-related-party-transaction.pdf>

- **INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:**

The Company has adequate system of Internal Financial Control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Auditor of the Company also checks and verifies the internal financial control and monitors them.

- **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

The details of Loans given, Investments made, Guarantees given and Securities provided by the Company are given in **Note Number 11** to the Financial Statement. The Company has Unsecured Loan amounted to Rs. 11,080,037.00/- during the financial year ended as on 31.03.2018.

- **EXTRACT OF ANNUAL RETURN:**

Extract of the Annual Return in the Form MGT- 9 is attached with this report and marked as **Annexure-11**.

- **AUDITOR & AUDITOR'S REPORT:**

Your Directors request that the term of office for 3 years of M/s VBR & Associates, Chartered Accountants, holding the office as Statutory Auditors of the Company expires at this AGM. Therefore, your directors recommend their re-appointment for a further term of 2 years and being eligible they offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their reappointment if made would be in accordance with the provision of section **141** of the Companies Act, 2013.

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

- **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Board had appointed **M/s Jain Akshi and Associates, Practicing Company Secretary**, to conduct the Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended on March 31, 2018, in the prescribed format is attached herewith as **Annexure- III** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark to be explained by the Directors of the Company.

- **INTERNAL AUDITOR:**

The Company has appointed **Mis N. K. Bhatt & Associates, Practicing Company Secretary**, as an Internal Auditor of the Company for the for the Financial Year 2017-18 to conduct Internal Audit on a quarterly basis.

- **PARTICULARS OF EMPLOYEE AND MANAGERIAL REMUNERATION:**

During the year under review, the Company does not have any employee who is drawing the remuneration in excess of the limits prescribed by provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5 (1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

However, for the purpose of ease, in the previous Financial Year 2016-17, the Board of Directors of your Company passed Special Resolution for approving the amount of remuneration paid to Mr. Naresh Aggarwal, Managing Director of the Company under first proviso of Section 197 of the Companies Act, 2013 read with Rules 5 (1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There is no change in the remuneration paid to managing director in the current year.

- **DISCLOSURES PURSUANT TO SECTION 197 (12) AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The company has given remuneration according to the remuneration policy formulated by the Company. Further, information is as follows:

- The Ratio of Remuneration of each Director to the Median Employees Remuneration of the Company for the financial year 2017-18 is as follows:

No remuneration has been paid to any director in the Financial Year 2017-18 except Mr. Naresh Aggarwal (Managing Director).

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

No remuneration was being paid to any director and no changes have been made in remuneration paid to Chief Financial Officer and Company Secretary of the Company.

- The percentage increase in the median remuneration of employees in the Financial Year 2017-18:

There has been an increase of 25.21% in percentage of median remuneration paid to employees in the Financial Year 2017-18 as compared to Financial Year 2016-17.

- the number of permanent employees on the rolls of company:  
The numbers of permanent employees on the rolls of the Company are **5**.
- average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is no increase in the remuneration of employees other than managerial personnel from last year. However, some new employees were recruited by the Company to whom salaries have been paid.

- affirmation that the remuneration is as per the remuneration policy of the company:

The Directors of the Company confirm that the remuneration in the Financial Year 2017-18 has been paid according to the remuneration policy of the Company.

- **RISK MANAGEMENT POLICY:**

The Board of Directors of the company is of the view that currently no significant risk factors are present which may threaten the existence of the company.

- **POLICIES:**

The Board of the Company has framed various Policies in order to comply with the requirements of Companies Act, 2013 and SEBI (LODR) 2015, the details of them are available at website of the company at [www.acestonecrafft.com](http://www.acestonecrafft.com) under the Investors Column:

- Whistle Blower Policy;
- Policy of Remuneration of Directors, **KMP** and Other Employees;
- Policy on Familiarization Programmes for Independent Directors;
- Policy on Website Archival;
- Policy on Determination and Disclosure of Materiality of Events and Information;
- Policy on Materiality of Related Party Transaction and on Dealing with Related Party Transactions;
- Risk Management Policy.

- **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the following information is provided:

- **Conservation of Energy:**

The Company is not an energy intensive unit; hence alternate source of energy may not be feasible. However, regular efforts are made to conserve the energy. Further, use of low energy consuming LED lightings is being encouraged.

- **Technology Absorption:**

The Company is conscious of implementation of latest technologies in key working areas. Technology is Ever- changing and employees of the Company are made aware of the latest working techniques and technologies through workshops, group e-mails, and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

Your Company is not engaged in manufacturing activities; therefore, certain disclosures on technology absorption and conservation of energy etc. are not applicable.

There is no expenditure on Research and Development.

- **Foreign Exchange Earnings and Outgo:**

Further, there was no foreign exchange inflow or Outflow during the year under review.

• **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every women working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In accordance with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, measures are laid down by the Company. During the year, there was no complaint lodged with the Company.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- **FORMAL ANNUAL EVALUATION:**

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Attendance of Board Meetings and Board Committee Meetings;
- Quality of contribution to Board deliberations;
- Strategic perspectives or inputs regarding future growth of Company and its performance;
- Providing perspectives and feedback going beyond information provided by the management;



- Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board.

- **ACKNOWLEDGMENT:**

Your Directors wish to place on record their appreciation for the continuous support extended by all the employees, shareholders, customers, Joint venture partners, investors, government authorities and bankers for their continued support and faith reposed in the Company.

**For and on behalf of the Board of Directors of**  
Ace Stone Craft Limited

**Naresh Aggarwal**  
Managing Director  
**DIN:** 07815393

**Address:** 802, The Manmeet Society,  
Plot No. GH- 3 Near Artemis  
Hospital, Sector- 51, Delhi 110087

**Anil Arya**  
Director  
**DIN:** 05153603  
**Add:** 579, Ward No. 5  
Patel Nagar,  
Gurgaon - 122001

**Place:** Gurugram

**Date:** 23.08.2018

**Telephone:** +91 - 0124 -4577738

Website: [www.acestonecraft.com](http://www.acestonecraft.com) **Email**

id:[contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

## **ANNEXURE-I**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

#### **INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES & THREATS:**

Indian economy had started taking cues from Global Economy and recently witnessing slowing trends. This has made an impact on GDP growth of India and it is reducing since last couple of years.

The slowdown is leaving its impact on Domestic and International market. But India plays a major role in global apparel markets due to availability of abundant man power, raw material and infrastructural developments.

#### **OPPORTUNITIES:**

The overall assessment of demand and market potential, projected on the basis of past trends and industry expectations, is expected to grow by more than 10%. Domestic consumption of fabric and textile products is increasing due to growing corporate salaries, earning capacity of individuals. India is home to 17% of world population. It is also one of the youngest countries in the world, with over 65% population below the age of 35 years. In India, there are more than 30 crore middle class people with higher disposable income. The number is expected to be doubled in next 2 years, which will bring increasing demand for various consumer products by this segment of population.

#### **THREATS:**

Due to global meltdown, the consumers in the west have reduced their consumption of Materials craft. The growing awareness about ecological factors has impacted exports from developing countries due to use of polluting dyes and environment damaging manufacturing practices. The availability of cheap labor in Bangladesh and Vietnam is also contributing to decline in business of fabrics from India.

The post 2005 trade regime under World Trade Organization has resulted into the enhanced competition across the globe.

#### **SEGMENTWISE or PRODUCT-WISE PERFORMANCE:**

Your company mainly operates in single product segment, within domestic market only. Now the management of your company has started trading activity in domestic market. The business is expected to grow in the coming years.

#### **FUTURE OUTLOOK:**

In view of business inquiries received by the company, the outlook seems bright for business prospects of your company.

Your company has taken various initiatives for increase of business, product portfolio. Presently, we are doing business in domestic market but we are exploring possibilities of export of our products to the western countries, where we had been doing business about a decade ago. We are also exploring the possibilities of leasing out an industrial unit to enhance our productivity and launching of quality products in the market.

#### **STRENGTHS:**

Your company was one of the largest export houses to USSR before division of Soviet Union into number of small countries. In the coming years, we plan to start marketing of Indian goods in these

countries. We do not foresee any difficulty in pushing the company's merchandise in these markets. We had a customer base in these markets for Indian products. We can leverage our capacities to procure products for these markets and other countries also.

#### **RISK AND CONCERNS:**

Business is exposed to external and internal risks. Some risks can be predicted and minimized with careful planning and implementing the measures to mitigate them, while some risks cannot be insured against. Your company has been facing many risks including risk to run business due to shortage of working capital. The tight fund situation may affect company's plans to enlarge its business activities. Due to tight liquidity position, we are not able to lay hands on talented people in the industry. The management of your company is planning to leverage their personal assets to raise funds for the company, to overcome this risk.

The domestic market is showing inflationary tendencies. To curb inflation, the Reserve Bank of India can tighten its monetary policy, which can affect company financial expenses. Fluctuation in value of foreign currencies can also affect export plans of the company.

#### **HUMAN RESOURCES:**

The company is taking various initiatives to increase human resources for better productivity. To save on costs, the company is appointing non-experienced staff and taking initiatives for internal training and development of skills. This will help in enhancing their emotional and intellectual engagement with the company.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACIES:**

Your company had started its business from scratch. To grow it faster, the integrity and ethical behavior of management and employees at all levels and compliance of the laws and regulations is very essential. The systems are being put in place to ensure adequate internal controls in operations of the company. Apart from statutory audit, your company has adequate in-house internal audit practices.

#### **FORWARD LOOKING STATEMENT:**

Statements in this report on Management Discussion and Analysis, describing the company's objectives, projections, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future vents. Actual results could, however, differ materially from those expressed or implied. Domestic consumption, price trends, change in government regulations and tax structure can make a difference in company's performance in future.

The company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**For Ace Stone Craft Limited**

**Naresh Aggarwal**

Managing Director

**Telephone:** +91 - 0124 - 4577738

**Website:** [www.acestonecraft.com](http://www.acestonecraft.com)

**Email id:** [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

## ANNEXURE - II

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2018

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and administration) Rules, 2014)

I.	<b>REGISTRATION AND OTHER DETAILS:</b>	
i)	CIN	L26994OR1 992PLC003022
ii)	Registration date	11 <sup>th</sup> March, 1992
iii)	Name of the Company	Ace Stone Craft Limited
iv)	Category of the Company	Public Company
v)	Address of the Registered Office and Contact details	Plot No.1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa, Pin Code:753004 <b>Ph No:</b> 0124 - 4577738 <b>E-mail:</b> <a href="mailto:contactus@acestonecraft.com">contactus@acestonecraft.com</a>
vi)	Address of the Corporate Office	Third Floor, B-103, South City- I, Gurugram, Haryana-122001
vi)	Whether Listed Company	Yes on <b>MetroPolitan Stock Exchange of India Limited</b> vide Circular MSEI/LIST/5066/2017 from 11 <sup>th</sup> April, 2017
vii)	Name, address and Contact details of the Registrar & Transfer Agent	<b>MAS Services Limited</b> <b>Address:</b> T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110020 <b>Phone No.:</b> +91-11-2638 7281/ 82/ 83 <b>E-mail:</b> <a href="mailto:info@masserv.com">info@masserv.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the Company
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1.	Not Applicable	Not Applicable	Not Applicable
The Company has earned 100% of its total income from Other Sources; therefore, no income has been earned from Principal Business activities.			

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

No Company has become or ceased to be a Holding, Subsidiary or Associate of the Company.

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters:									
• Indian:									
Individuals/HUF	01	01	0		01	01	01	01	0
Central Govt./ State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	3400500	0	3400500	14.48	3400500	0	3400500	14.48	0
Banks/FI	0	0	0	0	0	0	0	0	0
Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (A)(I)	3400500	0	3400500	14.48	3400500	0	3400500	14.48	0
(2) Foreign:									
NRIs - Individuals	0	0	0	0	0	0	0	0	0

Other - Individuals	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Banks/ FI	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>3400500</b>	<b>0</b>	<b>3400500</b>	<b>14.48</b>	<b>3400500</b>	<b>0</b>	<b>3400500</b>	<b>14.48</b>	<b>0</b>

**(B) PUBLIC SHAREHOLDING:****(1) Institutions:**

Mutual Funds/UT!	0	0	0	0	0	0	0	0	0
Financial Inst/Banks	0	0	0	0	0	0	0	0	0
Central Govt/State Govt.	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Any Other (specify) FDI	0	0	0	0	0	0	0	0	0

<b>Sub Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**(2) Non-Institutions:**

<b>Body Corporate:</b>									
Indian	12216700	1200	12217900	52.01	12216700	1200	12217900	52.01	0

Overseas	01	01	01	01	01	01	01	01	01
<b>Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	385000	1214900	1599900	6.80	391600	1216700	1608300	6.85	0.05
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4060000	2166000	6226000	26.51	4060000	2158600	6218600	26.47	(0.05)
Any other (specify)									
Non-resident Indian./OCB	41500	5500	47000	0.20	41400	5000	46400	0.20	0.00
Clearing Member	800	01	800	0.00	600	01	600	0.00	0.00
Sub Total (B)(2)									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>16698800</b>	<b>3392800</b>	<b>20091600</b>	<b>85.51</b>	<b>16704000</b>	<b>3387600</b>	<b>20091600</b>	<b>85.52</b>	<b>0</b>
C. Shares Held By Custodian For GDRS & ADRS	0	0	0	0	0	0	0	0	0
Sub Total (C)(1)	0	0	0	0	0	0	0	0	0
<b>Grand Total (A) + (B) + (C)</b>	<b>20099300</b>	<b>392800</b>	<b>23492100</b>	<b>100</b>	<b>20104500</b>	<b>3387600</b>	<b>23492100</b>	<b>100</b>	<b>0</b>

(ii) Shareholding of Promoters/Promoters group:								
S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Real Gains s Limited	3400500	14.48	0	3400500	14.48	0	0
<b>Total</b>		13400500	114.48	10	13400500	114.48	10	0

## (iii) Change in Promoters' Shareholding (please specify ,if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

At the beginning of the year

LJ	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	There is no change in promoter shareholding during the year			
	At the End of the year				



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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
n	<b>Shreeshanku Realtors Private Limited</b>				
	At the beginning of the year	3300000	14.04	3300000	14.04
.	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	3300000	14.04	3300000	14.04
□	<b>Glider Realcon India Private Limited</b>				
	At the beginning of the year	3275000	13.94	3275000	13.94
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	At the End of the year(or on the date of separation, if separated during the year)	3275000	13.94	3275000	13.94

•	<b>Uphill Buildwell Private Limited</b>				
	At the beginning of the year	3220000	13.70	3220000	13.70
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
	At the End of the year(or on the date of separation, if separated during the year)	3220000	13.70	3220000	13.70
LJ	<b>Suman Aggarwal</b>				
	At the beginning of the year	2141500	9.11	2141500	9.11
	Transferred shares as on 31.03.2018	2141500	9.11	(7400)	(0.03)
	At the End of the year(or on the date of separation, if separated during the year)	2134100	9.08	2134100	9.08
•	<b>Kady Realcon India Private Limited</b>				
	At the beginning of the year	510000	2.17	510000	2.17
	Acquired shares from Vrindavan Buildwell Private Limited as on 28.04.2017	1100000	4.68	16100000	6.85
	At the End of the year(or on the date of separation, if separated during the year)	1610000	6.85	1610000	6.85
	<b>Parveen Aggarwal</b>				
	At the beginning of the year	1000000	4.25	1000000	4.25
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/	0	0	0	0

<input type="checkbox"/>	sweat equity etc):				
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25
<input type="checkbox"/>	<b>Satish Kumar Arya</b>				
	At the beginning of the year	1000000	4.25	1000000	4.25
	Date wise Increase/ Decrease m Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25
<input type="checkbox"/>	<b>Suman Aggarwal</b>				
	At the beginning of the year	1000000	4.25	1000000	4.25
	Date wise Increase/ Decrease m Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):			1000000	4.25
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25
<input type="checkbox"/>	<b>Satish Kumar Arya</b>				
	At the beginning of the year	950000	4.04	950000	4.04
	Date wise Increase/ Decrease m Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
	At the End of the year(or on the date of separation, if separated during the year)	950000	4.04	950000	4.04

☐ separated during the year)

•	<b>DH Garments Private Limited</b>				
<input type="checkbox"/>	At the beginning of the year	800000	3.41	800000	3.41

Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	0	0	0	0
At the End of the year(or on the date of separation, if separated during the year)	800000	3.41	800000	3.41

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>For Each of the Directors and KMP</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

SI.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		<b>Mr. Naresh Aggarwal Managing Director</b>	
	Gross salary	15,00,000	15,00,000
	(a) Salary as per provisions contained in section 7(1) of the		

	Income-tax Act, 1961					
	(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)	15,00,000				15,00,000

**B. Remuneration to other directors:**

SI. no.	Particulars of Remuneration	Name of Other directors	Total Amount
NIL			

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

SI. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO	Total	
			Ms. Pallavi Sahni	Ms. Ishu Kamboj	Mr. Satyendra Singh Rawat	
1	Gross salary	50,000	2,81,242	6,700	3,37,942	
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- Others, specify					
5	Others ,please specify					
	Total (A)	50,000	2,81,242	6,700	3,37,942	

**VI INDEBTEDNESS:****(In Rupees)**

Indebtedness of the Company including interest outstanding /accrued but not due for payment:

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount		6,69,50,608		6,69,50,608
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>6,69,50,608</b>	<b>0</b>	<b>6,69,50,608</b>
Change in Indebtedness during the financial year				
• Addition				
• Reduction		5,58,70,571		5,58,70,571
<b>Net Change</b>	<b>0</b>	<b>5,58,70,571</b>	<b>0</b>	<b>5,58,70,571</b>
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid		1,10,80,037		1,10,80,037
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>1,10,80,037</b>	<b>0</b>	<b>1,10,80,037</b>

## 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)	Appeal made (if any)
• <b>Company</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					
• <b>Directors</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					
• <b>Other Officers in Default</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					

For and on behalf of the Board of Directors of  
Ace Stone Craft Limited

**Naresh Aggarwal**  
Managing Director  
**DIN:** 07815393  
**Address:** 802, The Manmeet Society,  
Plot No. GH- 3 Near Artemis  
Hospital, Sector- 51, Delhi 110087

**Anil Arya**  
Director  
**DIN:** 05153603  
**Add:** 579, Ward No. 5  
Patel Nagar,  
Gurgaon -122001

**Place:** Gurugram

**Date:** 23.08.2018

**Telephone:** +91 - 0124 - 4577738

Website: [www.acestonecraft.com](http://www.acestonecraft.com)

Email id: [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

**ANNEXURE - III****SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on March 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Member,**  
**Ace Stone Craft Limited**  
Plot No. 1210, Mahanadivihar P.O  
Nayabazar, Cuttack, Orissa-753004

**CIN: L26994OR1992PLC003022**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ACE STONE CRAFT LIMITED** (hereinafter referred as "the Company"). The 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.

**Management's Responsibility for Secretarial Compliances:**

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations .

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the records, standards and procedures followed by the Company in respect of secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

**Opinion:**

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

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;



- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **Not Applicable on the company as company has not accepted/made any FDI, ODI or ECBs during the financial year**
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Listing Obligations and Discourse Requirements) Regulations 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the Company did not issue any security during the Financial Year under review**
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company did not issue any ESOP or ESPS during the Financial Year under review**
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company did not issue any debt security during the Financial Year under review**
  - The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents ) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share transfer Agent during the year under review**
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company has not delisted its Equity shares from any Stock Exchange during the financial year under review** and
  - The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998; **Not Applicable as the Company has not bought back any of its securities during the Financial Year under review**

We have also examined compliance with the applicable clause of the following;

- The Secretarial Standards issue by the Institute of Company Secretaries of India (to the extent applicable).
- The Equity Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Ltd with effect from April 11, 2017 vide **Circular MSEI/LIST/5066/2017** . Earlier securities were listed on Delhi stock Exchange Ltd, Bhubaneswar Stock Exchange Ltd. But such exchanges were disseminated by SEBI.

Based on our verification of the 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 we hereby report that in our opinion, the Company has during the financial year ended 31<sup>st</sup> March 2018 complied with the aforesaid laws. Material compliances are listed in the Annexure to this report.

We further report that, the Compliance by the Company abiding and adherence to applicable financial and taxation laws like direct taxation and indirect taxation laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

Based on the information received and records maintained by the Company, we further report that:

- The composition of Board of Directors of the Company is duly constituted with proper quorum of Executive Directors, Non-Executive Directors and Independent Directors in respect of Board Meetings, General Body Meetings and Committee Meetings. No changes in the composition of the Board of Directors took place during the period under review. Further, composition of Key Managerial Personnel is changed due to few appointment and resignations during the Financial Year.
- Adequate notices were issued and given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent to them in advance. There is a system in place exists a system for Directors to seek and obtain further information and clarification on the agenda items in order to understand the gravity of the matters on critical issues for active participation in the meeting.
- The minute book of the meetings are duly recorded and signed by the Chairman. The decisions of the Board Meetings and Committee Meetings were unanimous and no dissenting views have been recorded.

Based on the Compliance mechanism established by the Company and on the basis of the information provided by its officers, agents and authorized representatives of the Company, we are of the opinion that the management has:

- Adequate systems in place and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the audit period there is no specific event/action in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the material affairs of the company.

**For Jain Akshi and Associates**  
**Company Secretaries**

**Akshi Jain**  
Proprietor  
ACS: 32912  
CP: 12109

**Place: Delhi**  
**Date: 23.08.2018**

### **ANNEXURE TO THE REPORT**

In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has, during the year under review, complied with the provisions of the Acts, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to: -

- Maintenance of various Statutory Registers and Documents and making necessary entries therein;
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, regional director, central government, Company Law Board or any other such authorities;
- Service of documents by the Company to Stock Exchanges, Auditors and Registrar of Companies;
- Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee & Risk Management Committee.
- Appointment re-appointment and Extension of UV Asset Reconstruction Company Limited for acting as a Resolution Agent.
- Appointment, re-appointment and Retirement of Directors and payment of remuneration to them.
- Disclosure of interests and concern in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities by Directors;
- Establishing a Vigil Mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee;
- Establishing a Risk Management Policy in terms of provision of Clause 49 of Listing Agreement & Regulation 17(9) of [SEBI Listing Regulations \(LODR\) 2015](#) & contemporary practices of good corporate governance;
- Constituting a policy for prevention of Sexual Harassment of Women at workplace in terms of provision of Prevention, Prohibition and Redressal Act, 2013;
- Constituting a Corporate Social Responsibility Committee in terms of provision of Companies Act, 2013 is not applicable to the Company;
- Constituting a policy for prevention of documents in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Constituting a Remuneration Policy for Directors, Key Managerial Personnel and Other Employees in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Constituting a policy on Familiarization Programmes for Independent Directors in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- Constituting a policy on determination of materiality of events and dissemination of information in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Constituting a policy on materiality of related party transactions and on dealing with Related Party Transactions in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Constituting archival policy in respect items/ matters covered under regulation 30 in terms of provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Appointment and fixation of remuneration of Statutory Auditor;
- Appointment of Internal Auditor;
- Notice of Meetings of Board and Committee thereof;
- Report of the Board of Directors for the Financial Year ended 31<sup>st</sup> March 2018;
- Closure of Register of Members;

**For Jain Akshi and Associates**  
**Company Secretaries**

**Akshi Jain**  
Proprietor  
**ACS:** 32912  
**CP:** 12109

**Place:** Delhi  
**Date:** 23.08.2018

### 3. REPORT ON CORPORATE GOVERNANCE

#### • COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance aims at enhancing the shareholders value. The corporate governance philosophy is driven by the interest of stakeholders and business needs of the Company. The principles of corporate governance emerge as the cornerstone of the Company's governance philosophy.

The Long-term interests of the stakeholders are served by continuous adherence and enforcement of the principles of good corporate governance. To keep pace with an evolving global environment, the Company continuously innovates and adapts governance practices to meet new demands. This ensures efficient conduct of the affairs of the Company, which, in turn, helps the Company achieve its goal of maximizing value for all its stakeholders.

The Company's governance philosophy is based on the fair and transparent disclosure of issues related with the Company's business, financial performance, and other matters of stakeholders' interest.

The Company complies with all statutory and regulatory requirements on corporate governance and has constituted the requisite committees to look into issues of financial reporting, investor grievance and executive remuneration.

The Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- Code of Business conduct and Ethics for Directors and Senior Management
- Familiarization Programmes for Independent Directors
- Policy on Website Archival
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

#### • BOARD OF DIRECTORS:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. Current composition of the Board and category of Directors is as follows:

Category	Name of the Directors
Independent Directors	Mr. Anil Arya
	Ms. Shivani Bhadoriya <sup>1</sup>
	Mr. Shiv Shankar Singhal
Executive Directors	Mr. Chatan Sharma <sup>2</sup>
	Mr. Naresh Aggarwal

- Ms. Shivani Bhadoriya was appointed as Woman Director of the Company w.e.f. 9<sup>th</sup> August, 2018;
- Mr. Chatan Sharma was appointed as an Executive Director w.e.f. 9<sup>th</sup> August, 2018;
- Mr. Jatin Garg resigned from the directorship of the Company w.e.f. 22<sup>nd</sup> May, 2018;

- Ms. Seema Malhotra resigned from the directorship of the Company w.e.f. 28<sup>th</sup> day of July, 2018.

None of the Directors are inter se, related to any other Director on the Board.

#### **SELECTION OF INDEPENDENT DIRECTORS:**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the law. All the Independent Directors have given the requisite declarations of independence during the year.

#### **MEETINGS OF INDEPENDENT DIRECTORS:**

The Company's Independent Directors meet at least once in every financial year without the presence of Non-Independent Directors and management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the other Independent Directors. Independent Directors shall take appropriate steps to present their views to the Board.

#### **FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS:**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are presented at Board and Board Committees.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://acestonecraft.com/pdf/policy-on-familiarisation-programmes-for-i-directors.pdf>

#### **CODE OF CONDUCT:**

The Code of Conduct of all the Directors/Management Personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to Directors and Management Personnel. A copy of the Code has been put on the Company's website ([www.acestonecraft.com](http://www.acestonecraft.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. The Board Members and the Senior Management personnel affirmed compliance with the code on an annual basis, and a declaration to this effect has been given by the Director as below:

I hereby confirm that the Company has obtained affirmation from all the members of the Board and Senior Management that they have complied with the code of conduct for Board Members and Senior Management in respect of the Financial Year 2017-18.

**Mr. Naresh Aggarwal**  
**Managing Director**

#### **DIRECTOR'S PROFILE:**

A brief resume of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships / Chairmanships of Board Committees and their shareholding in the Company are provided below:

- **Mr. Anil Arya (DIN: 05153603)** holds Degree in Mass and Communication and has 20 years of experience in Mass and Communication field. He is well versed with the technicalities and risks faced in the business in day to day routines.

**Mr. Anil Arya** joined the Board of the Company on 18<sup>th</sup> January, 2012. He doesn't hold any shares of the Company in his name.

He is not related to any other Director or Key Managerial Personnel of the Company and is also a member of Committees of the Company.

- **Mr. Jatin Garg (DIN: 06871101)**, 24 years, has done Bachelor of Commerce and currently gaining experience in the field of Business Administration. He is handling the accounting and financial risks which the Company has to face during its working.

**Mr. Jatin Garg** joined the Board of the Company on May 13, 2014. He doesn't hold any shares of the Company in his name.

He is not related to any other Director, or Key Managerial Personnel of the Company.

**He has resigned from the directorship of the Company w.e.f. 22<sup>nd</sup> May, 2018.**

- **Mr. Sandeep Kumar (DIN: 07000717)**, 32 years, has done B.com from Punjab University. He is the Member of the Institute of Chartered Accountant of India. Mr. Sandeep Kumar has an extensive background and experience in Finance, Banking, Mergers & Acquisitions, Strategic Planning, Restructuring Operations, Export Marketing, International Business Relations, Collaborations and Joint Ventures.

**Mr. Sandeep Kumar** joined the Board of the Company on October 20, 2014. He doesn't hold any shares of the Company in his name.

He is not related to any other Director, or Key Managerial Personnel of the Company.

**He has resigned from the directorship of the Company w.e.f. 01<sup>st</sup> June, 2017**

- **Ms. Seema Malhotra (DIN: 07143078)**, 37 years, has done Bachelor of Science from DAV PG college Dehradun. She has an extensive background and experience in stock trading business.

Ms. Seema Malhotra joined the Board of the Company on March 30, 2015. She doesn't hold any shares of the Company in his name.

She is not related to any other Director or Key Managerial Personnel of the Company and is also a member of Committees of the Company.

**She has resigned from the directorship of the Company w.e.f. 28<sup>th</sup> July, 2018.**

- **Mr. Shiv Shankar Singhal (DIN: 07177451)**, 65 years, has done Bachelors in Law. He is an Advocate by profession. He has an extensive background in handling Legal matters, Taxation matters including sales Tax, VAT and other taxes.

Mr. Shiv Shankar Singhal joined the Board of the Company on May 26, 2016. He doesn't hold any shares of the Company in his name.

He is not related to any other Director or Key Managerial Personnel of the Company and is also a member of Committees of the Company.

- **Mr. Naresh Aggarwal (DIN: 07815393)** is qualified in B.E(Civil). He is handling constructive aspects of the Company.

Mr. Naresh Aggarwal joined the Board of the Company on May 29, 2017. He doesn't hold any shares of the Company in his name.

He is not related to any other Director or Key Managerial Personnel of the Company.

- **Mr. Chetan Sharma (DIN: 08204492)** is qualified Bachelor in Arts from Delhi University in 1998. He has experience of Financial Services Industry (including Stock Broking and Real Estate Businesses) over 12 years in General, Sales & Marketing Management.

Mr. Chetan Sharma joined the Board of the Company on August 9, 2018. He doesn't hold any shares of the Company in his name.

He is not related to any other Director or Key Managerial Personnel of the Company.

- **Ms. Shivani Bhadoriya (DIN: 08199970)** is qualified Graduated in Commerce. She is Woman Director of the Company.

Ms. Shivani Bhadoriya joined the Board of the Company on August 9, 2018. She doesn't hold any shares of the Company in his name.

He is not related to any other Director or Key Managerial Personnel of the Company.



**OTHER DIRECTORSHIP/COMMITTEE MEMBERSHIP OF THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED ARE GIVEN BELOW:**

Name of Director	Other Directorships/Committee Membership	
	Name of the Companies	Position on the Board and Committee thereof
Mr. Chetan Sharma	NA	NA
Ms. Shivani Bhadoriya	NA	NA

• **NUMBER OF BOARD MEETINGS HELD WITH DATES:**

Seven Board meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors present
29 <sup>th</sup> May, 2017	5	5
4 <sup>th</sup> August, 2017	5	5
19 <sup>th</sup> August, 2017	5	5
13 <sup>th</sup> September, 2017	5	5
14 <sup>th</sup> November, 2017	5	5
09 <sup>th</sup> January, 2018	5	4
11 <sup>th</sup> February, 2018	5	4

**ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIP(S) AND CHAIRMANSHIP(S)/MEMBERSHIP(S) OF COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES:**

Director Name of the	Attendance at meetings during 2017-18		Directorship(s)*	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies
	Board Meetings	Last AGM		
Mr. Sandeep Kumar	1	No	NIL	NIL
Ms. Seema Malhotra	7	No	NIL	NIL
Mr. Shiv Shankar Singhal	7	Yes	NIL	NIL

Mr. Anil Arya	7	No	1	NIL
Mr. Jatin Garg	5	Yes	2	NIL
Mr. Naresh Aggarwal	7	Yes	NIL	NIL

\*The Directorships, held by Directors as mentioned above, do not include Directorships in foreign companies.

- # Membership(s) / Chairmanship(s) of only the Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Ace Stone Craft Limited) have been considered.

• **BOARD COMMITTEES:**

**Details of Board Committees:**

Details of Board Committees and other related information are provided hereunder:

• **AUDIT COMMITTEE:**

IS.No	ame	Category	esignation
1.	Mr. Shiv Shankar Singha]	Independent Director	Chairman
2.	Ms. Shivani Bhadoriya	Independent Director	Member
3.	Mr. Anil Arya	Independent Director	Member

• **NOMINATION AND REMUNERATION COMMITTEE**

S.No	ame	Category	esignation
1.	Mr. Anil Arya	Independent Director	Chairman
2.	Mr. Shiv Shankar Singhal	Independent Director	Member
13.	Ms. Shivani Bhadoriya	Independent Director	Member

• **STAKERHOLDERS' RELATIONSHIP COMMITTEE:**

S.No	ame	Category	esignation
1.	Ms. Shivani Bhadoriya	Independent Director	Chairman
2.	Mr. Shiv Shankar Singhal	Independent Director	Member
13.	Mr. Anil Arya	Independent Director	Member

• **RISK MANAGEMENT COMMITTEE:**

	ame	Category	esignation
1.	Mr. Chetan Sharma	Executive Director	Chairman
2.	Ms. Shivani Bhadoriya	Independent Director	Member
3.	Mr. Anil Arya	Independent Director	Member

Ms. Ishu Kamboj, Company Secretary and Compliance Officer was the Secretary to all Board Committees constituted under the Companies Act, 1956/Companies Act, 2013. She has been resigned from the Company w.e.f. 19<sup>th</sup> May, 2018.

**MEETINGS OF BOARD COMMITTEES HELD DURING THE YEAR AND DIRECTORS' ATTENDANCE:**

oard Committees	udit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee
Meetings held	15	14	14	12
<b>Director's attendance</b>				
Mr. Sandeep Kumar	1	1	1	N.M.
Ms. Seema Malhotra	5	4	3	1
Mr. Shiv Shankar Singhal	4	3	3	1
Mr. Anil Arya	4	4	4	1
Mr. Jatin Garg	N.M.	N.M.	N.M.	2

- Mr. Sandeep Kumar ceased to be Director of the Company w.e.f. June 01, 2017;
- Mr. Jatin Garg resigned from the directorship of the Company w.e.f. 22<sup>nd</sup> day of May, 2018;
- Ms. Seema Malhotra resigned from the directorship of the Company on 28<sup>th</sup> day of July, 2018.

N.M. - Not a member of the Committee

N.A. - Not attended

• **PROCEDURE AT COMMITTEE MEETINGS:**

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

• **AUDIT COMMITTEE:**

**Composition:**

During the year, the Committee met **5 times** and the maximum time gap between any two meetings was less than four months. The minutes of the audit Committee meetings were placed before the Board.

**The Composition of the Committee is given below:**

Mr. Shiv Shankar Singhal	Independent Director
Ms. Seema Malhotra	Independent Director
Mr. Anil Arya	Independent Director

The Committees' composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Members of the Audit Committee possess financial/accounting expertise/exposure.

**Date of Audit Committee Meetings:**

- 29<sup>th</sup> May, 2017;
- 04<sup>th</sup> August, 2017;
- 19<sup>th</sup> August, 2017
- 14<sup>th</sup> November, 2017;
- 11<sup>th</sup> February, 2018.

Further, the Meeting of Independent Directors of the Company in compliance to Schedule IV of the Companies Act, 2013 held on 28<sup>th</sup> May, 2018.

**Terms of Reference of the Committee, inter alia, includes the following:**

**Powers of the Audit Committee:**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**Role of the Audit Committee, inter alia, includes the following:**

- To examine and oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- To recommend to the Board, the appointment, remuneration and terms of appointment of the Auditors of the Company.
- To review and monitor the auditor's Independence and performance and effectiveness of the audit process.
- To approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions and
  - Qualification in the draft audit report.
- To examine the financial statements and auditors' report thereon and review the same with the management before submission to the Board for approval.
- To monitor end use of funds raised through public offer and related matters and review, with the management, the statement of uses/application of funds raised through and issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents /prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- To approve or any subsequent modification of transactions of the Company with related parties.
- To scrutinize inter-corporate loans and investments.
- To approve the valuation of undertakings or assets of the Company, whenever it is necessary.
- To evaluate internal financial controls and risk management systems.
- To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- To discuss with internal auditors any significant findings and follow up thereon.
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To approve the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- To carry out such other functions /powers as may be delegated by the Board to the Committee from time to time.

**Reviewing the following information:**

- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- **NOMINATION AND REMUNERATION COMMITTEE:**

During the year Four meetings of Committee were held.

**The Composition of the Committee is given below:**

Mr. Anil Arya	Independent Director
Mr. Shiv Shankar Singhal	Independent Director
Ms. Seema Malhotra	Independent Director

The aforesaid Committee's composition and the terms of reference meet with the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

**Date of Nomination & Remuneration Committee Meetings:**

- 29<sup>th</sup> May, 2017;
- 04<sup>th</sup> August, 2017;
- 19<sup>th</sup> August, 2017;
- 12<sup>th</sup> February, 2018.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Remuneration policy and details of remuneration of Non-executive Directors:**

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available at the website of the Company. Further, the Company has devised a Policy for performance evaluation of Directors

**Details of the remuneration /sitting fees paid to all the Directors:**

No remuneration/sitting fees have been paid to any director during the Financial Year 2017-18.

**Remuneration of Non-executive Directors:**

No remuneration/sitting fees have been paid to any director during the Financial Year 2017-18.

- **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

During the year **four meetings** of Committee were held.

**The Composition of the Committee is given below:**

Ms. Seema Malhotra	Independent Director
Mr. Shiv Shankar Singhal	Independent Director
Mr. Anil Arya	Independent Director

The aforesaid Committee is primarily responsible to review all matters connected with the Company's transfer of securities and Redressal of shareholders'/ investors' complaints.

The aforesaid Committee's composition and the terms of reference meet with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

**Date of Stakeholder Relationship Committee Meetings:**

- 29<sup>th</sup> May, 2017
- 04<sup>th</sup> August, 2017
- 19<sup>th</sup> August, 2017
- 12<sup>th</sup> February, 2018

**Terms of Reference of the Committee, inter alia, includes the following:**

- To redress the investor complaints like non-receipt of balance sheet, non-receipt of declared dividends, non receipt of share certificates, sub-division, consolidation, approval and issue of duplicate share certificates etc;

- To affix or authorize fixation of the common seal of the Company to the share certificates of the Company;
- To do all such acts, things or deeds as may be necessary or incidental to redress the investor complaints and
- To oversees performance of the Registrar and Transfer agents of the Company and recommends measure for overall improvement in the quality of investor service..

#### **Investor Grievance Redressed:**

The Company received no complaints during the year under review. There were no outstanding complaints as on March 31, 2018

All the complaints were promptly resolved and there was no outstanding complaint as on March 31, 2018.

**Compliance Officer:** Ms. Ishu Kamboj was the Compliance officer for complying with requirements of Securities Laws and Listing Regulations of SEBI. She has resigned from the Company w.e.f. 19<sup>th</sup> May, 2018 at the casual vacancy of company secretary in the company Mr. Naresh Aggrwal our managing Director perform the role of our compliance officer.

#### • **RISK MANAGEMENT COMMITTEE:**

During the year **two meetings** of Committee were held.

**The Composition of the Committee is given below:**

Mr. JatinGarg	Executive Director
Ms. Seema Malhotra	Independent Director
Mr. Anil Arya	Independent Director

The Risk Management Committee is formed for adhering to the good corporate governance practice. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

#### **Details of Risk Committee Meetings:**

- 29<sup>th</sup> May, 2017
- 11<sup>th</sup> February, 2018

#### **Role and Responsibilities of the Committee includes the following:**

- Framing of Risk Management plan and policy
- Overseeing implementation of Risk Management Plan and Policy.
- Monitoring of Risk Management Plan and Policy.
- Validating the process for risk management and risk minimization.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.



- Continuing obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its aforesaid function.

• **GENERAL BODY MEETINGS:**

- The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year	Date & Time	Location	Type of Resolution passed
2015	24 <sup>th</sup> July, 2015 10.00 A.M. (Friday)	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004	Ordinary Resolution: 03 Special Resolution: 00
2016	05 <sup>th</sup> August, 2016 10.00 A.M. (Friday)	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004	Ordinary Resolution: 03 Special Resolution: 05
2017	18 <sup>th</sup> September, 2017 01.00 P.M (Monday)	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004	Ordinary Resolution: 03 Special Resolution: 03

• **DISCLOSURE:**

**I. Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large**

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict of interest with the Company.

**II. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years.**

There have been no instances of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

- The Company has complied with the mandatory requirements of the Listing Regulations.
- The Company has adopted a Vigil Mechanism and Whistle-Blower Policy for directors and employees to report genuine concerns or wrong doings. This Policy has also been posted on the website of the Company [www.acestonecraft.com](http://www.acestonecraft.com).

- **OTHER REQUIREMENTS:**

**Management Discussion and Analysis Report**

**Management's Discussion** and Analysis report have been provided separately as a part of this Annual Report and includes discussions on various matters specified under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**Disclosure of Accounting Treatment**

The financial statements for the year under review have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting standards prescribed in the Companies (Accounting standards) Rules, 2006 and other applicable provisions and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company.

**Code of Conduct for Prohibition of Insider Trading**

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. This Code has also been posted on the website of the Company [www.acestonecraft.com](http://www.acestonecraft.com)

- **MEANS OF COMMUNICATION:**

The Company has been sending physical copies of the Annual Reports, notices and other communications through the prescribed modes of postage. However, in case where email id of a shareholder is registered, such communications are sent to the registered email id of the Shareholders.

The Quarterly, Annual Results of the Company as per the statutory requirement under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are generally published in the Business Standard (English Newspapers) and Utkal Oriya (Regional Language Newspaper) and are sent to the Stock Exchanges.

The quarterly and Annual Results along with additional information are also posted on the website of the Company [www.acestonecraft.com](http://www.acestonecraft.com)

Official News Releases and Presentations made to Institutional Investors or to the analysts are also displayed on the website of the Company.

- **GENERAL SHAREHOLDER INFORMATION:**

**Forthcoming Annual General Meeting**

Time	10.30A.M.
Venue	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004
Day and date	Friday, September 21st, 2018

**Financial Year:**

April 1, 2017 to March 31, 2018

**Listing on Stock Exchanges and Stock Code:**

Due to dissemination of Regional Stock Exchanges i.e., Delhi Stock Exchange (DSE) and Bhubaneswar Stock Exchange (BHSE) by SEBI, the Company has applied for Nationwide Listing of Equity Shares of the Company after obtaining No Objection Certificate from these Stock Exchanges.

Further in the letter date **11<sup>th</sup> April, 2017** received from **MSEI**, the securities of the Company got listed in Stock Exchange vide **Circular MSEI/LIST/5066/2017** for trading **w.e.f. 1<sup>st</sup> April, 2017**. Now the Company is listed on Metro Politan Stock Exchange of India Limited for trading purpose.

The Company has paid the annual listing fees to the aforesaid Stock Exchanges for 2017-18 within the stipulated time period.

**Financial Calendar: [tentative]**

Tentative Calendars for declaration of results for the Financial Year 2018-19 is given below:

Results for the quarter ending	Date of Declaration (on or before)
June 30, 2018	May 25, 2018
September 30, 2018	November 14, 2018
December 31, 2018	February 14, 2019
March 31, 2019	Unaudited Financials for the last quarter on or before May 15, 2019 and Audited Annual Financial for the FY 2018-19 on or before May 30, 2019
Annual General Meeting	September 30, 2019

**Dates of Book Closure:** The share transfer books and register of members of the Company shall remain closed from **15<sup>th</sup> September, 2018 to 21<sup>st</sup> September, 2018** (both days inclusive).

**Dividend Payment date:** No Dividend is declared during the year.

**Outstanding GDRs/ADRs/ and Convertible Bonds, Conversion**

- The Company has not issued any ADRs/GDRs during the year under review.
- There is no outstanding GDRs/ADRs and Convertible Bonds.
- There is no Employees Stock Options

**Corporate Identity Number ('CIN'):**

The Company's Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is "**L26994OR1992PLC003022**". The registered office of the Company is situated in Cuttack, Orissa.

**Share Price:**

The Share price of the Company as on date is Rs. 9.30.

**Dematerialization of shares:**

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). **85.61** % of the total issued capital of the Company is held in dematerialized form.

**Compliance Officer:** Ms. Ishu Kamboj was the Compliance officer for complying with requirements of Securities Laws and Listing Regulations of SEBI. She has resigned from the Company w.e.f. **19<sup>th</sup> May, 2018**, now our managing director perform the role of compliance officer at casual vacancy.

**REGISTRAR & SHARE TRANSFER AGENTS:**

MAS Services Limited T-34, IInd Floor Okhla Industrial area Phase-II New Delhi-110020, India.

Phone No.: +91-11-26387281 82,

E-mail: [info@masse rv.com](mailto:info@masse rv.com)

**Share Transfer System:**

Share transfers in physical form are registered and returned within the stipulated time, if documents are complete in all respects.

Other details are as under:	
Approximate time taken for share transfer if the Documents are clear in all respects	15 days
Total No. of shares dematerialized as on 31.03.2018	20111600
Total No. of Shares in physical form	3380500
Total No. of shares transferred in physical form During 2017-2018	7400
Number of Shares pending / Rejection for Transfer as on March 31, 2018	NIL

**Distribution of shareholding as on March 31, 2018:**

S. No.	Category	No. of Equity shareholders	No. of Equity shares	%age
1.	Indian Public	13110	4451600	33.32
2.	Bodies Corporate	16	12217500	52.01
3.	Promoters and Promoters Group	1	3400500	14.48
4.	NRIs/ OCBs/ Fli s/ Foreign Body Corporate/ Foreign Portfolio Investor (Corporate)/ Foreign Nationals	69	41400	0.19
5.	Clearing member	2	600	0.00
6.	Trusts	0	0	0
7.	Central Government/ State Government(s) Institutions	0	0	0
<b>Total</b>		113198	123492100	1100

**Graphic presentation of the Shareholding Pattern as on March 31, 2018**

**Registered Office Address**  
**Ace Stone Craft Limited**  
 Plot No.1210, Mahanadivihar  
 P.O. Nayabazar, Cuttack  
 Orissa, 753004 India  
 Tel: +91 - 011 - 47055534

**Corporate Office Address**  
**Ace Stone Craft Limited**  
 03<sup>rd</sup> Floor, Plot No. B- 103,  
 South City-I, Gurugram,  
 Haryana-122001  
 Tel: +91 - 0124 - 4577738

**Compliance Officer**  
**Mr. Naresh Aggarwal**  
 03<sup>rd</sup> Floor, Plot No. B- 103,  
 South City-I, Gurugram,  
 Haryana- 122001  
 Tel: +91 - 0124 - 4577738

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,  
**Ace Stone Craft Limited**  
Plot No. 1210, Mahanadivihar,  
P.O. Nayabazar,  
Cuttack, Orissa-753004

- We have reviewed the implementation of the corporate governance procedures by Ace Stone Craft Limited (the Company) during the year ended March 31, 2018, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
- The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- On the basis of our review and according to the best of our information and according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-18.

**For Jain Akshi and Associates**  
**Company Secretaries**

**Akshi Jain**  
Proprietor  
**ACS:** 32912  
**CP:** 12109

**Place:** Delhi  
**Date:** 23.08.2018

### **CEO AND CFO CERTIFICATION**

The Board of Directors  
**Ace Stone Craft Limited**

Dear members of the Board,

We, Naresh Aggarwal, Managing Director and Satyendra Singh Rawat, Chief Financial Officer of Ace Stone Craft Limited, to the best of our knowledge and belief, certify that:

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- 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 company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit committee
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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 company's internal control system over financial reporting.

**For Ace Stone Craft Limited**

**Place: Gurugram**

**Date: 23<sup>rd</sup> August, 2018**

**Naresh Aggarwal**

Managing Director

**Satyendra Singh Rawat**

Chief Financial Officer

**Telephone: +91 - 0124 - 4577738**

Website: [www.acestonecraft.com](http://www.acestonecraft.com)

Email id: [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

## **INDEPENDENT AUDITOR'S REPORT**

**To**

**Members of  
ACE STONE CRAFT LIMITED**  
New Delhi.

### **REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS**

We have audited the accompanying Standalone Ind AS Financial Statements of **ACE STONE CRAFT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule (7) of the Companies (Accounts) Rules, 2014.

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

#### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143(11) of the Act.

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



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

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

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, its profit and cash flows and change in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

- As required by Section 143 (3) of the Act, we report that:
- 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;
- 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;
- The Balance Sheet and the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this report are in agreement with the books of account;
- In our opinion, the aforesaid standalone Ind AS financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as director in terms of Section 164 (2) of the Act;
- With respect to 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 A".

- 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 best of our information and accordingly to explanations given us;
  - The Company does not have any pending litigations which would impact its standalone Ind AS financial position.
  - The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.
- As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central government of India in terms of sub section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.;

***For VBR & Associates***

*Chartered Accountants*

Firm Registration No.: 013174N

Place : Delhi

Date: 28.05.2018

**Vijay Bansal**

*Partner*

Membership No.: 088744

**Annexure - A to the Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls 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 **Ace Stone Craft Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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") 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 applicable to an audit of Internal Financial Controls and, 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.

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

### **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:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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**

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**

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

**For VBR & Associates**  
*Chartered Accountants*  
Firm Registration No.: 013174N

Place: Delhi  
Date: 28.05.2018

**Vijay Bansal**  
*Partner*  
Membership No.: 088744

**Annexure - B to the Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- In respect of fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - The company did not held any immovable property as on balance sheet. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable
- (a) The company did not maintained any inventory during the year. Accordingly provisions of clause 3(ii) of the Order are not applicable.
- The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- According to the information and explanations given to us, company has not given any loan to directors etc. during the year; hence provision of section 185 of the Companies Act, 2013 is not applicable. Further, company has not allotted any shares during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- To the best of our knowledge and belief, the Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- According to the information given to us in respect of statutory dues:
  - The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
  - There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

- The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- To the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the period covered by our audit.
- According to the information and explanations given to us, the managerial remuneration has been paid in accordance with requisite approvals mandated by the provisions section 197 read with Schedule V to the Companies Act, 2013.
- In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- In our opinion all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013.
- According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- The company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable .

The company is not required to be registered under section 45-IA of the Reserve Bank of India 1934.

***For VBR & Associates***  
*Chartered Accountants*  
Firm Registration No.: 013174N

Place: Delhi  
Date: 28.05.2018

**Vijay Bansal**  
*Partner*  
Membership No.: 088744

<b>ACE STONE CRAFT LIMITED</b> <b>BALANCE SHEET AS AT 31ST MARCH, 2018</b>			
PARTICULARS	Notes	ASAT 31.03.2018 Rs.	ASAT 31.03.2017 Rs.
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
(a) Property, Plant and Equipment	3	112,326	
(b) Financial Assets:			
(i) Investments	4a		
(ii) Loans	4b	242,588,301	292,460,392
(c) Deferred tax assets (net)			
<b>Total Non-Current Assets</b>		<b>242,700,627</b>	<b>292,460,392</b>
<b>CURRENT ASSETS:</b>			
(a) Inventories	5		
(b) Financial Assets:			
(i) Investments			
(ii) Trade receivables			
(iii) Cash and cash equivalents	6	37,650	104,733
(iv) Bank balances other than (iii) above			
(v) Loans			
(c) Other current assets	7	20,933,125	24,072,351
<b>Total Current Assets</b>		<b>20,970,775</b>	<b>24,177,084</b>
<b>Total Assets</b>		<b>263,671,403</b>	<b>316,637,476</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>EQUITY:</b>			
(a) Equity Share capital	8	234,921,000	234,921,000

(b) Other Equity	9	13,915,133	10,109,746
<b>Total Equity</b>		<b>248,836,133</b>	<b>245,030,746</b>
<b>LIABILITIES:</b>			
<b>NON- CURRENT LIABILITIES:</b>			
(a) Financial Liabilities			
(b) Provisions			
(c) Deferred tax liabilities (Net)	10	793	
(d) Other non-current liabilities			
<b>Total Non- Current Liabilities</b>		<b>793</b>	
<b>CURRENT LIABILITIES:</b>			
(a) Financial Liabilities			
(i) Borrowings	11	11,080,037	66,950,608
(ii) Trade payables	12	1,228,852	
(b) Other current liabilities	13	1,048,355	1,227,906
(c) Short-term Provisions	14	1,477,234	3,428,216
<b>Total Current Liabilities:</b>		<b>14,834,477</b>	<b>71,606,730</b>
<b>Total Equity and Liabilities:</b>		<b>263,671,403</b>	<b>316,637,476</b>
<b>Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 2		
<b>As per our Report of Even Date</b>		For and on behalf of Board of Directors of <b>ACE Stone Craft Limited</b>	
<b>For VBR &amp; Associates</b>			
<b>Chartered Accountants</b>		<b>Naresh Aggarwal</b>	<b>Anil Arya</b>
<b>Firm Registration No.: 013174N</b>		<b>Director</b>	<b>Director</b>
<b>Vijay Bansal</b>		DIN: 07815393	DIN: 05153603
<b>Partner</b>			
M.No. 088744		<b>Satyendra Singh Rawat</b>	
Date: 28.05.2018		<b>Chief Financial Officer</b>	
Place: Gurgaon			



**ACE STONE CRAFT LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018**

<b>PARTICULARS</b>	<b>Note No</b>	<b>31.03.2018 AMOUNT (RS.)</b>	<b>31.03.2017 AMOUNT (RS.)</b>
<b><u>Revenue</u></b>			
Revenue From Operations			
Other Income	15	21,540,569	21,544,692
<b>Total Revenue</b>		21,540,569	21,544,692
<b><u>Expenses</u></b>			
Purchase of stock-in-trade			
Change in inventories			
Employee Benefits Expenses	16	5,171,942	1,304,015
Finance Cost	17	5,643,014	7,476,659
Depreciation	3	5,779	
Other Expenses	18	5,119,669	1,669,468
<b>Total Expenses</b>		15,940,404	10,450,142
<b>Profit before exceptional and extraordinary items and tax</b>		5,600,165	11,094,550
Prior Period Income			
Exceptional items - Gain/(Loss)			
Profit for the year before tax		5,600,165	11,094,550
<b>Tax Expense:</b>			
Current Income Tax		1,477,234	3,428,216
Tax Expenses relating to earlier years		316,752	

Deferred tax Charge	793	
<b>Profit for the period from continuing operations</b>	3,805,386	7,666,334
Profit / (loss) from discontinued operations		
Tax expense of discontinued operations		
<b>Net Profit for the period</b>	3,805,386	7,666,334
<b>Other Comprehensive Income</b>		
<b>Total Other Comprehensive Income for the year/period</b>	3,805,386	7,666,334
<b>(Loss)/earnings per equity share (for continuing operation) :</b>		
Basic	0.16	0.33
Diluted	0.16	0.33
<b>(Loss)/earnings per equity share (for discontinued operation) :</b>		
Basic		
Diluted		
<b>(Loss)/earnings per equity share (for discontinued &amp; continuing operation) :</b>		
Basic	0.16	0.33
Diluted	0.16	0.33
<b>Significant Accounting Policies</b> Notes on Financial Statements As per our Report of Even Date For and on behalf of Board of Directors of <b>Ace Stone Craft Limited</b> <b>For VBR &amp; Associates</b> <b>Chartered Accountants</b> <b>Firm Registration No.: 013174N</b>		
<b>Vijay Bansal</b> <b>Partner</b> M.No. 088744	<b>Naresh Aggarwal</b> <b>Director</b> DIN: 07815393	<b>Anil Arya</b> <b>Director</b> DIN: 05153603
Date: 28.05.2018 Place: Gurgaon	<b>Satyendra Singh Rawat</b> <b>Chief Financial Officer</b>	

ACE STONE CRAFT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

**(a) Equity Share Capital**

Particulars	Equity Shares	
	Number	Amount (Rs.)
<b>Shares Outstanding at 1st April 2016</b>	23,492 ,100	234,921,000
Shares Issued during the Year		
Shares Bought Back during the Year		
<b>Shares Outstanding at 31st March 2017</b>	<b>23,492,100</b>	<b>234,921,000</b>
Shares Issued during the Year		
Shares Bought Back during the Year		
<b>Shares Outstanding at 31st March 2018</b>	<b>23,492,100</b>	<b>234,921,000</b>
<b>(b) Other equity</b> Attributable to the equity holders of the company		
Particulars		Reserve & Surplus Amount (Rs.)
Opeining Balance as on 01.04.2016		<b>2,443,412</b>
(+) Net Profit / (Net loss) For the current year		7,666,334
Closing Balance as on 31.03.2017		<b>10,109,746</b>
(+) Net Profit / (Net loss) For the current year		3,805,386
Closing Balance as on 31.03.2018		<b>13,915,133</b>
<div> <p>As per our Report of Even Date</p> <p><b>For VBR &amp; Associates</b> <b>Chartered Accountants</b> <b>Firm Registration No.: 013174N</b></p> <p><b>Vijay Bansal</b> <b>Partner</b> M.No. 088744</p> <p>Date: 28.05.2018 Place: Gurgaon</p> </div> <div> <p>For and on behalf of Board of Directors of <b>ACE Stone Craft Limited</b></p> <p><b>Naresh Aggarwal</b> <b>Director</b> DIN: 07815393</p> <p><b>Anil Arya</b> <b>Director</b> DIN: 05153603</p> <p><b>Satyendra Singh Rawat</b> <b>Chief Financial Officer</b></p> </div>		

**ACE STONE CRAFT LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**  
( Amount in Rs.)

	Year ended 31.3.2018	Year ended 31.3.2017
<b>A</b>		
<b><u>Cash Flow from Operating Activities</u></b>		
Net Profit before taxes	5,600,165	11,094,550
Adjustment for Deferred Revenue Expenditure		
Depreciation	5,779	
Finance Cost	5,643,014	
Provision for Dividend and DDT written back		
<b>Operating Profit before Working Capital changes</b>	11,248,958	11,094,550
<b>Adjustment for changes in Working Capital</b>		
Increase/(decrease) in Trade Payables	1,228,852	(96,140)
Increase/(decrease) in Other current Liabilities	(179,551)	(165,352)
Increase/(decrease) in Short-Term Provisions		
(Increase)/decrease in Trade Receivables		
(Increase)/decrease in Inventories		7,015,450
(Increase)/decrease in Loan & Advances	49,872,091	(84,223,358)
(Increase /decrease in Other Current Assets	3,139,226	1,032,801
Cash generated from Operating Activities	65,309,575	(67,407,651)
Taxes Paid	(3,744,968)	(95,338)
<b>Net Cash from Operating Activities</b>	61,564,607	(67,502,989)
<b>B</b>		
<b>Cash Flow from Investing Activities</b>		
Sale/(Purchase)of Fixed Assets	(118,105)	134,078,151

<b>C</b>	<b><u>Cash Flow from Financing Activities</u></b>		
	Proceeds/(Repayment) of Short Term Borrowings	(55,870,571)	(66,519,833)
	Finance Cost	(5,643,014)	
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(67,083)	55,329
	<b>Cash and Cash Equivalents as on 01st April (Opening Balance)</b>	104,733	49,404
	<b>Cash and Cash Equivalents as on 31st March (Closing Balance)</b>	<b>37,650</b>	<b>104,733</b>
		(0)	

## Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS-7 on "Statement on Cash Flow" notified under Section 133 of the Companies Act, 2013
- 2 Figures in brackets represents cash outflow.

In terms of our report attached

For and on behalf of the Board  
of Directors of

For VBR & Associates  
Chartered Accountants  
Firm Registration No.: 013174N

Ace Stone Craft Limited

**VIJAYBANSAL**  
Partner  
M. No. 088744

**Naresh**  
Aggarwal  
Director

**Anil Arya**  
Director

DIN: 07815393

DIN: 05153603

Date: 28.05.2018  
Place: Gurgaon

**Satyendra Singh Rawat**  
Chief Financial Officer

**Accounting Policies**

1. The accounting policies which are material or critical in determining the results of operations for the year or financial position is set out in the financial statements are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis except discounts claims and rebates, which cannot be determined with certainty in the respective accounting year.

**Assets**

1. The company has satisfactory title to all assets.

**Fixed Assets**

1. The net book values at which fixed assets are stated in the balance sheet are arrived at;
  - a. After taking into account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue.
  - b. After eliminating the cost and accumulated depreciation relating to items sold, discarded, demolished or destroyed.
  - c. After providing adequate depreciation on fixed assets during the period.

**Capital Commitments**

1. At the balance sheet date, there were no outstanding commitments for capital expenditure.

**Investments**

1. The company does not have any investments.

**Inventories**

1. The Company does not have any Inventories at the year-end.

**Trade Receivables, Loans and Advances**

1. The following items appearing in the books as at 31/03/2018 are considered good and fully recoverable.

Particulars	Amount(Rs.)
<u>Trade Receivables</u>	0
Considered good	0
Considered Doubtful	0
Less : Provision	0
Net Trade Receivables	0
<u>Loans and Advances</u>	24,25,88,301
Considered good	24,25,88,301
Considered Doubtful	0
Less : Provision	0
Net Loans & Advances	24,25,88,301

### **Liabilities**

1. We have recorded all known liabilities in the financial statements except retirement benefits, discounts claims and rebates.
2. We have disclosed in note to the financial statements all guarantees that, if any we have given to third parties.
3. There are no Contingent Liabilities as on 31/03/2018.

### **Provisions for Claims and Losses**

1. There are no known losses and claims of material amounts for which provision is required to be made.
2. There have been no events subsequent to the balance sheet date which require adjustment of, or disclosure in, the financial statements or notes thereto.

### **Profit and Loss Account**

1. Except as disclosed in the financial statements, the results for the year were not materially affected by;

- a. transactions of a nature not usually undertaken by the company.
- b. circumstances of an exceptional or non-recurring nature.
- c. Charges or credits relating to prior years
- d. Changes in accounting policies.

1. Company has reversed the Dividend Proposed in Financial Year 2016-17 of Rs. 11,74,605 as the dividend was not approved by Board of Directors in the BM and conclusively, it was not proposed to the shareholders for their approval.

### **General**

1. The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements;
  - a. Loss arising from sale and purchase commitments.
  - b. Agreements and options to buy back assets previously sold.
  - c. Assets pledged as collateral.
  
1. There have been no irregularities involving management or employees who have a significant role in the system of internal control that could have a material effect on the financial statements.
  
  
1. The financial statements are free of material misstatements, including omissions.
2. The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regularity authorities that could have a material effect on the financial statements in the event of non-compliance.
3. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
4. The allocation between capital and revenue has been correctly done and that no items of capital nature have been debited to Profit & Loss account and vice versa.
5. The Cash balance as on 31/03/2018 has been physically verified by the management at Rs.35,472/-.
6. The details of disputed dues in case of sales tax/ income tax/ customer tax/ excise duty/ cess which have not been deposited on account of dispute is as under:



Name of Statue	Nature of the Dues	Amount (Rs.)	F. Y. to which the amount relates	Forum where dispute is pending
----------------	--------------------	-----------------	--	--------------------------------------

Income Tax				
		NIL		

1. The company has not defaulted in repayment of dues to financial institution or bank.
2. The company has not given any guarantee for loans taken by others from bank or financial institutions.
25. No personal expenses have been charged to revenue accounts.
26. No fraud has been committed during the year.

**ACE STONE CRAFT LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

[All amounts in Indian Rupees, except share data including share price, unless otherwise stated]

**Note 1 Nature of Operations**

ACE Stone Craft Limited ('the Company') was incorporated at Cuttack on March 11, 1992 to carry on in India and abroad the business of process, convert, refine, import, export, buy, sell, deal in tiles, slabs/panels, monuments, tomb stones, decorative pieces, architectural pieces, idols, construction materials and all other products of granite, marble, sand stones and any other stones.

**Note 2 Statements of Significant Accounting Policies:****26.1 Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. The financial statements have been prepared under the historical cost convention on accrual basis.

**26.2 Summary of significant accounting policies****a) Current Vs Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is: Expected to be realised or intended to be sold or consumed in 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.

A liability is current when:

- ▶ Expected to be settled in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ 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

The Company classifies all other liabilities as non-current.

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

#### b) Fair Value Measurements

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

#### c) Property, plant & equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes 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.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### d) Depreciation on Property, plant & equipment

Depreciation on Property, plant & equipment is provided on straight line method at the rates based on the estimated useful life of the assets

#### e) Inventories

Inventories are valued at the lower of cost or net realisable value. 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.

## f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

## g) Foreign Currency Transactions

The Company's financial statements are presented in INR, as Company do not have any foreign currency transaction.

## h) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## I) Income Taxes

**Current Income Tax:**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred Tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Impairment losses if any, are recognised in the statement of profit and loss.

#### k) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

#### l) Contingent liability

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.

## m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**Note 2.3 Related Party Disclosure**

During the financial year ended March 31, 2018, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the 'ordinary course of business' and 'at arm's length' basis. Company does not have a 'Material Unlisted Subsidiary' as defined under Regulation 16(l)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']. There has been no materially significant Related Party Transactions during the year under review, having potential conflict with the interest of the Company. Necessary disclosures required under the Ind AS-24 have been made in the Notes to the Financial Statements for the year ended March 31, 2018.

Key Managerial Personnel :

Mr. Naresh Aggarwal (Managing Director)  
 Mr. Anil Arya (Director)  
 Mr. Jatin Garg (Director)  
 Ms. Satyendra Singh Rawat (Chief Financial Officer)

Related party transactions:

Remuneration to Directors and other key managerial personnel:

Mr. Naresh Aggarwal (Managing Director)-w.e.f. 30.05.2017--Rs. 15,00,000.00

**Note 2.4 Earnings per Share:**

The calculations of earning per share are based on the profit and number of shares as computed below:

Particulars
Net Profit for calculation of basic EPS
Net Profit for calculation of diluted EPS
Weighted average number of equity share in calculating basic EPS
Weighted average number of equity shares in calculating diluted EPS
Basic EPS
Diluted EPS

**Note 2.5 First time adoption of Ind AS:**

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Note 2.6 Segment Reporting**

The operation of the Company is considered as a single segment, hence segment reporting as defined in Ind AS-108 Operating segments, is not applicable.

As per our Report of Even Date

For and on behalf of Board of Directors of  
**ACE Stone Craft Limited**

**For VBR & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 013174N**

**Vijay Bansal**  
**Partner**  
M.No. 088744

**Naresh Aggarwal**  
**Director**  
DIN: 07815393

**Anil Arya**  
**Director**  
DIN: 05153603

Date: 28.05.2018  
Place: Gurgaon

**Satyendra Singh Rawat**  
**Chief Financial Officer**

<b>ACE STONE CRAFT LIMITED</b>									
<b><u>NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2018</u></b>									
<b>NOTE-3 Property, Plant and Equipment</b>									
PARTICULARS	WOY Rate of Depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as on 01.04.2017	Addition During the Year	Balance as on 31.03.2018	Balance as on 01.04.2017	For the Year	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
Office Equipment	19%		118,105	118,105		5,779	5,779	112,326	
TOTAL (Rs.)			118,105	118,105		5,779	5,779	112,326	
PREVIOUS YEAR (Rs.)									
<p style="text-align: center;"><b>For and on behalf of the Board of Directors of Ace Stone Craft Limited</b></p> <p style="text-align: center;"> <b>Naresh Aggarwal</b>                      <b>Anil Arya</b>  <b>Director</b>                                      <b>Director</b> </p> <p style="text-align: center;"> DIN: 07815393                      DIN: 05153603 </p> <p style="text-align: center;"> <b>Satyendra Singh Rawat</b>  Chief Financial Officer </p>									

<b>ACE STONE CRAFT LIMITED</b>			
<b><u>NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2018</u></b>			
	As At 31.03.2018 Amount (Rs.)	As At 31.03.2017 Amount (Rs.)	As At 01.04.2016 Amount (Rs.)
<b><u>Financial Assets:</u></b>			
<b><u>NOTE-4 investments(Unquoted)</u></b>			
Investment In Spark Plug Company India Ltd.			134,078,151
			<b>134,078,151</b>



<b><u>NOTE - 4b LOANS</u></b>			
<b><u>Non Current</u></b>			
Loan & Advances to Parties	229,943,301	280,175,392	214,865,028
Security Deposit	12,645,000	12,285,000	
<b>Total</b>	<b>242,588,301</b>	<b>292,460,392</b>	<b>214,865,028</b>
<b><u>Current</u></b>			
Loan & Advances to Parties			
Security Deposit			
<b>Total</b>	<b>242,588,301</b>	<b>292,460,392</b>	<b>214,865,028</b>
<b><u>NOTE-5</u></b>			
<b><u>INVENTORIES</u></b>			
-			
Inventories at the end of the year			7,015,450
<b>Closing Stock (Valued At Cost)</b>			<b>7,015,450</b>
<b><u>NOTE -6 CASH AND CASH</u></b>			
<b><u>EQUIVALENTS -</u></b>			
a. Balance with Banks- HDFC Bank	2,178	31,371	17,346
b. Cash on hand	35,472	73,362	32,058
<b>Total</b>	<b>37,650</b>	<b>104,733</b>	<b>49,404</b>

<b><u>NOTE-7 OTHER CURRENT ASSETS -</u></b>			
<b><u>Other Current Assests</u></b>			
TDS Receivable A.Y. 2018-19	947,811		
TDS Receivable A.Y. 2017-18	3,651,500	7,396,468	514,107
TDS Receivable A.Y. 2016-17		751,482	1,005,849
ITC GST	409,414		
<b>Total</b>	<b>5,008,724</b>	<b>8,147,950</b>	<b>1,519,956</b>
<b>Misc Expenses:</b>			
Preliminary Expenses	15,924,401	15,924,401	14,891,600
	15,924,401	15,924,401	14,891,600
<b>Total</b>	<b>20,933,125</b>	<b>24,072,351</b>	<b>16,411,556</b>
<p style="text-align: center;"><b>For and on behalf of the Board of Directors of Ace Stone Craft Limited</b></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <b>Naresh Aggarwal</b>  <b>Director</b>  DIN: 07815393 </div> <div style="text-align: center;"> <b>Anil Arya</b>  <b>Director</b>  DIN: 05153603 </div> </div> <div style="text-align: center;"> <b>Satyendra Singh Rawat</b>  Chief Financial Officer </div>			

**ACE STONE CRAFT LIMITED**  
**NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2018**

<b><u>NOTE.8 SHARE CAPITAL -</u></b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>		<b>As at 01.04.2016</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>
<b><u>Authorised</u></b>						
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
Equity Shares of Rs. 10 each	23,492,100	234,921,000	23,492,100	234,921,000	23,492,100	234,921,000
<b><u>Subscribed and Paid</u></b>						
Equity Shares of Rs. 10 each	23,492,100	234,921,000	23,492,100	234,921,000	23,492,100	234,921,000
Forfeited Shares						
	23,492,100	234,921,000	23,492,100	234,921,000	23,492,100	234,921,000

**Reconciliation of No. of Shares outstanding as at 31.03.2017 and 31.03.2018**

<b>Particulars</b>	<b>Equity Shares</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>
Shares Outstanding at the Beginning of the Year	23,492,100	234,921,000
Shares Issued during the Year		
Shares Bought Back during the Year		
Shares Outstanding at the End of the Year	23,492,100	234,921,000

**Details of Share Holders Holding more than 5%Shares**

Name of Shareholders	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
UPHILL BUILDWELL PRIVATE LIMITED	3,220,000	13.71%	3,220,000	13.71%	3,220,000	13.71%
GLIDER REALCON INDIA PRIVATE LIMITED	3,275,000	13.94%	3,275,000	13.94%	3,275,000	13.94%
SHREESHANKU REALTORS PRIVATE LIMITED	3,300,000	14.05%	3,300,000	14.05%	3,300,000	14.05%
REAL GAINS INFRASTRUCTURE S LIMITED	3,400,500	14.48%	3,400,500	14.48%	3,400,500	14.48%

**Terms/ rights attached to equity shares**

- a.) The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- b.) The Board of Directors had proposed dividend of Rs. 0.05 per share for the financial year 2016-17 but it was not approved by the Board of Director in the Board Meeting and also not approved in the shareholder's meeting, So effect of the said transaction has not been considered in the accounts for the current year 2017-18 as well as in the previous year 2016-17.

For and on behalf of Board of Directors of  
**ACE Stone Craft Limited**

**Naresh Aggarwal**

**Director**

DIN: 07815393

**Anil Arya**

**Director**

DIN: 05153603

**Satyendra Singh Rawat**

**Chief Financial Officer**

**ACE STONE CRAFT LIMITED****NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2018**

	As At 31.03.2018 Amount (Rs.)	As At 31.03.2017 Amount (Rs.)	As At 01.04.2016 Amount (Rs.)
<b><u>NOTE -9 Other Equity</u></b>			
<b><u>Surplus</u></b>			
Opeining Balance	10,109,746.38	2,443,412.00	2,230,214.00
(+) Net Profit / (Net loss) For the current year	3,805,386.25	7,666,334.38	213,198.00
<b>Closing Balance</b>	<b>13,915,132.63</b>	<b>10,109,746.38</b>	<b>2,443,412.00</b>
<b><u>NOTE -10 Defered Tax Liabilities</u></b>			
The Balance Comprises temporary differences attributable to:			
Deferred Tax Liability on Fixed Assets	793		
	<b>793</b>		
<b><u>NOTE - 11 SHORT TERM BORROWING</u></b>			
Unsecured Loan			
-Globe Fincap Ltd.	11,080,037.00	35,400,608.00	133,470,441.00
-Multiplex Capital Limited	0.00	21,625,000.00	0.00
-Multiplex Commodity Mercantile Private Limited	0.00	9,925,000.00	0.00
<b>Total</b>	<b>11,080,037.00</b>	<b>66,950,608.00</b>	<b>133,470,441.00</b>
<b><u>NOTE-12 TRADE PAYABLE</u></b>			
Trade Creditors	1,228,851.76	0.00	96,140.00
<b>Total</b>	<b>1,228,851.76</b>	<b>0.00</b>	<b>96,140.00</b>
<b><u>NOTE - 13 OTHER CURRENT LIABILITIES</u></b>			
Audit Fee Payable	37,800.00	28,750.00	28,625.00
Expenses Payable	390,551.00	85,039.00	662,243.00
TDS Payable	620,004.00	1,114,117.00	702,390.00

	1,048,355.00	1,227,906.00	1,393,288.00
<b><u>NOTE - 14 SHORT TERM PROVISIONS</u></b>			
Provision for Tax	1,477,233.73	3,428,216.10	95,337.50
<b>Total</b>	<b>1,477,233.73</b>	<b>3,428,216.10</b>	<b>95,337.50</b>
<p style="text-align: right;"> <b>Naresh Aggarwal</b>  <b>Director</b>  DIN: 07815393 </p> <p style="text-align: right;"> <b>Anil Arya</b>  <b>Director</b>  DIN: 05153603 </p> <p style="text-align: right;"> <b>Satyendra Singh Rawat</b>  Chief Financial Officer </p>			

**ACE STONE CRAFT LIMITED**  
**NOTES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING**  
**31ST MARCH, 2018**

	As At 31.03.2018 Amount (Rs.)	As At 31.03.2017 Amount (Rs.)	As At 01.04.2016 Amount (Rs.)
<b><u>NOTE - 15 OTHER INCOME</u></b>			
Income from Sale of shares	0.00	1,366,864.55	1,171,783.78
Income from sale of investment	0.00	7,318,669.00	
Interest Income	9,478,110.90	11,827,605.00	14,558,481.78
Interest on Income Tax Refund	62,458.00	7,953.00	65,492.00
Refund of Listing Fee	0.00	1,023,600.00	17,800.00
Other Income	12,000,000.00	0.00	0.00
<b>Total</b>	<b>21,540,568.90</b>	<b>21,544,691.55</b>	<b>13,469,990.00</b>

**NOTE - 16 EMPLOYEE BENEFIT EXPENSES**

Salaries and incentives	5,097,942.00	1,294,415.00	480,849.00
Bonus		0.00	8,750.00
Staff Welfare	74,000.00	9,600.00	9,650.00
<b>Total</b>	<b>5,171,942.00</b>	<b>1,304,015.00</b>	<b>499,249.00</b>

**NOTE - 17 Finance Cost**

Interest Paid	5,643,014.00	7,476,659.00	11,838,401.75
<b>Total</b>	<b>5,643,014.00</b>	<b>7,476,659.00</b>	<b>11,838,401.75</b>

Naresh Aggarwal

Director

DIN: 07815393

Anil Arya

Director

DIN: 05153603

Satyendra Singh Rawat

Chief Financial Officer

**NOTE - 18 OTHER EXPENSES**

Advertisement	108,859.00	43,943.00	123,898.00
Audit Fee	41,300.00	28,750.00	28,625.00
Bank Charges	0.00	33.52	531.66
Brokerage & Commission			
Charges	114,000.00	0.00	0.00
Travelling & Conveyance Exp	470,798.00	30,000.00	32,422.00
CSDL & NSDL Fee	228,616.18	200,765.00	112,206.00
Donation	275,000.00	157,000.00	0.00
Electricity Expenses	51,173.00	0.00	24,710.00
Interest on income Tax	2,248.00	62,832.00	0.00
Listing Fee	40,250.00	0.00	0.00
Legal & Professional Exp.	1,471,497.00	870,291.00	227,763.00
Office Rent	1,941,000.00	64,000.00	103,000.00
Penalty	0.00	0.00	34,277.00
Postage & Courier	228,515.00	153.00	92,681.00
Printing and Stationery	2,400.00	27,200.00	500.00

ROC & GST filing fee	97,313.00	125,000.00	30,600.00
Repair & Maintenance	42,000.00	59,500.00	0.00
Security Charges	5,000.00	0.00	0.00
Secretarial Audit Fee	0.00	0.00	0.00
Short & Excess	-300.12	0.00	0.00
Telephone Exp.	0.00	0.00	12,590.00
Website Maintenance	0.00	0.00	0.00
<b>Total</b>	<b>5,119,669.06</b>	<b>1,669,467.52</b>	<b>823,803.66</b>
<b>Significant Accounting Policies</b>			
Notes on Financial Statements	1 to 2		
As per our Report of Even Date		For and on behalf of Board of Directors of <b>Ace Stone Craft Limited</b>	
<b>For VBR &amp; Associates</b>			
<b>Chartered Accountants</b>			
<b>Firm Registration No.: 013174N</b>			
<b>Vijay Bansal</b>	<b>Naresh Aggarwal</b>	<b>Anil Arya</b>	
<b>Partner</b>	<b>DIRECTOR</b>	<b>Director</b>	
M.No. 088744	DIN: 07815393	DIN: 05153603	
Date: 28.05.2018	<b>Satyendra Singh Rawat</b>		
Place: Gurgaon	<b>Chief Financial Officer</b>		



**NOTICE:**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **Ace Stone Craft Limited ("the Company")** will be held on Friday, the 21<sup>st</sup> day of September, 2018 at 10:30 A.M. at the Registered Office of the Company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon .
2. To appoint Director in place of Mr. Anil Arya (DIN: 05153603), who, retires by rotation at this Annual General Meeting, and being eligible, offers himself for Re- Appointment.
3. To re-appointment of Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and as per the recommendations of the Board of Directors and pursuant to the approval of members at the Previous 23<sup>rd</sup> Annual General Meeting, the Company be and is hereby appointed M/s VBR & Associates, Chartered Accountants, for a period of 3 financial year who has confirmed their eligibility in terms of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014 and to act as Statutory Auditors of the Company till the conclusion of the 26<sup>th</sup> Annual General Meeting and now he is re-appointed as statutory auditor for a period of 2 financial years with the approval of members at the 26<sup>th</sup> Annual General Meeting, who has confirmed their eligibility in terms of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014 and to act as Statutory Auditors of the Company till the conclusion of the 28<sup>th</sup> Annual General Meeting of the company and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018 as may be determined with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

**RESOLVED FURTHER THAT** any Director of the Company authorized by Board of Directors of the Company be and are hereby severally authorized to file necessary forms with the Registrar of Companies, Cuttack, Stock Exchange and any other Statutory authority and to do such other acts, deeds things & execute all such documents, undertaking as may be considered necessary in connection with or incidental for giving effect to the aforesaid resolution."

**SPECIAL BUSINESS:**

4. **Regularization of Mr. Chetan Sharma (DIN: 08204492) as an Executive Director and in this regard to consider and if thought fit, to pass the following resolution as Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Chetan Sharma (DIN: 08204492),

who was appointed as Additional Executive Director on August 9, 2018 and whose term expires at the ensuring Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as director of the Company.

**RESOLVED FURTHER THAT** any of the Directors of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. **Regularization of Ms. Shivani Bhadoriya (DIN: 08199970) as Woman Director and in this regard to consider and if thought fit, to pass the following resolution as Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Shivani Bhadoriya (DIN: 08199970), who was appointed as Additional Woman Director on August 9, 2018 and whose term expires at the ensuring Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as director of the Company.

**RESOLVED FURTHER THAT** any of the Directors of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**For and on behalf of the Board of Directors of**  
Ace Stone Craft Limited

**Naresh Aggarwal**  
**Managing Director**

**Place:** Gurugram  
**Date:** 23.08.2018

**Telephone:** +91 - 0124 -4577738

**Website:** [www.acestonecraft.com](http://www.acestonecraft.com)  
**Email id:** [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

A member holding more than ten percent 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. a blank proxy form is enclosed herewith and if intended to be used, the form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

- Route map of the venue of the meeting is given at the end of the notice.
- **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.**
- Corporate members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution/other valid authorization, authorizing their representative to attend and vote on their behalf at the Meeting.
- Brief resume of Directors proposed to be appointed/re-appointed, their age, qualification, date of first appointment on the Board, experience, 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 with other directors / key managerial personnel, number of meetings of the Board attended during the year are provided in the Corporate Governance Report forming part of the Annual Report.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office and copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days, except Saturdays, (between 10 a.m. to 1.00 p.m.) up to the date of the Meeting. Copies of such document shall also be made available at the meeting.
- The Company has notified closure of Register of Members and Share Transfer Books from 15<sup>th</sup> September, 2018 to 21<sup>st</sup> September 2018 (both days inclusive) for the purpose of the Annual General Meeting.

- Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / its Registrars and Transfer Agents, MAS Services Limited ("MAS").
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS.
- Members desirous of making a nomination in respect of their shareholding in the Company, in physical mode, as permitted under Section 72 of the Companies Act, 2013, are requested to write to MAS, Company's Registrar and Transfer Agents. In respect of the shareholding in demat mode, please contact the respective depository participant, with whom the Member is having demat account.
- Members who hold shares in multiple folios or joint accounts in the same order of names are requested to send the share certificates to MAS or contact their depository participant as the case may be, for consolidation into a single folio.
- Non-Resident Indian Members are requested to inform MAS, immediately of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- **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 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). Communication containing detailed instructions in this regard is being sent separately.**

**STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT"):**

**The following Statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice.**

**Item No. 4:**

The Board of Director of the Company had appointed Mr. Chetan Sharma (DIN: 08204492) as an Additional Executive Director on the Board of the Company on 9<sup>th</sup> day of August, 2018 in accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the act') 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) and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the act') 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) and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors of the Company propose to re-appointment of Mr. Chetan Sharma as an Executive Director of the Company at a monthly Managerial Remuneration for an amount of Rs. 43,000/- (Rupees Forty Three Thousand Only) including all perquisites and allowances (taxes also) by according approval of members by way of Special Resolution.

Mr. Chetan Sharma is not disqualified from being appointed as a Director in terms of Section 196 of the Act and has given his consent to act as a Director.

**Item No. 5:**

The Board of Directors of the Company had appointed Ms. Shivani Bhadoriya (DIN: 08199970) as Woman Director on the Board of the Company on 9<sup>th</sup> day of August, 2018 in accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the act') 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) and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the act') 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) and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors of the Company propose to re-appointment of Ms. Shivani Bhadoriya as Woman Director of the Company at a monthly Sitting Fee for an amount of Rs. 10,000/- (Rupees Ten Thousand Only) including all perquisites and allowances (taxes also) by according approval of members by way of Special Resolution.

Ms. Shivani Bhadoriya is not disqualified from being appointed as a Director in terms of Section 196 of the Act and has given his consent to act as a Director.

**For and on behalf of the Board of Directors of**  
Ace Stone Craft Limited

**Naresh Aggarwal**  
**Managing Director**

**Place:** Gurugram

**Date:** 23.08.2018

**Telephone:** +91 - 0124 -4577738

Website: [www.acestonecraft.com](http://www.acestonecraft.com)

**Email** id: [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com)

### **Instructions for E-Voting:**

Dear Members,

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 26<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company one-Voting system.

The Notice of the 26<sup>th</sup> Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or (<http://www.acestonecraft.com/>).

The E-Voting period commences at 9:00 a.m. on 17<sup>th</sup> September, 2018 and ends at 5:00 pm on 20<sup>th</sup> September, 2018. During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The Company has appointed **Mr. Sunni Gupta, Practicing Company Secretary**, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of September 14<sup>th</sup> 2018**. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 14<sup>th</sup> 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [contactus@acestonecraft.com](mailto:contactus@acestonecraft.com) / [sm@masserv.com](mailto:sm@masserv.com).

NOTE: The "remote e-voting" end time shall be 5:00 p.m. on the date preceding the date of general meeting and the cut-off date shall not be earlier than 7 days before the date of general meeting

The facility for voting through remote e-voting / ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

NOTE: The Facility for Voting at AGM shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"

**The procedure to login to e-Voting website is given below:**

- Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- Click on "Shareholder - Login".
- Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
- Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- Select "EVEN" of (Ace Stone Craft Limited). Members can cast their vote online from 17<sup>th</sup> September, 2018 (09:00 A.M.) till 20<sup>th</sup> September, 2018 (5:00 P.M.).

***Note: e-Voting shall not be allowed beyond said time.***

- Now you are ready for "e-Voting" as "Cast Vote" page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [cs.sunnigupta@gmail.com](mailto:cs.sunnigupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Please note the following:**

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the



conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

**Other information:**

- Login toe-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access thee-Voting system of NSDL by using your existing user ID and password for thee-voting system of NSDL.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact **NSDL** at the following toll free no.: 1800-222-990.

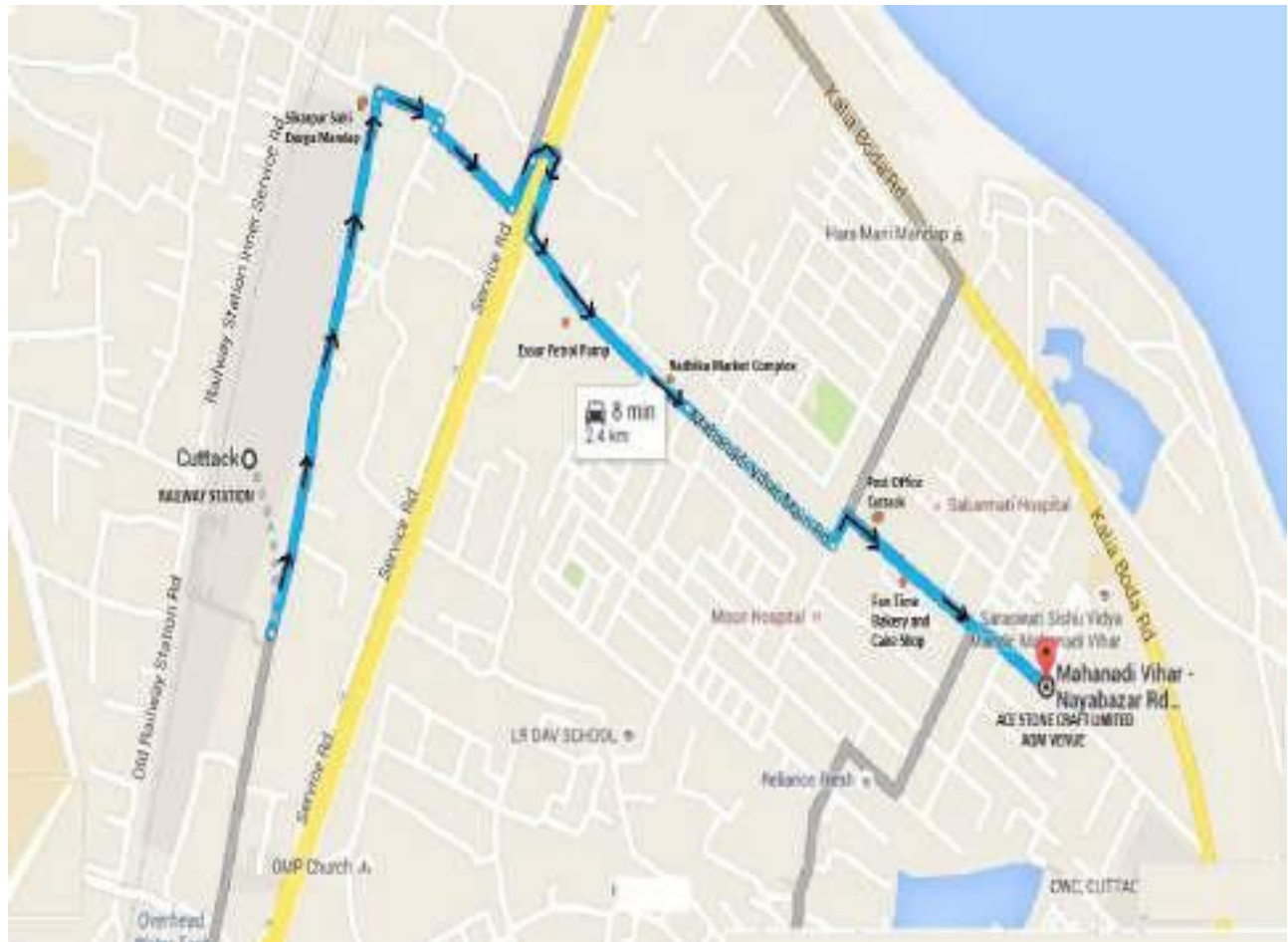
Assuring you of our best services,

Regards,

e-Voting support desk

National Securities Depository Limited ([www.nsdl.co.in](http://www.nsdl.co.in))

Route Map to the Venue of the 26<sup>th</sup> Annual General Meeting



ACE STONE CRAFT LIMITED  
CIN - L26994OR1992PLC003022

**Regd. office:** Plot No.1210, Mahanadivihar P.O. Nayabazar, Cuttack Orissa, 753004 India

**ACE STONE CRAFT LIMITED**  
**CIN - L26994OR1992PLC003022**

**Regd. office:** Plot No.1210, Mahanadivihar P.O. Nayabazar, Cuttack Orissa, 753004 India

**Corp. office:** Third Floor, Plot No B- 103, South City-I, Gurugram, Haryana- 122001

**Tel:** +91 - 0124 - 4577738

Email:[contactus@acestonecraft.com](mailto:contactus@acestonecraft.com) Website:[www.acestonecraft.com](http://www.acestonecraft.com)

**ATTENDANCE SLIP**

Name of the sole / first named member

Address of the sole / first named member

Registered Folio No

DP ID No./Client ID No.\*

Number of shares held

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company held on Friday, 21<sup>st</sup> September, 2018 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 10:30 A.M.

Signature of Member/Proxy present

**Note:** Members are requested to fill up the attendance slip and hand it over at the venue of the meeting.

\*Applicable for investors holding shares in electronic form.

-----Tear here-----

**ACE STONE CRAFT LIMITED****CIN - L26994OR1992PLC003022****Regd. office:** Plot No.1210, Mahanadivihar P.O. Nayabazar, Cuttack Orissa, 753004 India**Corp. Office:** Third Floor, Plot No B- 103, South City-I, Gurugram, Haryana- 122001**Tel:** +91 - 0124 - 4577738Email:[contactus@acestonecraft.com](mailto:contactus@acestonecraft.com) Website:[www.acestonecraft.com](http://www.acestonecraft.com)**PROXY FORM****Form No. MGT-11**

Pursuant to Section 105(6) of the Companies Act and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member(s) :.....

Registered Address :.....

Email Id:.....

Folio No/ Client ID ..... DP ID.....

I/We.....being the member(s) of Equity Shares  
of the above named Company, hereby appoint :

1. Name:.....

Address:.....

E-mail Id: .....Signature: .....;or failing him

2.Name:.....

Address: .....

E-mail Id: .....Signa ture: .....;or failing him

3. Name:.....

Address: .....

E-mail Id: .....Signature:.....

As my / our proxy attend and vote (on a poll) for me / us and on my / our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 21<sup>st</sup> September, 2018 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 10:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
1.	Consideration and Adoption of Audited Financial Statement, Reports of the Board of Directors and Auditors thereon		
2.	Re-appointment of Mr. Anil Arya (DIN: 05153603) as a director of the Company, liable to retire by rotation.		

13. Appointment of Auditors and fixing their remuneration.

4.	To regularize Mr. Chetan Sharma (DIN: 08204492) as an Executive Director.		
5.	To regularize Ms. Shivani Bhadoriya (DIN: 08199970) as Woman Director.		

Signed this . . . . . day of . . . . . 2018.

Signature of shareholder.....

Signature of Proxy Holder(s): 1) .....2) .....3) .....

Note:

- Please complete all the details including details of member(s) in the above Box before submission.
- It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- **A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that 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 proxy for any other person or shareholder.**
- The 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.

**BOOK POST**

*If undelivered please return to:*

**ACE STONE CRAFT LIMITED**

Plot No.1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004