

ACE STONE CRAFT LIMITED

27TH ANNUAL REPORT

2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Anil Arya
Non-Executive Independent Director
753004

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

AUDTIORS

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-

CORPORATE OFFICE:

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

Telephone: +91 - 0124- 4577738

Website: www.acestonecraft.com

Email id: contactus@acestonecraft.com

BANKERS:

HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

MAS SERVICES LIMITED

Address: T-34, IIInd 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:

1. AUDIT COMMITTEE:

| S. No. | Name | Category |
|---------------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

2. NOMINATION AND REMUNERATION COMMITTEE:

| S. No. | Name | Category |
|---------------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

| S. No. | Name | Category |
|---------------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

ANNUAL REPORT 2018-19

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DIRECTOR'S 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 27th Annual Report together with the Audited Financial Statement for the Financial Year ended March 31, 2019.

FINANCIAL PERFORMANCE:

The salient features of Company's Financial Results for the year ended March 31, 2019 under review are as follows:

| Particulars | 2018-19 | 2017-18 |
|--|--------------------|--------------------|
| Total Revenue | 1,67,50,296 | 2,15,40,569 |
| Total expenditure before finance cost and depreciation | 1,56,42,674 | 1,59,40,404 |
| Profit before Finance cost, depreciation, exceptional items and taxes | 16,63,021 | 112,48,958 |
| Less : Finance Cost | 4,96,859 | 56,43,014 |
| Profit before depreciation, exceptional items and taxes | 11,66,162 | 56,05,944 |
| Less : Depreciation | 58,540 | 5,779 |
| Profit/ (Loss) before exceptional items and taxes | 11,07,622 | 56,00,165 |
| Less : Exceptional items | - | - |
| Profit before taxes | 11,07,622 | 56,00,165 |
| Less : Current income tax | 7,73,100 | 14,77,234 |
| Tax expenses relating to earlier years | - | 3,16,752 |
| Deferred tax charges | (10,854) | 793 |
| Profit /Loss for the period | 3,45,376 | 38,05,386 |

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

The Total Income of the Company for the Financial Year ended on 31st March, 2019 is Rs. 1,67,50,296, which has been decreased by Rs. 47,90,273 as compared to last year total Income for an amount of Rs. 2,15,40,569. 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 2018-19.

TRANSFER TO RESERVES:

During the year under review, the Company has transferred an amount of Rs. 3,45,376 to General Reserves of the Company.

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.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against losses from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

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.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has no subsidiary/Joint Ventures/Associates Companies.

DEPOSIT

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the year.

AUDITOR & AUDITOR'S REPORT:

M/S. VBR & Associates, Chartered Accountants, were appointed as Statutory Auditors of your company at Annual General Meeting held on 21.09.2018 for a term of 2 years upto FY 2019-20. Your Company has received an eligibility letter from the auditors to the effect that the ratification of their appointment, would be in accordance with Sections 139 and 141 of the Companies Act, 2013.

AUDITOR'S REPORT

There being no reservation, qualification, adverse remarks in Auditor's Report , no further explanation are required.

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 2018-19 is Rs. 23,49,21,000/- (Rupees Twenty Three Crores Forty Nine Lacs Twenty One Thousand Only) which is same as it was at the end of the Financial Year 2018-19. Further details are as follows:

A) Issue of equity shares with differential rights:

The Company has not issued equity shares with differential rights during the FY 2018-19.

B) Issue of sweat equity shares:

The Company has not issued sweat equity shares during the FY 2018-19.

C) Issue of employee stock options:

The Company has not issued employee stock options during the FY 2018-19.

D) 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 2018-19.

BOARD OF 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. | DIN | Name | Designation |
|--------|----------|-----------|-------------------------|
| 1. | 05153603 | Anil Arya | Non- Executive Director |

| | | | |
|----|----------|----------------------|-------------------------|
| 2. | 08204492 | Chetan Sharma | Executive Director |
| 3. | 08199970 | Shivani Bhadoriya | Non- Executive Director |
| 4. | 07177451 | Shiv Shankar Singhal | Non- Executive Director |
| 5. | 07815393 | Naresh Aggarwal | Managing Director |

RESIGNATION

During the year under review, there was change in the composition of the Board of Directors of your Company

During the financial year, **Mr. Jatin Garg (DIN: 06871101)** has resigned from the position of the Director of the your Company in its meeting held on the 22nd May, 2018 and **Ms. Seema Malhotra (DIN : 07143078)** has resigned from the position of the Director of the your Company in its meeting held on the 9th August, 2018.

APPOINTMENT

During the financial year, **Mr. Chetan Sharma (DIN: 08204492)** was appointed as an Additional Director of your company in its Meeting held on the 9th August, 2018 and he shall hold office upto the date of Annual General Meeting held on 21.09.2018. The matter of appointing him as a regular Director in the Annual general meeting held on 21.09.2018 was discussed and approved .

Ms. Shivani Bhadoriya (DIN: 08199970) was appointed as an Additional Woman Independent Director of your company in its Meeting held on the 9th August, 2018. and she shall hold office upto the date of Annual General Meeting held on 21.09.2018. The matter of appointing her as a Independent Director in the Annual general meeting held on 21.09.2018 for a term of 5 years was discussed and approved .

RETIRE BY ROTATION

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shiv Shankar Singhal(DIN : 07177451) 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.

DECLARATION FROM INDEPENDENT DIRECTOR

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.

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 statues 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>

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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.

KEY MANAGERIAL PERSONNEL:

Pursuant to Section 203 of the Companies Act, 2013 read with the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014. I

Ishu Kamoj was appointed as the Company Secretary & Compliance Officer of the Company with effect from 31st May, 2017, who resigned from the post on 19th May, 2018. Afterwards, Ms. Bhawna Gupta was appointed as Company Secretary of the Company with effect from 25th October, 2018, who resigned from the post on 29th May, 2019 and Ms. Astha Rustagi was appointed as Company Secretary w.e.f 29th May, 2019.

COMMITTEES OF THE BOARD:

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:

I. AUDIT COMMITTEE:

| S. No. | Name | Category |
|---------------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |

| | | |
|----|-------------------|----------------------|
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

II. NOMINATION & REMUNERATION COMMITTEE:

| S. No. | Name | Category |
|--------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

| S. No. | Name | Category |
|--------|----------------------|----------------------|
| 1. | Shiv Shankar Singhal | Independent Director |
| 2. | Shivani Bhadoriya | Independent Director |
| 3. | Anil Arya | Independent Director |

INDEPENDENT DIRECTORS MEETING

Independent Directors of the Company met one time during the year on 31st March, 2019 as per Regulation 25 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

NUMBER OF MEETINGS OF THE BOARD:

For the Financial Year ended on March 31, 2019, **8 (Eight)** 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. | 28 th May, 2018 | 5 | 5 |
| 2. | 09 th August, 2018 | 5 | 5 |
| 3. | 23 rd August, 2018 | 5 | 5 |
| 4. | 25 th October, 2018 | 5 | 5 |
| 5. | 07 th February, 2019 | 5 | 5 |
| 6. | 29 th March, 2019 | 5 | 5 |

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.

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 and may be accessed at <http://www.acestonecraft.com/pdf/policy-on-materiality-of-related-party-transaction.pdf>

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

The details of Loans, Guarantee and investment under section 186 of the Companies Act, 2013 read with the Companies (Meeting of Boards and its powers) Rules, 2014 are as follows :-

INVESTMENT

During the year, the company has not made any investment in any equity shares of the Company

GUARANTEE AND LOANS

During the year, the Company has not given guarantee or loan to any person or Body Corporeae in accordance with the Section 186 of Companies Act, 2013 read with rules issued thereunder.

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>.

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 individual working in the premises of the Company. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. In view of the same, your Company has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, your Company has not received any complaint from any of its employee, hence, no complaint is outstanding for redressal.

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:

I. 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.

II. 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.

III. Foreign Exchange Earnings and Outgo:

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

EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return in the Form MGT- 9 under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rule, 2014 is attached with this report and marked as **Annexure- II**.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed **CS Gurmohini Sachdeva, Practicing Company Secretary**, to conduct the Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended on March 31, 2019, 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 **M/s N. K. Bhatt & Associates, Practicing Company Secretary**, as an Internal Auditor of the Company for the for the Financial Year 2018-19 to conduct Internal Audit on a quarterly basis.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management discussion and analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

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 27 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.

COMPLAINT WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) {SS 1 and SS2} respectively relating to meetings of Board and Committees which have mandatory applications.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <http://acestonecraft.com/policy.html>.

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.

FORMAL ANNUAL EVALUATION:

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

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management;
- v. Commitment to shareholder and other stakeholder interests

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

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:

- i) in the preparation of the annual accounts for the Financial Year ended March 31, 2019, 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;
- ii) 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, 2019 and of the profit and loss of the Company for the year ended on that date;

- iii) 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;
- iv) the Directors have prepared the Annual Accounts of the Company for the Financial Year ended March 31, 2019 on a 'going concern' basis;
- v) 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
- vi) 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.

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**

Sd/-
Naresh Aggarwal
Managing Director
DIN: 07815393

Sd/-
Chetan Sharma
Director
DIN: 05153603

Place: Gurugram
Date: 12.08.2019

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 35years. 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 on 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.

ANNEXURE – II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2019
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and administration) Rules, 2014)

| | | |
|-----------|---|---|
| I. | REGISTRATION AND OTHER DETAILS: | |
| i) | CIN | L26994OR1992PLC003022 |
| ii) | Registration date | 11 th 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 Ph No: 0124 - 4577738 E-mail: contactus@acestonecraft.com |
| vi) | Address of the Corporate Office | Third Floor, B-103, South City- I, Gurugram, Haryana-122001 |
| vii) | Whether Listed Company | Yes on MetroPolitan Stock Exchange of India Limited vide Circular MSEI/LIST/5066/2017 from 11 th April, 2017 |
| viii) | Name, address and Contact details of the Registrar & Transfer Agent | MAS Services Limited Address: T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020 Phone No.: +91-11-2638 7281/ 82/ 83 E-mail: info@masserv.com |

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 |
|-------|--|---------------------------------|------------------------------------|
| 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)

i) 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: | | | | | | | | | |
| (1) Indian: | | | | | | | | | |
| Individuals/HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 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)(1) | 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 |
| Sub Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1) + (A)(2) | 3400500 | 0 | 3400500 | 14.48 | 3400500 | 0 | 3400500 | 14.48 | 0 |
| (B) PUBLIC SHAREHOLDING: | | | | | | | | | |
| (1) Institutions: | | | | | | | | | |
| Mutual Funds/UTI | 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 |
| Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| (2) Non-Institutions: | | | | | | | | | |
|--|-----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|--------------|----------|
| a) Body Corporate: | | | | | | | | | |
| Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals: | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to Rs. 1 lakh | 391600 | 1216700 | 1608300 | 6.85 | 402900 | 1210600 | 1613500 | 6.87 | 0 |
| ii .Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 4060000 | 2158600 | 6218600 | 26.47 | 6109800 | 105800 | 6215600 | 26.47 | 0 |
| Any other (specify) | | | | | 12215300 | - | 12215300 | 52.00 | |
| Non-resident Indian./OCB | 41400 | 5000 | 46400 | 0.20 | 41400 | 5000 | 46400 | 0.20 | 0.00 |
| Clearing Member | 600 | 0 | 600 | 0.00 | 800 | 0 | 800 | 0.00 | 0.00 |
| Sub Total (B)(2) | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 16704000 | 3387600 | 20091600 | 85.52 | 18770000 | 1321600 | 20091600 | 85.52 | 0 |
| 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 |
| Grand Total (A) + (B) + (C) | 20104500 | 3387600 | 23492100 | 20104500 | 22170500 | 1321600 | 23492100 | 100 | 0 |

(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 Infrastructures Limited | 3400500 | 14.48 | 0 | 3400500 | 14.48 | 0 | 0 |
| | Total | 3400500 | 14.48 | 0 | 3400500 | 14.48 | 0 | 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 | | | | |
| | 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 | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| 1. | Shreeshanku Realtors Private Limited | | | | |
| | 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 |
| 2. | Glider Realcon India Private Limited | | | | |
| | 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 |
| 3. | Uphill Buildwell Private Limited | | | | |
| | 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 |

| | | | | | |
|-----------|--|----------------|-------------|----------------|-------------|
| 4. | Parveen Aggarwal | | | | |
| | 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/ 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 |
| 5. | Satish Kumar Arya | | | | |
| | 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/ 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 |
| 6. | Suman Aggarwal | | | | |
| | 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/ sweat equity etc): | - | - | 1100000 | 4.69 |
| | At the End of the year(or on the date of separation, if separated during the year) | 1000000 | 4.25 | 2100000 | 8.94 |
| 7. | Satish Kumar Arya | | | | |
| | At the beginning of the year | 950000 | 4.04 | 950000 | 4.04 |
| | 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 | 999800 | 4.26 |
| | At the End of the year(or on the date of separation, if separated during the year) | 950000 | 4.04 | 1949800 | 8.30 |
| 11. | ANUPAM GOEL | | | | |
| | At the beginning of the year | | | 660000 | 2.81 |
| | 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) | 0 | 0 | 660000 | 2.81 |

| | | | | | |
|------------|--|---|---|---------------|-------------|
| 12. | MADHU SEEDHAR | | | | |
| | At the beginning of the year | | | 400000 | 1.70 |
| | 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) | 0 | 0 | 400000 | 1.70 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | 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 |
| | For Each of the Directors and KMP | | | | |
| NIL | | | | | |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

| Sl. no. | Particulars of Remuneration | Name of MD / WTD/ Manager | | | | Total Amount |
|---------|---|--|---|-----|------|--------------|
| | | Mr. Naresh Aggarwal Managing Director | | --- | ---- | |
| 1 | Gross salary | 15,00,000 | - | - | - | 15,00,000 |
| | (a) Salary as per provisions contained in section 17(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:

| Sl. no. | Particulars of Remuneration | Name of Other directors | Total Amount |
|---------|-----------------------------|-------------------------|--------------|
| | | NIL | |

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

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | | | Total |
|---------|-----------------------------|--------------------------|-------------------|-------------------|-------------------|-------|-------|
| | | CEO | Company Secretary | | | CFO | |
| | | | Ms. Ishu Kamoj | Ms. Bhawna Sharma | Ms. Astha Rustagi | | |
| 1 | Gross salary | | 2,81,242 | 3,00,000/- | 42000/- | 6,700 | |
| 2 | Stock Option | - | - | | | - | |
| 3 | Sweat Equity | - | - | | | - | |
| 4 | Commission | - | - | | | - | |
| | - as % of profit | - | - | | | - | |
| | - Others, specify | - | - | | | - | |
| 5 | Others ,please specify | - | - | | | - | |
| | Total (A) | - | 2,81,242 | 3,00,000/- | 42000/- | 6,700 | |

VI INDEBTEDNESS:**(In Rupees)**

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|------------------------|-----------------|---------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 1,10,80,037 | - | 1,10,80,037 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 0 | 1,10,80,037 | 0 | 1,10,80,037 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | | - | |
| • Reduction | - | 1,10,80,037 | - | 1,10,80,037 |
| Net Change | 0 | 0 | 0 | 0 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 0 | - | 0 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |

| | | | | |
|-------------------------|----------|----------|----------|----------|
| | - | | - | |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |

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) |
|-------------|-------------------------------------|-------------------|--|--|----------------------------|----------------------|
| A. | B. Company | | | | | |
| Penalty | | | | NONE | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| C. | D. Directors | | | | | |
| Penalty | | | | NONE | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| E. | F. Other Officers in Default | | | | | |
| Penalty | | | | NONE | | |
| Punishment | | | | | | |
| Compounding | | | | | | |

ANNEXURE – III
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on March 31, 2019
[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 Board of Directors
Ace Stone Craft Limited
Plot No. 1210, Mahanadivihar P.O
Nayabazar, Cuttack, Orissa-753004
CIN: L26994OR1992PLC003022

I 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 called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. 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 audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

OPINION

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ace Stone Craft Limited (“The Company”)** for the period ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company as the Company has not accepted/made any FDI, ODI or ECBs during the financial year).

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **are not applicable to the Company as the Company did not issue any security during the Financial year under review.**
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme.) Guidelines. 1999 **are not applicable to the Company as the Company did not issue any ESOP or ESPS during the Financial year under review.**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **are not applicable to the Company as the Company did not issue any debt security during the Financial year under review.**
 - g. The Securities and Exchange Board of India (Registration to an Issue and Share Transfer Agents) Regulations, 1993 **are not applicable to the Company as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial year under review.**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **are not applicable to the Company as the Company has not delisted its Equity shares from any Stock Exchange during the Financial year under review.**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **are not applicable to the Company as the Company has not bought back any of its securities during the Financial year under review.**
 - j. The Memorandum and Articles of Association.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (to the extent applicable to the company).

- ii. The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that, the Compliance by the Company abiding and adherence to applicable financial and taxation laws like direct taxation laws 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, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. The minutes book of the meetings are duly recorded and signed by the Chairman. The decision of the Board meeting and Committee Meetings were unanimous and no dissenting views have been recorded.
4. The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
5. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
6. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

Based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. 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.

Thanking you,
Yours faithfully

SD/-

CS Gurmohini Sachdeva
Practicing Company Secretary

M. No.42984
COP No.18056

Date: 29.08.2019
Place: New Delhi

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:-

1. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
2. 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;
3. Service of documents by the Company to Stock Exchanges, Auditors and Registrar of Companies;
4. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee & Risk Management Committee.
5. Appointment re-appointment and Extension of UV Asset Reconstruction Company Limited for acting as a Resolution Agent.
6. Appointment, re-appointment and Retirement of Directors and payment of remuneration to them.
7. Disclosure of interests and concern in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities by Directors;
8. Establishing a Vigil Mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee;
9. 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;
10. Constituting a policy for prevention of Sexual Harassment of Women at workplace in terms of provision of Prevention, Prohibition and Redressal Act, 2013;
11. Constituting a Corporate Social Responsibility Committee in terms of provision of Companies Act, 2013 is not applicable to the Company;

12. 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;
13. 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;
14. 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;
15. 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;
16. 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;
17. 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;
18. Appointment and fixation of remuneration of Statutory Auditor;
19. Appointment of Internal Auditor;
20. Notice of Meetings of Board and Committee thereof;
21. Report of the Board of Directors for the Financial Year ended 31st March 2018;
22. Closure of Register of Members;

Sd/-

CS Gurmohini Sachdeva
Practicing Company Secretary
M. No.42984
COP No.18056
Date: 29.08.2019
Place: New Delhi

3. REPORT ON CORPORATE GOVERNANCE

1. 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.

2. 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 ¹ |
| | Mr. Shiv Shankar Singhal |
| Executive Directors | Mr. Chatan Sharma ² |

1. Ms. Shivani Bhadoriya was appointed as Woman Director of the Company w.e.f. 9th August, 2018;
2. Mr. Chatan Sharma was appointed as an Executive Director w.e.f. 9th August, 2018;
3. Mr. Jatin Garg resigned from the directorship of the Company w.e.f. 22nd May, 2018;
4. Ms. Seema Malhotra resigned from the directorship of the Company w.e.f. 28th 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). 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:

- (a) **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 18th 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.

- (b) **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. 22nd May, 2018.

- (c) **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. 28th July, 2018.

- (d) **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.

- (e) **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.

- (f) **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.

- (g) **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 Indian Companies | Position on the Board and Committee thereof |
| Mr. Chetan Sharma | NA | NA |
| Ms. Shivani Bhadoriya | NA | NA |

3. 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 |
|---------------------------------|----------------|--------------------------|
| 28 th May, 2018 | 5 | 5 |
| 09 th August, 2018 | 5 | 5 |
| 23 rd August, 2018 | 5 | 5 |
| 25 th October, 2018 | 5 | 5 |
| 07 th February, 2019 | 5 | 5 |
| 29 th March, 2019 | 5 | 5 |

4. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS , LAST ANNUAL GENERAL MEETINGS AND NUMBER OF OTHER DIRECTORSHIP(S) AND CHAIRPERSON(S)/ MEMBERSHIP(S) OF COMMITTEE OF EACH DIRECTOR IN VARIOUS COMPANY

| Name of Director | Attendance meetings at during 2018-19 | No. of Other Directorship | No. of Membership /chairmanship of Board Committee in other company |
|----------------------|---------------------------------------|---------------------------|---|
| Naresh Aggarwal | 6 | 0 | 0 |
| Chetan Sharma | 5 | 1 | 1 |
| Shiv shanker Singhal | 6 | 0 | 0 |
| Anil Arya | 6 | 1 | 1 |
| Shivani Badoriya | 5 | 0 | 0 |
| Seema Malhotra | 1 | 0 | 0 |

| | | | |
|------------|---|---|---|
| Jatin Garg | 1 | 0 | 0 |
|------------|---|---|---|

- The Directorship held by Directors as mentioned above, donot include Directorship in Foreign Company.
- Membership(s)/ Chairmanship of only the Audit Committee and stakeholders Relationship committee in all public limited companies (excluding ACE STONE CRAFT LIMITED) have been considered.

5. **BOARD COMMITTEES:**

Details of Board Committees:

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

I. AUDIT COMMITTEE:

| S. No | Name | Category | Designation |
|-------|--------------------------|----------------------|-------------|
| 1. | Mr. Shiv Shankar Singhal | Independent Director | Chairman |
| 2. | Ms. Shivani Bhadoriya | Independent Director | Member |
| 3. | Mr. Anil Arya | Independent Director | Member |

II. NOMINATION AND REMUNERATION COMMITTEE

| S. No | Name | Category | Designation |
|-------|--------------------------|----------------------|-------------|
| 1. | Mr. Anil Arya | Independent Director | Chairman |
| 2. | Mr. Shiv Shankar Singhal | Independent Director | Member |
| 3. | Ms. Shivani Bhadoriya | Independent Director | Member |

III. STAKERHOLDERS' RELATIONSHIP COMMITTEE:

| S. No | Name | Category | Designation |
|-------|--------------------------|----------------------|-------------|
| 1. | Ms. Shivani Bhadoriya | Independent Director | Chairman |
| 2. | Mr. Shiv Shankar Singhal | Independent Director | Member |

| | | | |
|----|---------------|----------------------|--------|
| 3. | Mr. Anil Arya | Independent Director | Member |
|----|---------------|----------------------|--------|

Ms. Bhawana Gupta, 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. 29th March, 2019.

Further, Ms. Astha Rustagi was appointed as Company Secretary and compliance officer of the Company.

MEETINGS OF BOARD COMMITTEE HELD DURING THE YEAR AND DIRECTOR'S ATTENDANCE

| | Board Committee | Audit Committee | Nomination and remuneration committee | Stakeholders Relationship Committee |
|---------------------------------|-----------------|-----------------|---------------------------------------|-------------------------------------|
| Meeting Held | 6 | 5 | 4 | 1 |
| Mr. Narsh Aggarwal | 6 | 0 | 0 | 0 |
| Mr. Anil Arya | 6 | 5 | 4 | 1 |
| Mr. htan Sharma | 6 | 0 | 0 | 0 |
| Mr. Shiv Shankar Singhal | 6 | 5 | 4 | 1 |
| Shivani Baoriya | 6 | 5 | 4 | 1 |

6. 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.

(a) 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 |

| | |
|---|----------------------|
| (cease as director w.e.f 28 July, 2018) | |
| Mr. Anil Arya | Independent Director |
| Ms. Shivani Badoriya | 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:

- i. 28th May, 2018;
- ii. 09th August, 2018;
- iii. 23rd August, 2018
- iv. 25th October, 2018;
- v. 07th February, 2019.

Further, the Meeting of Independent Directors of the Company in compliance to Schedule IV of the Companies Act, 2013 held on 28th 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.

(b) 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. Shivani Bhadoriya | 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:

- i. 28th May, 2018;
- ii. 09th August, 2018;
- iii. 23rd August, 2018;
- iv. 25th October, 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 2018-19.

Remuneration of Non-executive Directors:

No remuneration/sitting fees have been paid to any director during the Financial Year 2018-19.

(c) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Composition of the Committee is given below:

| | |
|--------------------------|----------------------|
| Ms. Shivani Bhadoriya | 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:

- i. 23rd August, 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, 2019

All the complaints were promptly resolved and there was no outstanding complaint as on March 31, 2019.

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. 19th 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. Ms. Bhawana Gupta has join the Company as Compliance officer w.e.f 25.10.2018 and she ceases as CS w.e.f 29.03.2019 and Ms. Astha Rustagi has joined the Company as Company Secretary and Compliance Officier w.e.f 29.03.2019.

7. GENERAL BODY MEETINGS:

- (i) 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 |
|-------------|--|--|---|
| 2016 | 05 th 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 th September, 2017 01.00 P.M (Monday) | Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 | Ordinary Resolution: 03 Special Resolution: 03 |
| 2018 | 21 th September, 2018 11.30 P.M (Friday) | Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 | Ordinary Resolution: 03 Special Resolution: 03 |

8. 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.

- I. The Company has complied with the mandatory requirements of the Listing Regulations.
- II. 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.

9. 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

10. 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

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

11. GENERAL SHAREHOLDER INFORMATION:

Forthcoming Annual General Meeting

| | |
|--------------|--|
| Time | 10.00 A.M. |
| Venue | Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 |
| Day and date | Monday, September 30th, 2019 |

Financial Year:

April 1, 2018 to March 31, 2019

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 **11th 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. **17th 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.

Dates of Book Closure: The share transfer books and register of members of the Company shall remain closed from **22nd September, 2019 to 30th September, 2019** (both days inclusive).

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

Outstanding GDRs/ADRs/ and Convertible Bonds, Conversion

1. The Company has not issued any ADRs/GDRs during the year under review.
2. There is no outstanding GDRs/ADRs and Convertible Bonds.
3. 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. 5.00.

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. Astha Rustagi 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. **29th March, 2019** .

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@masserv.com

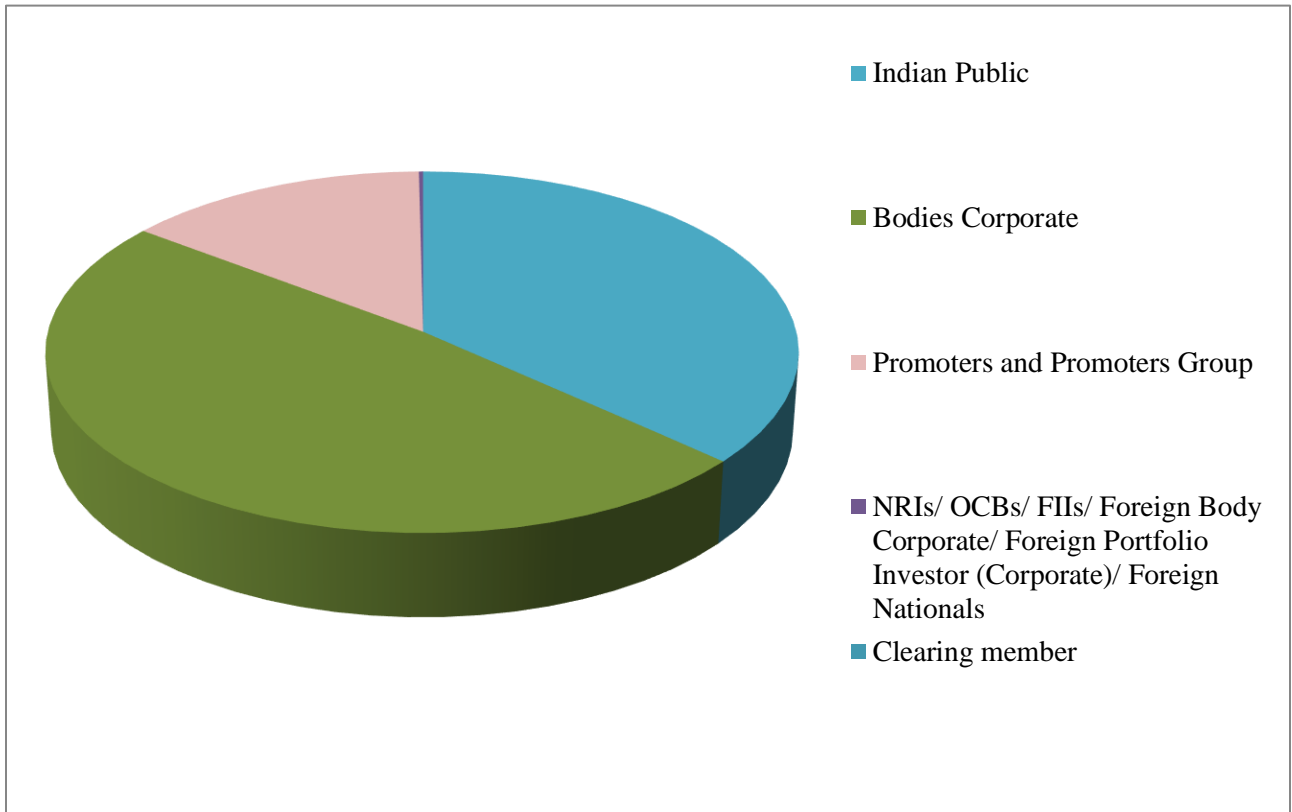
Share Transfer System:

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 31.03.2019 | 22171400 |
| Total No. of Shares in physical form | 1320700 |
| Number of Shares pending / Rejection for Transfer as on March 31, 2019 | NIL |

| S. No. | Category | No. of Equity shareholders | No. of Equity shares | %age |
|--------|---|----------------------------|----------------------|------------|
| 1. | Indian Public | 13105 | 782910 | 33.32 |
| 2. | Bodies Corporate | 14 | 12215300 | 52.01 |
| 3. | Promoters and Promoters Group | 1 | 3400500 | 14.48 |
| 4. | NRIs/ OCBs/ FIIs/ Foreign Body Corporate/ Foreign Portfolio Investor (Corporate)/ Foreign Nationals | 69 | 46400 | 0.19 |
| 5. | Clearing member | 3 | 800 | 0.00 |
| 6. | Trusts | 0 | 0 | 0 |
| 7. | Central Government/ State Government(s) Institutions | 0 | 0 | 0 |
| | Total | 13192 | 23492100 | 100 |

Graphic presentation of the Shareholding Pattern as on March 31, 2019



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
03rd Floor, Plot No. B- 103,
South City-I, Gurugram,
Haryana-122001
Tel: +91 - 0124 – 4577738

Compliance Officer
Ms. Astha Rustagi
03rd 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

1. We have reviewed the implementation of the corporate governance procedures by Ace Stone Craft Limited (the Company) during the year ended March 31, 2019, 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.
2. 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.
3. 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.
4. 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 2018-19.

**For CS Gurmohini Sachdeva
Company Secretaries**

SD/-

Gurmohini Sachdeva

Proprietor

ACS: 42984

CP: 18056

Place: Delhi

Date: 29.08.2019

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:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- (b) 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 volatile of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the 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.
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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: 12th August, 2018

Naresh Aggarwal
Managing Director

Satyendra Singh Rawat
Chief Financial Officer

Telephone: +91 - 0124 - 4577738

Website: www.acestonecraft.com

Email id: contactus@acestonecraft.com

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ACE STONE CRAFT LIMITED

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Ace Stone Craft Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters arose matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined there is no matter to be the key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet 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;
 - (d) 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;
 - (e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as director in terms of Section 164 (2) of the Act;

- (f) 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".
- (g) With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and accordingly to explanations given us;
- i) The Company does not have any pending litigations which would impact its standalone Ind AS financial position.
 - ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.
2. 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: 24/05/2019

Vijay Bansal

Partner

Membership No.: 088744

ACE STONE CRAFT LIMITED
BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2019

| PARTICULARS | Notes | AS AT 31.03.2019 Rs. | AS AT 31.03.2018 Rs. |
|--|-------|----------------------------|----------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| (a) Property, Plant and Equipment | 3 | 53,786 | 1,12,326 |
| (b) Financial Assets: | | | |
| (i) Investments | 4a | 1,43,70,818 | - |
| (ii) Loans | 4b | 10,78,68,309 | 7,64,32,105 |
| (c) Deferred tax assets (net) | | | |
| Total Non-Current Assets | | 12,23,02,975 | 7,65,44,431 |
| CURRENT ASSETS: | | | |
| (a) Inventories | | - | - |
| (b) Financial Assets: | | | |
| (i) Investments | 5 | 89,41,396 | - |
| (ii) Trade receivables | 6 | 2,04,470 | 37,650 |
| (iii) Cash and cash equivalents | 4b | 10,20,88,808 | 16,61,56,196 |
| (iv) Bank balances other than(iii) above | | | |
| (v) Loans | | - | - |
| (c) Other current assets | 7 | 1,90,62,889 | 2,09,33,125 |
| Total Current Assets | | 13,02,97,564 | 18,71,26,971 |
| Total Assets | | 25,26,00,539 | 26,36,71,403 |
| EQUITY AND LIABILITIES: | | | |
| EQUITY: | | | |
| (a) Equity Share capital | 8 | 23,49,21,000 | 23,49,21,000 |
| (b) Other Equity | 9 | 1,42,60,508 | 1,39,15,133 |
| Total Equity | | 24,91,81,508 | 24,88,36,133 |
| LIABILITIES: | | | |
| NON- CURRENT LIABILITIES: | | | |
| (a) Financial Liabilities | | | |
| (b) Provisions | | | |
| (c) Deferred tax liabilities (Net) | 10 | - | 793 |
| (d) Other non-current liabilities | | | |
| Total Non- Current Liabilities | | | 793 |

| | | | |
|--------------------------------------|----|---------------------|---------------------|
| CURRENT LIABILITIES: | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | - | 1,10,80,037 |
| (ii) Trade payables | 12 | 20,35,042 | 12,28,852 |
| (b) Other current liabilities | 13 | 6,10,888 | 10,48,355 |
| (c) Short-term Provisions | 14 | 7,73,100 | 14,77,234 |
| Total Current Liabilities: | | 34,19,031 | 1,48,34,478 |
| | | | |
| Total Equity and Liabilities: | | 25,26,00,539 | 26,36,71,403 |
| | | | |

Significant Accounting Policies

Notes on Financial Statements

1 to 2

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

Chetan Sharma

Director

DIN: 08204492

Date: 24.05.2019

Place: Gurgaon

Satyendra Singh Rawat

Chief Financial Officer

ACE STONE CRAFT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

| PARTICULARS | Note No | 31.03.2019 AMOUNT (RS.) | 31.03.2018 AMOUNT (RS.) |
|--|----------------|------------------------------------|------------------------------------|
| <u>Revenue</u> | | | |
| Revenue From Operations | | - | - |
| Other Income | 15 | 1,67,50,296 | 21,540,569 |
| Total Revenue | | 1,67,50,296 | 21,540,569 |
| <u>Expenses</u> | | | |
| Purchase of stock-in-trade | | - | - |
| Change in inventories | | - | - |
| Employee Benefits Expenses | 16 | 51,62,408 | 51,71,942 |
| Finance Cost | 17 | 4,96,859 | 56,43,014 |
| Depreciation | 3 | 58,540 | 5,779 |
| Other Expenses | 18 | 99,24,867 | 51,19,669 |
| Total Expenses | | 1,56,42,674 | 1,59,40,404 |
| Profit before exceptional and extraordinary items and tax | | 5,600,165 | 5,600,165 |
| Prior Period Income | | - | - |
| Exceptional items - Gain/(Loss) | | - | - |
| Profit for the year before tax | | 5,600,165 | 5,600,165 |
| Tax Expense: | | | |
| Current Income Tax | | 7,73,100 | 1,477,234 |
| Tax Expenses relating to earlier years | | | 316,752 |
| Deferred tax Charge | | (10,854) | 793 |
| Profit for the period from continuing operations | | 3,45,376 | 38,05,386 |
| Profit / (loss) from discontinued operations | | | |
| Tax expense of discontinued operations | | | |
| Net Profit for the period | | 3,45,376 | 38,05,386 |
| Other Comprehensive Income | | - | - |

| | | |
|---|----------|-----------|
| Total Other Comprehensive Income for the year/period (Loss)/earnings per equity share (for continuing operation) : | 3,45,376 | 38,05,386 |
| Basic | 0.01 | 0.16 |
| Diluted | 0.01 | 0.16 |
| (Loss)/earnings per equity share (for discontinued operation) : | | |
| Basic | | |
| Diluted | | |
| (Loss)/earnings per equity share (for discontinued & continuing operation) : | | |
| Basic | 0.01 | 0.16 |
| Diluted | 0.01 | 0.16 |

Significant Accounting Policies

Notes on Financial Statements

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

Chetan Sharma

Director

DIN: 08204492

Satyendra Singh Rawat

Chief Financial

Officer

Date: 24.05.2019

Place: Gurgaon

ACE STONE CRAFT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

| | (Amount in Rs.) | |
|---|-------------------------|-------------------------|
| | Year ended 31.3.2019 | Year ended 31.3.2018 |
| <u>Cash Flow from Operating Activities</u> | | |
| Net Profit before taxes | 11,07,622 | 56,00,165 |
| Adjustment for Deferred Revenue Expenditure | | |
| Depreciation | 58,540 | 5,779 |
| Finance Cost | 4,96,859 | 56,43,014 |
| Provision for Dividend and DDT written back | | |
| Operating Profit before Working Capital changes | 16,63,021 | 1,12,48,958 |
| <u>Adjustment for changes in Working Capital</u> | | |
| Increase/(decrease) in Trade Payables | 8,06,191 | 1,228,852 |
| Increase/(decrease) in Other current Liabilities | (4,37,467) | (1,79,551) |
| Increase/(decrease) in Short-Term Provisions | - | - |
| (Increase)/decrease in Trade Receivables | (89,41,396) | - |
| (Increase)/decrease in Inventories | | - |
| (Increase)/decrease in Loan & Advances | 3,26,31,184 | 4,98,72,091 |
| (Increase /decrease in Other Current Assets | 18,70,236 | 31,39,226 |
| Cash generated from Operating Activities | 2,75,91,769 | 6,53,09,575 |
| Taxes Paid | (14,77,234) | (37,44,968) |
| Net Cash from Operating Activities | 2,61,14,535 | 6,15,64,607 |
| <u>Cash Flow from Investing Activities</u> | | |
| Sale/(Purchase)of Fixed Assets | - | (118,105) |
| Purchase of Shares | (1,43,70,818) | - |
| <u>Cash Flow from Financing Activities</u> | | |
| Proceeds/(Repayment) of Short Term Borrowings | (1,10,80,037) | (55,870,571) |
| Finance Cost | (4,96,859) | (5,643,014) |

| | | |
|---|----------------------|----------------------|
| Net Cash from Financing Activities | (1,15,76,896) | (6,15,13,585) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 1,66,820 | (67,083) |
| Cash and Cash Equivalents as on 01st April (Opening Balance) | 37,650 | 1,04,733 |
| Cash and Cash Equivalents as on 31st March (Closing Balance) | 2,04,470 | 37,650 |
| | (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

**VIJAY BANSAL
Partner
M. No. 088744**

**Naresh Aggarwal Chetan Sharma
Director Director
DIN: 07815393 DIN: 08204492**

Date: 24.05.2019
Place: Gurgaon

**Satyendra Singh Rawat
Chief Financial Officer**

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.) |
| Shares Outstanding at 1st April 2018 | 23,492,100 | 234,921,000 |
| Shares Issued during the Year | - | - |
| Shares Bought Back during the Year | - | - |
| Shares Outstanding at 31st March 2019 | 23,492,100 | 234,921,000 |

(b) Other equity

Attributable to the equity holders of the company

| Particulars | Reserve & Surplus Amount (Rs.) |
|--|-----------------------------------|
| Opeining Balance as on 01.04.2018 | 62,48,798 |
| (+) Net Profit / (Net loss) For the current year | 3,45,376 |
| Closing Balance as on 31.03.2019 | 65,94,174 |

As per our Report of Even Date

For VBR & Associates

Chartered Accountants

Firm Registration No.: 013174N

Vijay Bansal

Partner

M.No. 088744

Date: 24.05.2019

Place: Gurgaon

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

Naresh Aggarwal
Director

DIN: 07815393

Chetan Sharma
Director

DIN: 08204492

Satyendra Singh Rawat
Chief Financial
Officer

ACE STONE CRAFT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

[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:

2.1 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, 2019, 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, 2019 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.

2.2 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 realized value.

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit 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.

l) 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 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 utilized.

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

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.

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.

n) Previous year figures are regrouped/rearranged/reclassified , wherever considered necessary to confirm to the current year presentation.

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(1)(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, 2019.

Key Managerial Personnel :

Mr. Naresh Aggarwal (Managing Director)
 Mr. Chetan Sharma (Director)
 Ms. Astha Rustagi (Company Secretary)
 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 | Period ended March 31,2019 |
|---|----------------------------|
| Net Profit for calculation of basic EPS | 3,45,376 |
| Net Profit for calculation of diluted EPS | 3,45,376 |
| Weighted average number of equity share in calculating basic EPS | 2,34,92,100 |
| Weighted average number of equity shares in calculating diluted EPS | 2,34,92,100 |
| Basic EPS | 0.01 |
| Diluted EPS | 0.01 |

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

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.

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.

For and on behalf of Board of Directors of

ACE Stone Craft Limited

Naresh Aggarwal
 Director
 DIN: 07815393

Anil Arya
 Director
 DIN: 05153603

ACE STONE CRAFT LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH , 2019

NOTE-3 Property, Plant and Equipment

| PARTICULARS | WDV Rate of Depreciation | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|----------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------|------------------|------------------|------------------|
| | | Balance as on 01.04.2018 | Addtion During the Year | Balance as on 31.03.2019 | Balance as on 01.04.2018 | For the Year | As on 31.03.2019 | As on 31.03.2019 | As on 31.03.2018 |
| Office Equipment | 39% | - 118,105 | | 118,105 | 5,779 | 58,540 | 64,319 | 53,786 | 1,12,326 |
| TOTAL (Rs.) | | - 118,105 | | 118,105 | 5,779 | 58,540 | 64,319 | 53,786 | 1,12,326 |
| PREVIOUS YEAR (Rs.) | | - | 118,105 | 118,105 | - | 5,779 | 5,779 | 1,12,326 | - |

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

Naresh Aggarwal
Director

DIN: 07815393

Anil Arya
Director

DIN: 05153603

Satyendra Singh Rawat **Astha Rustagi**
Chief Financial Officer Company
Secretary

ACE STONE CRAFT LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH,2019

| | As At 31.03.2019 <u>Amount (Rs.)</u> | As At 31.03.2018 <u>Amount (Rs.)</u> |
|--|--|--|
| <u>FINANCIAL ASSETS:</u> | | |
| <u>NOTE-4a Investments (Unquoted)</u> | | |
| Investment In Shares -Listed | 1,43,70,818.00 | - |
| | <u>1,43,70,818.00</u> | <u>-</u> |
| <u>NOTE - 4b LOANS</u> | | |
| <u>Non Current</u> | | |
| Loan & Advances to Parties | 10,75,08,309.00 | 7,60,72,105.00 |
| Security Deposit | 3,60,000.00 | 3,60,000.00 |
| | <u>10,78,68,309.00</u> | <u>7,64,32,105.00</u> |
| Total | | |
| <u>Current</u> | | |
| Loan & Advances to Parties | 10,20,88,808.00 | 16,61,56,196.00 |
| Security Deposit | | - |
| | <u>10,20,88,808.00</u> | <u>16,61,56,196.00</u> |
| Total | | |
| <u>NOTE -5 INVENTORIES</u> | | |
| Trade receivables outstanding for a period less than six month | 89,41,396.00 | |
| | <u>89,41,396.00</u> | <u>0.00</u> |
| Total | | |
| <u>NOTE -6 CASH AND CASH EQUIVALENTS</u> | | |
| a. Balance with Banks-HDFC Bank | 1,69,028.00 | 2,178.00 |
| b. Cash on hand | 35,442.00 | 35,472.00 |
| | <u>2,04,470.00</u> | <u>104,733.00</u> |
| Total | | |
| <u>NOTE - 7 OTHER CURRENT ASSETS</u> | | |
| - | | |
| Other Current Assests | | |

| | | |
|-----------------------------|-----------------------|-----------------------|
| TDS Receivable A.Y. 2019-20 | 10,79,428.00 | - |
| TDS Receivable A.Y. 2018-19 | -- | 9,47,811.00 |
| TDS Receivable A.Y. 2017-18 | 3,651,500.00 | 3651500.00 |
| ITC GST | - | 409,414.00 |
| | 47,30,928.00 | 50,08,724.00 |
| Misc Expenses: | | |
| Preliminary Expenses | 1,43,31,961.00 | 1,59,24,401.00 |
| | 1,43,31,961.00 | 1,59,24,401.00 |
| Total | 1,90,62,889.00 | 2,09,33,125.00 |

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

Naresh Aggarwal
Director
DIN: 07815393

Chetan Sharma
Director
DIN: 08204492

Satyendra Singh Rawat
Chief Financial Officer

Astha Rustagi
Company Secretary

ACE STONE CRAFT LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2019

| NOTE.8 SHARE CAPITAL | As at 31.03.2019 | | As at 31.03.2018 | |
|--------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| <u>Authorised</u> | | | | |
| Equity Shares of Rs. 10 each | 25,000,000 | 250,000,000 | 25,000,000 | 250,000,000 |
| <u>Issued</u> | | | | |
| Equity Shares of Rs. 10 each | 23,492,100 | 234,921,000 | 23,492,100 | 234,921,000 |
| <u>Subscribed and Paid up</u> | | | | |
| Equity Shares of Rs. 10 each | 23,492,100 | 234,921,000 | 23,492,100 | 234,921,000 |
| Forfieted Shares | - | - | - | - |
| | <u>23,492,100</u> | <u>234,921,000</u> | <u>23,492,100</u> | <u>234,921,000</u> |

Reconciliation of No. of Shares outstanding as at 31.03.2018 and 31.03.2019

| Particulars | Equity Shares | |
|--|----------------------|---------------------|
| | Number | Amount (Rs.) |
| Shares Outstanding at the Begining 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 | <u>23,492,100</u> | <u>234,921,000</u> |

Details of Share Holders Holding more then 5% Shares

| Name of Shareholders | As at 31.03.2019 | As at 31.03.2018 |
|-----------------------------|-------------------------|-------------------------|
| | | |

| | | | | | | |
|--------------------------------------|-----------|--------|-----------|--------|--|--|
| UPHILL BUILDWELL PRIVATE LIMITED | 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% | | |
| SHREESHANKU REALTORS PRIVATE LIMITED | 3,300,000 | 14.05% | 3,300,000 | 14.05% | | |
| REAL GAINS INFRASTRUCTURES LIMITED | 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.

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

Naresh Aggarwal
Director
DIN: 07815393

Chetan Sharma
Director
DIN: 08204492

Satyendra Singh Rawat
Chief Financial Officer

Astha Rustagi
Company Secretary

ACE STONE CRAFT LIMITED
NOTES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH,2019

| | As At 31.03.2019 Amount (Rs.) | As At 31.03.2018 Amount (Rs.) |
|---|--|--|
| NOTES -9 OTHER EQUITY | | |
| <u>SURPLUS</u> | | |
| Opening Balance | 1,39,15,132.00 | 1,01,09,746.00 |
| (+) Net Profit / (Net loss) For the current year | 3,45,376.00 | 38,05,386.00 |
| | | |
| Total | 1,42,60,508.00 | 1,39,15,132.00 |

NOTES -10 DEFERRED TAX LIABILITIES/ASSETS

The Balance Comprises
temporary differences
attributable to:
Deferred Tax Liability on
Fixed Assets

| | | |
|--|------------------|---------------|
| | | |
| | 10,062.00 | 793.00 |
| | | - |
| | | |
| | 10,062.00 | 793.00 |

NOTES -11 SHORT TERM BORROWING

Unsecured Loan

■ Globe Fincap Ltd

| | | |
|--|----------|--------------------|
| | | |
| | - | 1,10,80,037 |
| | | |
| | - | 1,10,80,037 |

NOTES -12 TRADE PAYABLE

Trade Creditors

| | | |
|--|--------------|--------------|
| | | |
| | 20,35,042.00 | 12,28,852.00 |

Totals

| | | |
|--|---------------------|---------------------|
| | | |
| | 20,35,042.00 | 12,28,852.00 |

NOTES -13 OTHER CURRENT LIABILITIES

Audit Fee Payable

| | | |
|--|-----------|-----------|
| | | |
| | 37,800.00 | 28,750.00 |

| | | |
|------------------|----------------------------|----------------------------|
| Expenses Payable | 390,551.00 | 85,039.00 |
| TDS Payable | 620,004.00 | 1,114,117.00 |
| Totals | <u>20,35,042.00</u> | <u>12,28,852.00</u> |

NOTES -14 SHORT TERM PROVISIONS

| | | |
|-------------------|---------------------------|----------------------------|
| Provision for tax | 7,73,100.00 | 14,77,234.00 |
| Totals | <u>7,73,100.00</u> | <u>14,77,234.00</u> |

NOTES -15 OTHER INCOME

| | | |
|-------------------------------|------------------------------|------------------------------|
| Dividend | 9,045.00 | 0.00 |
| Income from sale of Shares | 51,54,003.00 | 0.00 |
| Interest Income | 1,15,65,563.00 | 94,78,111.00 |
| Interest on Income Tax Refund | 21,685.00 | 62,458.00 |
| Other Income | 0.00 | 1,20,00,000.00 |
| Total | <u>1,67,50,296.00</u> | <u>2,15,40,569.00</u> |

NOTE - 16 EMPLOYEE BENEFIT EXPENSES

| | | |
|-------------------------|----------------------------|----------------------------|
| Salaries and incentives | 50,16,468.00 | 50,97,942.00 |
| Bonus | 99,500.00 | 0.00 |
| Staff Welfare | 46,440.00 | 74,000.00 |
| Total | <u>51,62,408.00</u> | <u>51,71,942.00</u> |

NOTE - 17 FINANCE COST

| | | |
|---------------|---------------------------|----------------------------|
| Interest Paid | 4,96,859.00 | 56,43,014.00 |
| Total | <u>4,96,859.00</u> | <u>56,43,014.00</u> |

NOTES :-18 OTHER EXPENSES

| | | |
|--------------------------------|-------------|-------------|
| Advertisement | 1,31,453.00 | 1,08,859.00 |
| Audit fee | 57,000.00 | 41,300 |
| AGM Expenses | 22,199.00 | - |
| Bank Charges | 5,839.00 | - |
| Brokerage & Commission Charges | - | 1,14,000 |
| Business Promotion Charges | 1,00,000.00 | - |

| | | |
|-----------------------------|------------------|---------------------|
| Travelling & Conveyance Exp | 3,60,719.00 | 4,70,798.00 |
| CSDL & NSDL Fee | 1,58,363.00 | 2,28,616.00 |
| Donation | 5,000.00 | 2,75,000.00 |
| Electricity Expenses | 5,54,191.00 | 51,173.00 |
| Interest on income tax | 23,671.00 | 2,248.00 |
| GST Input W/off | 5,86,583.00 | - |
| Listing Fee | 16,98,640.00 | 40,250.00 |
| Legal & Professional Exp. | 13,13,242.00 | 14,71,497.00 |
| Office Rent | 42,65,520.00 | 19,41,000.00 |
| Postage & Courier | 4,82,544.00 | 2,28,515.00 |
| Printing and stationary | 6,870.00 | 2,400.00 |
| ROC & GST Filing Fee | 25,089.00 | 97,313.00 |
| Repair & Maintainance | 25,400.00 | 42,000.00 |
| Secretarial Audit Fee | 0.00 | 5000.00 |
| STT & DP Charges | 38,300.00 | 0.00 |
| Short & Excess | 20,116 | -300.12 |
| Survey Charges | 42,643 | 0.00 |
| Telephone Exp. | 1,486 | 0 |
| Total | 99,24,867 | 5,119,669.06 |

Significant Accounting Policies

Notes on Financial Statements 1to2

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

Chetan Sharma
DIRECTOR
DIN: 08204492

Date: 24.05.2019

Satyendra Singh Rawat **Astha Rustagi**
Chief Financial Officer Company
Secretary

Place: Gurgaon

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of **ACE STONE CRAFT LIMITED (“THE COMPANY”)** will be held on Monday, the 30th day of September, 2019 at 10:00 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 receive consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Shiv Shankar Singhal (DIN: 07177451), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for Re- Appointment.
3. To ratify the 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of **M/S. VBR & Chartered Accountants**, (Firm Registration No. 013174N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year **2020.**”

**CERTIFIED TRUE COPY
FOR AND ON BEHALF OF BOARD OF DIRECTORS OF
ACE STONE CRAFT LIMITED**

SD/-

NARESH AGGARWAL

Managing Director

DIN: 07815393

Address: 802, The Manmeet Society
Plot No. GH-3, Near Artemis Hospital,
Sector-51, Gurgaon – 122002 Haryana

Date : 12.08.2019

Place : Gurgaon

NOTES:

- 1. 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.THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING. BLANK PROXY FORM IS ATTACHED.**

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.

2. Attendance slip and the Route map of the venue of the meeting (including prominent mark) is annexed to the notice.
3. **“MAS SERVICES LIMITED”**[“MAS” or “RTA”], having its office at T-34, IIInd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 is the Registrar & Share Transfer Agent of the Company. The contact details of MAS are as follows: Phone No: 011-26387281-83; Fax No: 011-26387384; e-mail: info@masserv.com ; Website: www.masservices.com; Contact Person: Mr. Sharwan Mangla. MAS is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
4. 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.
5. 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.
6. 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”).

7. 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.
8. Members desirous of obtaining any information/ clarification(s), intending to raise any query concerning the financial statements and operations of the Company, are requested to forward the same at least 7 days prior to the date of the meeting to the Company Secretary at the Registered Office/ Corporate Office of the Company, so that the same may be attended to appropriately.
9. 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.
10. 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.
11. The Company has notified closure of Register of Members and Share Transfer Books from 22nd September, 2019 to 30th September 2019 (both days inclusive) for the purpose of the Annual General Meeting.
12. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
13. 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.
14. Non-Resident Indian Members are requested to inform MAS, immediately of:
 - a.) Change in their residential status on return to India for permanent settlement.
 - b.) 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.
15. **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.**

16. 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.
17. 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.

Certified True Copy
For and on behalf of Board of Directors of
ACE STONE CRAFT LIMITED

SD/-
NARESH AGGARWAL
Managing Director
DIN: 07815393

Date: 12th August, 2019
Place: Gurugram

Address: 802, The Manmeet Society
Plot No. GH-3, Near Artemis Hospital,
Sector-51, Gurgaon – 122002 Haryana

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 27th 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 on e-Voting system.

The Notice of the 27th 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 27th September, 2019 and ends at 5:00 pm on 29th September, 2019. 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. Gautam Kumar, 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 23rd, 2019**. 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 23rd, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contactus@acestonecraft.com/ 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:

1. 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.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. 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
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
7. Select “EVEN” of (Ace Stone Craft Limited). Members can cast their vote online from 27th September, 2019 (09:00 A.M.) till 29th September, 2019 (5:00 P.M.).

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

8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. 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 with a copy marked to 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.

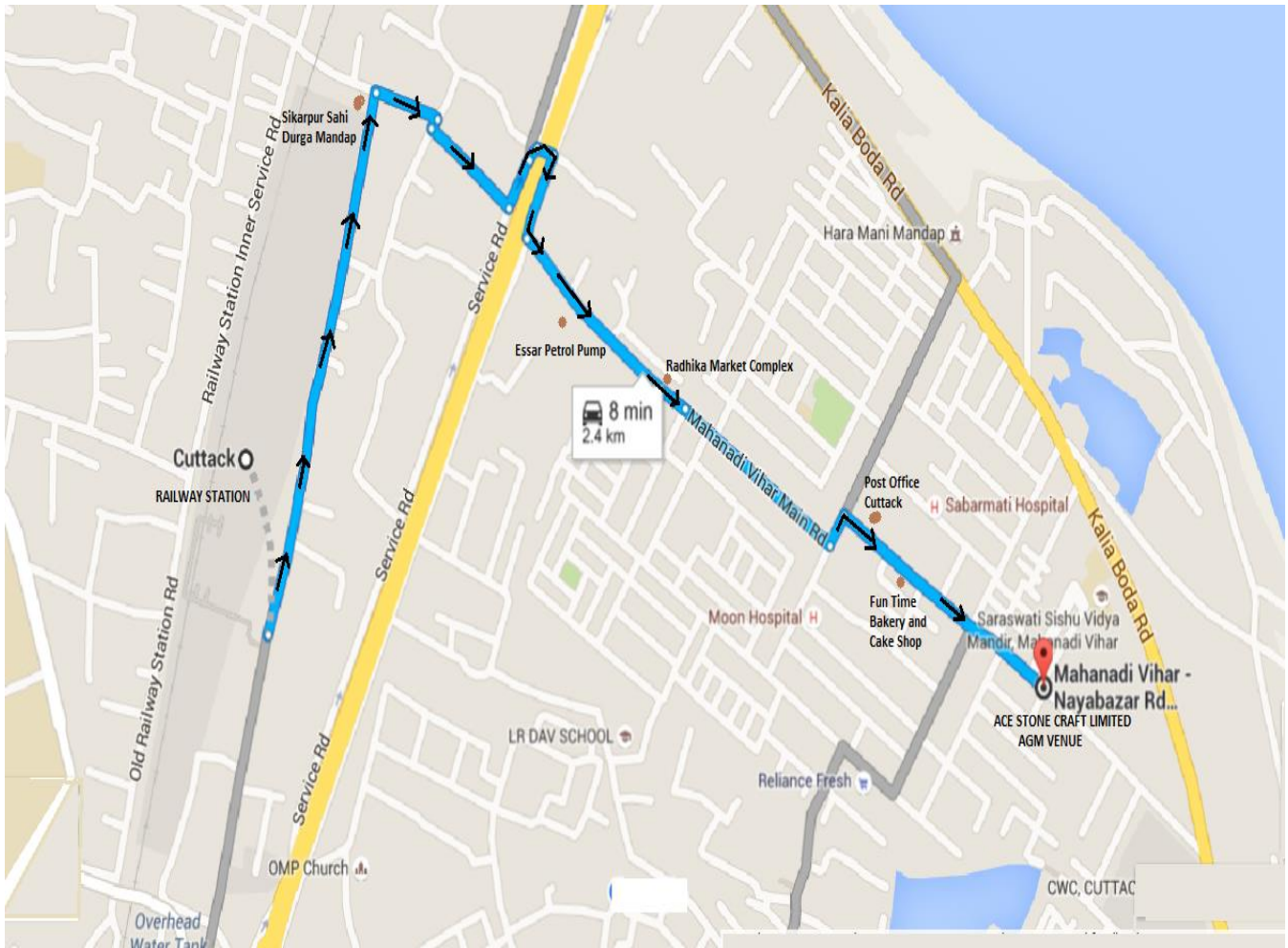
Other information:

- Login to e-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 for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-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)

Route Map to the Venue of the 27th 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 Website: 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 27th Annual General Meeting of the Company held on Monday, 30th September, 2019 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 10.00 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.

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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:Signature:;or failing him

3. Name:.....

Address:

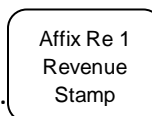
E-mail Id:Signature:.....

As my / our proxy attend and vote (on a poll) for me / us and on my / our behalf at the 27th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 10:00 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. Shiv Shankar Singhal (DIN: 07177451) as a director of the Company, liable to retire by rotation. | | |
| 3. | Appointment of Auditors and fixing their remuneration. | | |

Signed this day of 2019.

Signature of shareholder.....



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

Note:

- 1) Please complete all the details including details of member(s) in the above Box before submission.
- 2) 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.
- 3) **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.**
- 4) 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.