

ACE STONE CRAFT LIMITED

25TH ANNUAL REPORT
2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Anil Arya
Non-Executive Independent Director

Mr. Jatin Garg
Executive Director

Ms. Seema Malhotra
Non-Executive Independent Director

Mr. Shiv Shankar Singhal
Non-Executive Independent Director

Mr. Naresh Aggarwal
Additional Executive Director

COMPANY SECRETARY

Ms. Ishu Kamboj

CHIEF FINANCIAL OFFICER

Mr. Satyendra Singh Rawat

AUDITORS

VBR & Associates
Chartered Accountants

REGISTERED OFFICE:

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

CORPORATE OFFICE:

3rd Floor, Plot No. B-103, South
City- I, Gurugram, Haryana- 122001

Telephone: +91 - 011 - 47055534

Website:www.acestonecraft.com

Email id:contactus@acestonecraft.com

BANKERS:

HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

MAS SERVICES LIMITED

T-34, IInd Floor, Okhla Industrial
Area, Phase-II, New Delhi-110020

Phone No.: +91-11-26387281 82

E-mail: info@masserv.com

COMMITTEES OF THE BOARD:

1. AUDIT COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

2. NOMINATION AND REMUNERATION COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

4. RISK COMMITTEE:

S. No.	Name	Category
1.	Jatin Garg	Executive Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

ANNUAL REPORT 2016-17

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DIRECTORS' 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 25th Annual Report together with the Audited Financial Statement for the Financial Year ended March 31, 2017.

1. FINANCIAL PERFORMANCE:

The salient features of Company's Financial Results for the year ended March 31, 2017 under review are as follows:

(Amount in Rs.)		
Particulars	2016-17	2015-16
Other Income	21,544,962	13,469,990
Total Income	21,544,962	13,469,990
Finance Cost	74,76,659	11,838,402
Employee benefits expense	13,04,015	490,499
Other Expenses	16,69,468	832,554
Total Expenses	10,450,142	13,161,454
Profit/ (Loss) before Tax	11,094,550	308,536
Current Tax	34,28,216	95,337
Deferred Tax	0	0
Dividend Distribution Tax	2,53,790	0
Profit/Loss after Tax	74,12,544	2,13,198
Earning per Equity Share	0.31	0.01

2. 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, 2017 is Rs. 21,544,962 which has been increased as compared to last year total Income for an amount of Rs. 13,469,990. Moreover, the profit before tax for the Financial Year ended on 31st March, 2017 amounted to Rs. 11,094,550 as compared to Rs. 308,536 earned in FY 2015-16. The Performance of the Company is expected to be more improved in the coming years.

3. DIVIDEND:

The Board of Directors of the Company proposed dividend for FY 2016-17 for which calculations are shown in Balance Sheet but no amount was finalized for declaring dividend to shareholders for the Financial Year 2016-17.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :

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

5. DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during the Financial Year 2016-17 under review.

6. TRANSFER TO RESERVES:

During the year under review, the Company has transferred an amount of Rs. 62,37,939 to General Reserves of the Company.

7. 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 2016-17 is Rs. 23,49,21,000/- (Rupees Twenty Three Crore Forty Nine Lacs Twenty One Thousand Only) which is same as it was at the end of the Financial Year 2015-16. 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 2016-17.

B) Issue of sweat equity shares:

The Company has not issued sweat equity shares during the FY 2016-17.

C) Issue of employee stock options:

The Company has not issued employee stock options during the FY 2016-17.

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 2016-17.

8. CORPORATE GOVERNANCE :

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

Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 15 is attached to the Corporate Governance Report.

9. **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.	06871101	JatinGarg	Executive Director
3.	07143078	Seema Malhotra	Non- Executive Director
4.	07177451	Shiv Shankar Singhal	Non- Executive Director
5.	07815393	Naresh Aggarwal	Additional Executive Director

Mr. Naresh Aggarwal was appointed as an Additional Executive Director (Managing Director) w.e.f. May 29, 2017 and he shall hold office upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from him proposing his candidature for appointment as Managing Director of the Company, liable to retire by rotation for a term upto 5 (five) consecutive years upto May 28, 2022.

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

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

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

APPOINTMENTS ON THE BOARD:

- Mr. Rakesh Kumar Singal was appointed as Additional Director of the Company w.e.f. 02nd April, 2016;
- Mr. Shiv Shankar Singhal was appointed as Additional Director of the Company w.e.f. 26th May, 2016 and his appointment was further regularized at the 24th AGM the Company as Non- Executive Independent Director of the Company ;

RESIGNATIONS FROM THE BOARD:

- Mr. SourabhGoyal resigned from the directorship of the Company w.e.f. 02nd April, 2016;
- Mr. Rakesh Kumar Singal resigned from the directorship of the Company w.e.f. 26th May, 2016;
- Mr. Amit Jindal resigned from the directorship of the Company w.e.f. 12th August, 2016;
- Mr. Sandeep Kumar resigned from the directorship of the Company w.e.f. 01st June, 2017.

The Company has formulated a policy on performance evaluation of the Independent Directors, Board and its Committees and other individual Directors which shall be based on, inter alia, criteria like attendance,

effective participation, domain knowledge, access to management outside Board Meetings and compliance with the Code of Conduct, vision and strategy and benchmark to global peers.

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

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

10. 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>

11. KEY MANAGERIAL PERSONNEL:

Ms. Geetanjali Sharma Company Secretary of the Company ceased to be the Company Secretary of the Company with effect from 30th September, 2016 and Ms. Pallavi Sahni was appointed as the Company Secretary & Compliance Officer of the Company with effect from 13th October, 2016, who resigned from the post on 29th May, 2017. Afterwards, Ms. Ishu Kamboj was appointed as Company Secretary of the Company with effect from 31st May, 2017.

On 29th May, 2017, Mr. Naresh Aggarwal was appointed as Additional Managing Director of the Company, whose appointment is to be regularized at the Ensuing 25th Annual General Meeting of the Company. Your Board has recommended his regularization.

Further Mr. Kamal Kumar, Manager of the Company resigned from the post of Manager of the Company w.e.f. from 14th August, 2017, due to his personal reasons.

12. 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.

13. 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.

14. MATERIAL CHANGES AND COMMITMENTS:

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

report.

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

Also the Corporate Office of the Company is shifted to Third Floor, Plot No. B-103, South City I, Gurugram, Haryana- 122001 w.e.f. 18th day of August, 2017

15. NUMBER OF MEETINGS OF THE BOARD:

For the Financial Year ended on March 31, 2017, 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.

16. COMMITTEES:

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

I. AUDIT COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

II. NOMINATION & REMUNERATION COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

S. No.	Name	Category
1.	Shiv Shankar Singhal	Independent Director
2.	Seema Malhotra	Independent Director
3.	Anil Arya	Independent Director

IV. RISK MANAGEMENT COMMITTEE:

S. No.	Name	Category
1	JatinGarg	Executive Director
2	Seema Malhotra	Independent Director
3	Anil Arya	Independent Director

17. 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.

18. 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, 2017, 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, 2017 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, 2017 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.

19. 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.

20. 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>.

21. 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>

22. 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.

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

The details of Loans given, Investments made, Guarantees given and Securities provided by the Company are given in **Note Number 11** to the Financial Statement.

24. EXTRACT OF ANNUAL RETURN:

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

25. AUDITOR & AUDITOR'S REPORT:

M/s.VBR& Associates Chartered Accountants were appointed as Auditors of the Company for a period of 3 years at the 23rd Annual General Meeting held on July 24, 2015 and the appointment was subject to ratification at each Annual General Meeting. The Company has received confirmation from them to the effect that their ratification of appointment is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for holding the office of the Auditors. Accordingly, the Board recommends ratification of their appointment as Statutory Auditors of the Company by the members.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.



26. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed **M/s. Jain Akshi and Associates, Company Secretaries**, to conduct the Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year ended on March 31, 2017, 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.

27. INTERNAL AUDITOR:

The Company has appointed **M/s. Yashwant Gupta & Associates, Practicing Company Secretary**, as an Internal Auditor of the Company for the for the Financial Year 2016-17 to conduct Internal Audit on a quarterly basis.

28. PARTICULARS OF EMPLOYEE AND MANAGERIAL REMUNERATION:

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

However, for the purpose of ease, the Board of Directors of your Company proposes to pass a Special Resolution for approving the amount of remuneration paid to Mr. Naresh Aggarwal, Additional Managing Director of the Company after receiving the approval from Central Government as required under first proviso of Section 197 of the Companies Act, 2013 read with Rules 5 (1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

- I.** The Ratio of Remuneration of each Director to the Median Employees Remuneration of the Company for the financial year 2015-2016 is as follows:

No remuneration has been paid to any director in the Financial Year 2016-17.

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

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

- III.** The percentage increase in the median remuneration of employees in the Financial Year 2016-17:

There has been an increase of 11% in percentage of median remuneration paid to employees in the Financial Year 2016-17 as compared to Financial Year 2015-16 .

- IV.** the number of permanent employees on the rolls of company:

The numbers of permanent employees on the rolls of the Company are 11.

- V. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

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

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

The Directors of the Company confirm that the remuneration in the Financial Year 2016-17 has been paid according to the remuneration policy of the Company.

30. RISK MANAGEMENT POLICY:

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

31. POLICIES:

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

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

32. 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.

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

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

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

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

34. 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.

35. ACKNOWLEDGMENT:

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

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

Naresh Aggarwal

Add. Director

DIN:05153603

Address: 802, TheManmeet Society,
Plot No. Gh- 3 Near Artemis
Hospital, Sector- 51, Delhi 110087

JatinGarg

Director

DIN:06871101

Address:B-6/10,Mianwali
Nagar,Rohtak Road,
Gurgaon 122002

Place: New Delhi

Date: 19.08.2017

Telephone: +91 - 011 - 47055534

Website:www.acestonecraft.com

Email id:contactus@acestonecraft.com

ANNEXURE – I**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES & THREATS:**

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

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

OPPORTUNITIES:

The overall assessment of demand and market potential, projected on the basis of past trends and industry expectations, is expected to grow by more than 10%. Domestic consumption of fabric and textile products is increasing due to growing corporate salaries, earning capacity of individuals. India is home to 17% of world

population. It is also one of the youngest countries in the world, with over 65% population below the age of 35 years.

In India, there are more than 30 crore middle class people with higher disposable income. The number is expected to be doubled in next 2 years, which will bring increasing demand for various consumer products by this segment of population.

THREATS:

Due to global meltdown, the consumers in the west have reduced their consumption of textile materials. The

growing awareness about ecological factor has impacted exports from developing countries due to use of polluting dyes and environment damaging manufacturing practices. The availability of cheap labour in Bangladesh and Vietnam is also contributing to decline in exports of fabrics from India.

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

SEGMENTWISE or PRODUCT-WISE PERFORMANCE:

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

FUTURE OUTLOOK:

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

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

STRENGTHS:

Your company was one of the largest export houses to USSR before division of Soviet Union into number of small countries. In the coming years, we plan to start marketing of Indian goods in these countries. We do not foresee any difficulty in pushing the company's merchandise in these markets. We had a customer base in these markets for Indian products. We can leverage our capacities to procure products for these markets and other countries also.

RISK AND CONCERNS:

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

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

HUMAN RESOURCES:

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

INTERNAL CONTROL SYSTEM AND ADEQUACIES:

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

FORWARD LOOKING STATEMENT:

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

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

For Ace Stone Craft Limited

Jatin Garg
Director

Telephone: +91 - 011 - 47055534

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ANNEXURE – II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2017

(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, PinCode:753004 Ph No: 011 - 47055555 E-mail: contactus@acestonecraft.com
vi)	Address of the Corporate Office	Third Floor, B-103, South City- I, Gurugram, Haryana-122001
vi)	Whether Listed Company	Yes MetroPolitan Stock Exchange of India Limited vide Circular MSEI/LIST/5066/2017 from 11 th April, 2017
vii)	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	NIC Code of the	% to total turnover of the
-------	------------------------------	-----------------	----------------------------

	products / services	Product/Service	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	11416700	1200	11417900	48.60	12216700	1200	12217900	52.01	3.41
Overseas	0	0	0	0	0	0	0	0	0
b) Individuals:									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	378200	1217100	1595300	6.79	385000	1214900	1599900	6.80	0.01
ii .Individual shareholders	4860000	2170500	7030500	29.92	4060000	2166000	6226000	26.51	(3.42)

holding nominal share capital in excess of Rs. 1 lakh									
Any other (specify)									
Non-resident Indian./OCB	43200	4000	47200	0.20	41500	5500	47000	0.20	(0.00)
Clearing Member	700	0	700	0.00	800	0	800	0	0
Sub Total (B)(2)	16698800	3392800	20091600	85.51	16704000	3387600	20091600	85.52	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	16698800	3392800	20091600	85.51	16704000	3388100	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)	20099300	3392800	23492100	100	20104500	3387600	23492100	100	0

As per the records maintained by Company for FY 2016-17 and RTA, there was a transfer of 800000 shares from the following 4 shareholders in Demat Form to DH Garments Pvt Ltd on 17th day of February, 2017:

- i. Anil Gupta transferred 200000 shares on 17th day of February, 2017 to DH Garments Pvt Ltd;
- ii. Anil Kumar Gupta HUF transferred 200000 shares on 17th day of February, 2017 to DH Garments Pvt Ltd;
- iii. Lalit Kumar Gupta transferred 200000 shares on 17th day of February, 2017 to DH Garments Pvt. Ltd;
- iv. Prabha Rani Gupta transferred 200000 shares on 17th day of February, 2017 to DH Garments Pvt. Ltd

(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 Shareholder s(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):	-	-	3300000	14.04
	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):	-	-	3275000	13.94
	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):	-	-	3220000	13.70
	At the End of the year(or on the date of separation, if separated during the year)	3220000	13.70	3220000	13.70

4.	Suman Aggarwal				
	At the beginning of the year	1142800	4.86	1142800	4.86
		700 shares	0	1142100	4.86
	Date wise Increase/ Decrease in	30.06.2016			

	Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	1800 shares 31.12.2016	0.01	1140300	4.85
	At the End of the year(or on the date of separation, if separated during the year)	1140300	4.85	1140300	4.85
5.	VrindavanBuildwell Private Limited				
	At the beginning of the year	1100000	4.68	1100000	4.68
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	1100000	4.68
	At the End of the year(or on the date of separation, if separated during the year)	1100000	4.68	1100000	4.68
6.	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):	-	-	1100000	4.68
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25
7.	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):	-	-	1000000	4.25
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25

	year)				
8.	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):	-	-	1000000	4.25
	At the End of the year(or on the date of separation, if separated during the year)	1000000	4.25	1000000	4.25
9.	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):	-	-	950000	4.04
	At the End of the year(or on the date of separation, if separated during the year)	950000	4.04	950000	4.04
10.	DH Garments Private Limited				
	At the beginning of the year	0	0	0	0
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	800000 17 th February, 2017 Purchased 2lakh shares each from 4 shareholders	3.41	800000	3.41
	At the End of the year(or on the date of separation, if separated during the year)	800000	3.41	800000	3.41

(v)Shareholding of Directors and Key Managerial Personnel:

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. Kamal Kumar Manager		---	----	
1	Gross salary	86,000	-	-	-	86,000
	(a) Salary as per provisions contained in section17(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)	86,000		-	-	86,000

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				
		CEO	Company Secretary		CFO	Total
			Ms. Geeta njali Sharma	Ms. Pallavi Sahni		
1	Gross salary		1,30,333	114517	171065	415915
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify	-	-	-	-	-
5	Others ,please specify	-	-	-	-	-
	Total (A)	-	1,30,333	114517	171065	415915

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	-	133,470,441	-	133,470,441
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	133,470,441	0	133,470,441
Change in Indebtedness during the financial year				
• Addition	-	31,550,000	-	31,550,000
• Reduction	-	(98,069,833)	-	(98,069,833)
Net Change	0	(66,519,833)	0	(66,519,833)
Indebtedness at the end of the financial year				
i) Principal Amount	-	66,950,608	-	66,950,608
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	66,950,608	0	66,950,608

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compound ing fees imposed	Authority (RD/NCL T/ Court)	Appeal made (if any)
A. Company					
Penalty	NONE				
Punishment					
Compounding					
B. Directors					
Penalty	NONE				
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	NONE				
Punishment					
Compounding					

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

Naresh Aggarwal
Add. Director
DIN:05153603
Address: 802, TheManmeet Society,
Plot No. Gh- 3 Near Artemis
Hospital, Sector- 51, Delhi 110087

JatinGarg
Director
DIN:06871101
Address:B-6/10,Mianwali
Nagar,Rohtak Road,
Gurgaon 122002

Place: New Delhi
Date: 19.08.2017

Telephone: +91 - 011 - 47055534
Website: www.acestonecraft.com
Email id: contactus@acestonecraft.com

ANNEXURE – III**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on March 31, 2017

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

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

CIN: L26994OR1992PLC003022

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ACE STONE CRAFT LIMITED** (hereinafter referred as “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management’s Responsibility for Secretarial Compliances:

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

Auditor’s Responsibility:

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

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

Opinion:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 and made available to us, according to the provisions of:

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

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion, the Company has during the financial year ended 31st March 2017 complied with the aforesaid laws. Material compliances are listed in the Annexure to this report.

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

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

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

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

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

For Jain Akshi and Associates
Company Secretaries

Akshi Jain
Proprietor

ACS: 32912
CP: 12109

Place: Delhi
Date: 19.08.2017

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 2016;
22. Closure of Register of Members;

For Jain Akshi and Associates
Company Secretaries

Akshi Jain
Proprietor
ACS: 32912
CP: 12109

Place: Delhi
Date: 19.08.2017

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
- Familiarizations 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. Seema Malhotra
	Mr. Shiv Shankar Singhal
Executive Directors	Mr. JatinGarg
	Mr. Naresh Aggarwal ⁵

1. Mr. Sandeep Kumar resigned from the directorship of the Company w.e.f. 01st June, 2017;
2. Mr. Amit Jindal resigned from the directorship of the Company w.e.f. 12th August, 2016;
3. Mr. Saurabh Goyal resigned from the directorship of the Company w.e.f. 02nd April, 2016;
4. Mr. Rakesh Singal resigned from the directorship of the Company w.e.f. 26th day of May, 2016;
5. Mr. Naresh Aggarwal was appointed as Additional Director w.e.f. May 29, 2017.

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 2016- 17.

Mr. Jatin Garg
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. JatinGarg (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. JatinGarg 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.

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

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

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

He has resigned from the directorship of the Company w.e.f. 01st June, 2017.

- (d) **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.

- (e) **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.

- (f) **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.

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. Naresh Aggarwal	NA	NA

3. NUMBER OF BOARD MEETINGS HELD WITH DATES:

Eight 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
02 nd April, 2016	6	3
26 th May, 2016	6	3
30 th June, 2016	6	5
12 th August, 2016	6	4
30 th September, 2016	5	5
13 th October, 2016	5	4
11 th November, 2016	5	4
09 th February, 2017	5	5

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

Name of the Director	Attendance at meetings during 2016-17		No of Other Directorship(s)*	No. of Membership(s)/Chairmanship(s) of Board Committees in other Companies [#]
	Board Meetings	Last AGM		
Mr. Sandeep Kumar	4	No	NIL	NIL
Ms. Seema Malhotra	7	No	NIL	NIL
Mr. Shiv Shankar Singhal	6	No	NIL	NIL
Mr. Anil Arya	8	Yes	1	NIL
Mr. Jatin Garg	8	Yes	2	NIL
Mr. Saurabh Goyal ¹	1	No	NIL	NIL
Mr. Amit Jindal ²	1	No	NIL	NIL
Mr. Rakesh Singal ³	1	No	1	Director

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

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

1. Mr. Saurabh Goyal ceased to be Director of the Company w.e.f. April 02, 2016;
2. Mr. Amit Jindal resigned from the directorship of the Company w.e.f. 12th day of August, 2016;
3. Mr. Rakesh Singal resigned from the directorship of the Company on 26th day of May, 2016.

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. Seema Malhotra	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. Seema Malhotra	Independent Director	Member

III. STAKERHOLDERS' RELATIONSHIP COMMITTEE:

S.No	Name	Category	Designation
1.	Ms. Seema Malhotra	Independent Director	Chairman
2.	Mr. Shiv Shankar Singhal	Independent Director	Member
3.	Mr. Anil Arya	Independent Director	Member

IV. RISK MANAGEMENT COMMITTEE:

S.No	Name	Category	Designation
1.	Mr. JatinGarg	Executive Director	Chairman
2.	Ms. Seema Malhotra	Independent Director	Member
3.	Mr. Anil Arya	Independent Director	Member

Ms. Ishu Kamboj, Company Secretary and Compliance Officer is the Secretary to all Board Committees constituted under the Companies Act, 1956/Companies Act, 2013.

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

Board Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee
Meetings held	5	8	2	2
Director's attendance				
Mr. Sandeep Kumar	5	7	N.M.	2
Ms. Seema Malhotra	5	N.M.	N.M.	N.M.
Mr. Shiv Shankar Singhal	N.M.	5	2	2
Mr. Anil Arya	5	8	2	2
Mr. JatinGarg	N.M.	N.M.	1	N.M.

1. Mr. SaurabhGoyal ceased to be Director of the Company w.e.f. April 02, 2016;
2. Mr. Amit Jindal resigned from the directorship of the Company w.e.f. 12th day of August, 2016;
3. Mr. Rakesh Singal resigned from the directorship of the Company on 26th day of May, 2016.

N.M. - Not a member of the Committee

N.A. - Not attended

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
Mr. Anil Arya	Independent Director

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

Date of Audit Committee Meetings:

- i. 26th May, 2016;
- ii. 30th June, 2016;
- iii. 12th August, 2016
- iv. 10th November, 2016;
- v. 09th February, 2016.

Further, the Meeting of Independent Directors of the Company in compliance to Schedule IV of the Companies Act, 2013 held on 08th March, 2017.

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 Eight meetings of Committee were held.

The Composition of the Committee is given below:

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

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

Date of Nomination & Remuneration Committee Meetings:

- i. 02nd April, 2016;
- ii. 26th May, 2016;
- iii. 30th June, 2016;
- iv. 12th August, 2016;
- v. 30th September, 2016;
- vi. 13th October, 2016;
- vii. 10th November, 2016;
- viii. 09th February, 2017.

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 2016-17.

Remuneration of Non-executive Directors:

No remuneration/sitting fees have been paid to any director during the Financial Year 2016-17.

(c) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Composition of the Committee is given below:

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

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

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

Date of Stakeholder Relationship Committee Meetings:

- i. 30th June, 2016
- ii. 10th November, 2016

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 Redressal

The Company received no complaints during the year under review. There were no outstanding complaints as on March 31, 2017.

All the complaints were promptly resolved and there was no outstanding complaint as on March 31, 2017.

Compliance Officer: Ms. Ishu Kamboj is the Compliance officer for complying with requirements of Securities Laws and Listing Regulations of SEBI.

(d) RISK MANAGEMENT COMMITTEE:

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

The Composition of the Committee is given below:

Mr. Jatin Garg	Executive Director
Ms. Seema Malhotra	Independent Director
Mr. Anil Arya	Independent Director

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

Details of Risk Committee Meetings:

- i. 30th June, 2016
- ii. 10th November, 2016

Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management plan and policy
- Overseeing implementation of Risk Management Plan and Policy.
- Monitoring of Risk Management Plan and Policy.
- Validating the process for risk management and risk minimization.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continuing obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its aforesaid function.

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
2014	16 th September, 2014 5.45	C/o Mr. Jugal Kishore Moda,	Ordinary Resolution: 06

	P.M (Tuesday)	Sanjay Textile, NayaSarak, Infront of Day Night Medical, Cuttack, Orissa-753012	Special Resolution: 00
2015	24 th July, 2015 10.00 A.M. (Friday)	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa- 753004	Ordinary Resolution: 03 Special Resolution: 00
2016	05 th August, 2016 10.00 A.M. (Friday)	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa- 753004	Ordinary Resolution: 03 Special Resolution: 05

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.

III. The Company has complied with the mandatory requirements of the Listing Regulations.

IV. 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	01.00 P.M.
Venue	Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004
Day and date	Monday, September 18 th , 2017

Financial Year:

April 1, 2016 to March 31, 2017

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 2016-17 within the stipulated time period.

Financial Calendar: [tentative]

Tentative Calendars for declaration of results for the Financial Year 2016-17 is given below:

Results for the quarter ending	Date of Declaration (on or before)
June 30, 2016	August 14, 2016
September 30, 2016	November 14, 2016
December 31, 2016	February 14, 2017
March 31, 2017	Unaudited Financials for the last quarter on or before May 15, 2017 and Audited Annual Financial for the FY 2016-17 on or before May 30, 2017
Annual General Meeting	September 30, 2017

Dates of Book Closure: The share transfer books and register of members of the Company shall remain closed from **12th September, 2017 to 18th September, 2017** (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. 9.45.

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). **85.58 %** of the total issued capital of the Company is held in dematerialized form.

Compliance Officer: Ms. Ishu Kamboj is the Compliance officer for complying with requirements of Securities Laws and Listing Regulations of SEBI.

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:

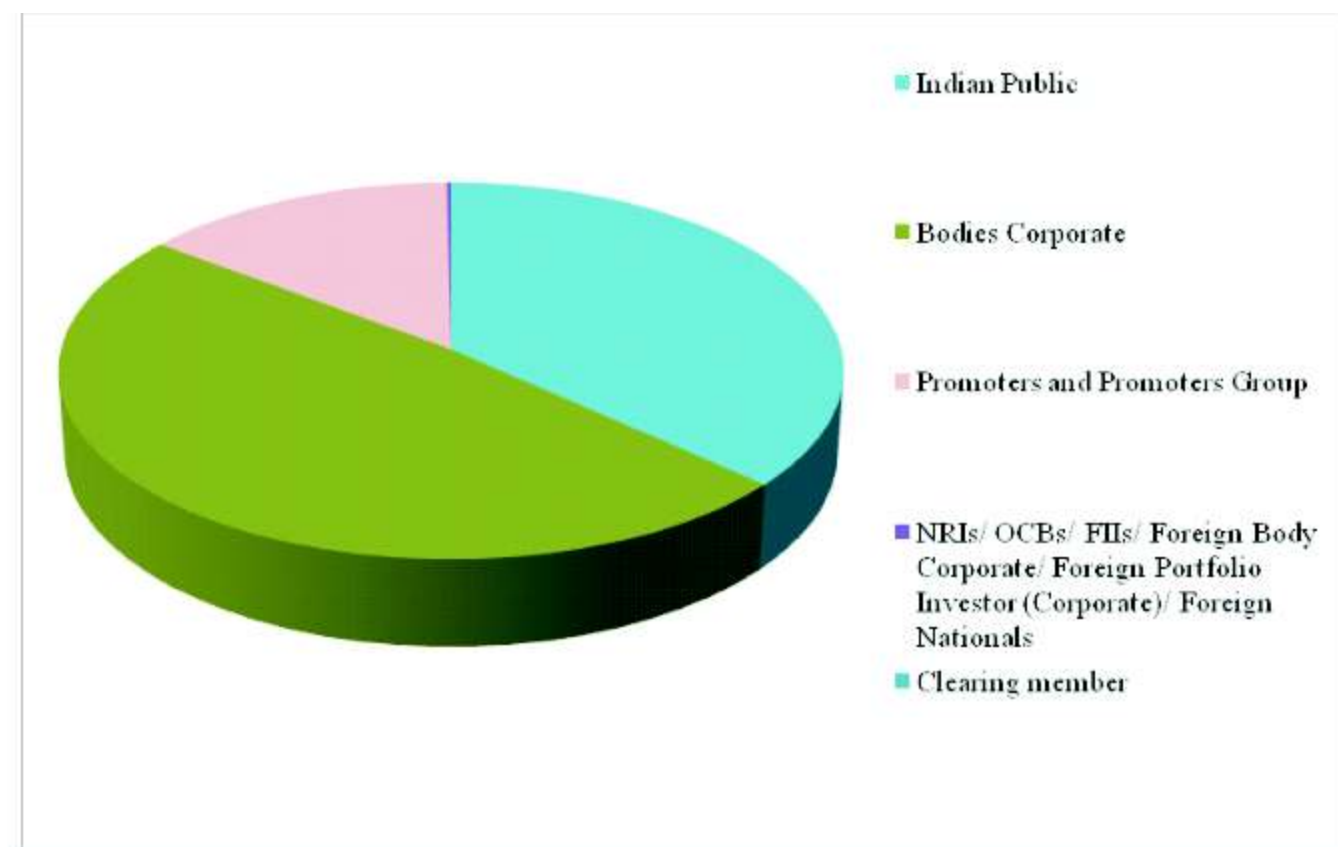
Share transfers in physical form are registered and returned within the stipulated time, if documents are complete in all respects.

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 31.03.2017	20104500
Total No. of Shares in physical form	3387600
Total No. of shares transferred in physical form During 2016-2017	2600
Number of Shares pending / Rejection for Transfer as on March 31, 2017	NIL

Distribution of shareholding as on March 31, 2017:

S.No.	Category	No. of Equity shareholders	No. of Equity shares	%age
1.	Indian Public	13106	7825900	33.32
2.	Bodies Corporate	20	12217900	52.00
3.	Promoters and Promoters Group	1	3400500	14.48
4.	NRIs/ OCBs/ FIIs/ Foreign Body Corporate/ Foreign Portfolio Investor (Corporate)/ Foreign Nationals	70	47000	0.20
5.	Clearing member	3	800	0.00
6.	Trusts	0	0	0
7.	Central Government/ State Government(s) Institutions	0	0	0
	Total	13200	23492100	100

Graphic presentation of the Shareholding Pattern as on March 31, 2017



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 - 011 - 47055534

Compliance Officer
Ms. IshuKamboj
 03rd Floor, Plot No. B- 103,
 South City-I, Gurugram,
 Haryana-122001
 Tel: +91 - 011 - 47055534

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, 2017, 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 2016-17.

For Jain Akshi and Associates
Company Secretaries

Akshi Jain
Proprietor
ACS: 32912
CP: 12109

Place: Delhi
Date: 19.08.2017

CEO AND CFO CERTIFICATION

The Board of Directors
Ace Stone Craft Limited

Dear members of the Board,

We, Naresh Aggarwal, Additional 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 violative 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: New Delhi
Date: 19th August, 2017

Naresh Aggarwal
Add. Managing Director

Satyendra Singh Rawat
Chief Financial Officer

Telephone: +91 - 011 - 47055534
Website: www.acestonecraft.com
Email id: contactus@acestonecraft.com

INDEPENDENT AUDITOR'S REPORT**To****Members of
ACE STONE CRAFT LIMITED**
New Delhi.**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying Standalone Financial Statements of **ACE STONE CRAFT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

1. Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
3. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

Opinion:

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure A**; a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. **As required by Section 143(3) of the Act, we report that:**
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has no pending litigations.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 18 financial statements.

For VBR & Associates

Chartered Accountants

(Vijay Bansal)

Partner

Membership No. 88744

Firm's Registration No. 013174N

Place: Delhi

Date: 29.05.2017

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended March 31, 2017, we report that:

(i) Reporting on Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company do not have any immovable properties.

(ii) Reporting on Inventories:

- (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) Reporting on Loans & Advances u/s 189 of Companies Act, 2013:

The Company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. and with respect to the same:

- (a) The principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, receipt of the principal amount is regular; and
 - (b) There is no overdue amount in respect of loans granted to such companies, firms or other parties.
- (iv) The Company has complied provisions of Section 185 and 186 of the Companies Act, 2013 in respect to loans, investments, guarantees, and security provided.
- (v) The Company has not accepted any deposits from public.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute.
- (viii) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (ix) In our opinion, the Company has not raised any amount by way of initial public offer, term loan or any other debt instrument during the year.
- (x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid any managerial remuneration during the year, so applicability of Section 197 does not arise.
- (xii) The Company is not a nidhi Company.
- (xiii) In our opinion all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered any non cash transactions with directors or persons connected with him during the year.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For VBR & Associates
Chartered Accountants

Vijay Bansal
(Partner)
Membership No. 88744
Firm's Registration No. 013174N

Place: Delhi
Date: 29.05.2017

ANNEXURE- B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls over financial reporting of Ace Stone Craft Limited as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my/our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VBR & Associates

Chartered Accountants

Vijay Bansal

(Partner)

Membership No. 88744

Firm's Registration No. 013174N

Place: Delhi

Date: 29.05.2017

ACE STONE CRAFT LIMITED

CIN : L26994OR1992PLC003022

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

BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	234,921,000	234,921,000
Reserves and surplus	2	8,681,351	2,443,412
CURRENT LIABILITIES			
Short Term Borrowings	3	66,950,608	133,470,441
Trade Payables	4	-	96,140
Other current liabilities	5	2,656,301	1,393,258
Short-term provisions	6	3,428,216	95,337
Total		316,637,476	372,419,589
ASSETS			
NON CURRENT ASSETS			
Non Current Investments	7	-	134,078,151
CURRENT ASSETS			
Inventories	8	-	7,015,450
Trade Receivables	9	-	-
Cash and Cash Equivalents	10	104,733	49,404
Short Term Loans and Advances	11	300,608,342	216,384,984
Other Current Assets	12	15,924,401	14,891,600
Total		316,637,476	372,419,589

Significant Accounting Policies & Notes to Account form an integral part of Accounts.

In terms of our report attached

For VBR & Associates

Chartered Accountants

Firm Registration No.: 013174N

VIJAY BANSAL

Partner

M. No. 088744

Date: 29/05/2017

Place: New Delhi

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

Anil Arya

Director

DIN : 05153603

Jatin Garg

Director

DIN : 06871101

Pallavi Sahni

Company Secretary

Satyendra Singh Rawat

Chief Financial Officer

ACE STONE CRAFT LIMITED

CIN : L26994OR1992PLC003022

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

Particulars	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue:			
Other Income	13	21,544,692	13,469,990
Total Revenue		21,544,692	13,469,990
Expenses:			
Employee benefits expense	14	1,304,015	490,499
Finance cost	15	7,476,659	11,838,402
Other expenses	16	1,669,468	832,554
Total expenses		10,450,142	13,161,454
Profit before tax		11,094,550	308,536
Tax expense:			
(1) Current tax		3,428,216	95,337
(2) Dividend Distribution Tax		253,790	-
Profit (Loss) for the period		7,412,544	213,198
Proposed Dividend		1,174,605	
		6,237,939	213,198
Basic Earnings per equity share	17	0.31	0.01

Significant Accounting Policies & Notes to Account form an integral part of Accounts.

In terms of our report attached

For VBR & Associates

Chartered Accountants

Firm Registration No.: 013174N

VIJAY BANSAL

Partner

M. No. 088744

Date: 29/05/2017

Place: New Delhi

For and on behalf of the Board of Directors of

Ace Stone Craft Limited

Anil Arya

Director

DIN : 05153603

Jatin Garg

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ACE STONE CRAFT LIMITED

CIN : L26994OR1992PLC003022

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

	Year ended 31.3.2017	Year ended 31.3.2016
A		
<u>Cash Flow from Operating Activities</u>		
Net Profit before taxes	11,094,550	308,536
Adjustment for Deferred Revenue Expenditure	-	-
Operating Profit before Working Capital changes	11,094,550	308,536
<u>Adjustment for changes in Working Capital</u>		
Increase/(decrease) in Trade Payables	(96,140)	11,751
Increase/(decrease) in Other current Liabilities	(165,352)	117,226
Increase/(decrease) in Short-Term Provisions	-	(523,364)
(Increase)/decrease in Trade Receivables	-	500,000
(Increase)/decrease in Inventories	7,015,450	-
(Increase)/decrease in Short Term Loan and Advances	(84,223,358)	(124,874,878)
(Increase /decrease in Other Current Assets	-1,032,801	-2,049,599
Cash generated from Operating Activities	(78,502,201)	(126,510,328)
Taxes Paid	(95,338)	(95,337)
Net Cash from Operating Activities	(78,597,539)	(126,605,665)
B		
<u>Cash Flow from Investing Activities</u>		
Sale/(Purchase)of Investments	134,078,151	(6,733,440)
C		
<u>Cash Flow from Financing Activities</u>		
Proceeds/(Repayment) of Short Term Borrowings	-66,519,833	133,292,030
Net Increase/(Decrease) in Cash and Cash Equivalents	55,329	(47,075)
Cash and Cash Equivalents as on 01st April(Opening Balance)	49,404	96,479
Cash and Cash Equivalents as on 31st March (Closing Balance)	104,733	49,404

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" notified under Section 211(3C) of the Companies Act, 1956
- 2 Figures in brackets represents cash outflow.
In terms of our report attached

For VBR & Associates

Chartered Accountants

Firm Registration No.: 013174N

VIJAY BANSAL

Partner

M. No. 088744

Date: 29/05/2017

Place: New Delhi

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

Anil Arya

Director

DIN : 05153603

Jatin Garg

Director

DIN : 06871101

Pallavi Sahni

Company Secretary

Satyendra Singh Rawat

Chief Financial Officer

ACE STONE CRAFT LIMITED
CIN : L26994OR1992PLC003022**A. SIGNIFICANT ACCOUNTING POLICIES****1 Accounting Convention**

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting principles generally accepted in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("The ICAI") to the extent applicable and relevant provisions of the Companies Act, 2013. The financial statements are presented in Indian Rupees rounded off to the nearest rupees.

The Company follows the mercantile system of accounting and recognize items of income and expenditure on accrual basis.

2 Revenue Recognition

Revenue from sale of goods is recognized on the basis of terms and conditions with respective customers which coincides with the transfer of significant risks and rewards to the customer. Interest income is recognized on time proportion basis considering the amount outstanding and the rate applicable.

3 Depreciation

No Fixed Assets Exist as on Balance Sheet date.

4 Investments

Long Term investments are stated at cost, less provision for diminution in value of investments, which is considered to be permanent

Current investments are stated at lower of cost or fair market value. Cost includes original cost of acquisition, including brokerage and stamp duty.

Unquoted investments are valued at cost.

5 Taxation

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provisions of Income Tax Act, 1961.

6 Provisions and Contingent Liabilities

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of past event where a reliable estimate can be made and it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefit will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefit is remote.

Contingent Liability is disclosed in case of :

- a) a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- b) a present obligation when no reliable estimate is possible, and
c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

B. NOTES TO ACCOUNTS

1 Share Capital

<u>Share Capital</u>	As at 31 March 2017		As at 31 March 2016	
	Number	Amount in Rs.	Number	Amount in 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 & Paid up</u>				
Equity Shares of Rs. 10/- each fully paid	23,492,100	234,921,000	23,492,100	234,921,000
<u>Subscribed but not fully Paid up</u>				
Equity Shares of Rs. 10/- each, not fully paid up	-	-	-	-
Total	23,492,100	234,921,000	23,492,100	234,921,000

1 (A) Reconciliation of Equity Shares

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Equity Shares				
Shares outstanding at the beginning of the year	23,492,100	234,921,000	23,492,100	234,921,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23,492,100	234,921,000	23,492,100	234,921,000

1 (B) Disclosure of shareholders holding more than 5% of Share Capital

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
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%

1 (C) Terms/ rights attached to equity shares

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.

1 (D) Terms/ rights attached to equity shares

The Board of Directors has proposed dividend of Rs. 0.05 per share but the same was not decided not to be declared to the Shareholders in the Board Meeting held on 19th August, 2017.

2 Reserves & Surplus:

Particulars	As at 31 March 2017	As at 31 March 2016
Surplus		
Opening balance	2,443,412	2,230,214
(+) Net Profit/(Net Loss) For the current year	6,237,939	213,198
Closing Balance	8,681,351	2,443,412
Total	8,681,351	2,443,412

3 Short Term Borrowings

	As at 31 March 2017	As at 31 March 2016
Unsecured Loan		
-Globe Fincap Ltd.	35,400,608	133,470,441
-Multiplex Capital Limited	21,625,000	-
-Multiplex Commodity Mercantile Private Limited	9,925,000	-
Total	66,950,608	133,470,441

4 Trade Payables

	As at 31 March 2017	As at 31 March 2016
Trade Expenses Payables	-	96,140
Total	-	96,140

5 Other Current Liabilities

	As at 31 March 2017	As at 31 March 2016
Other payables		
- Salary Payable	64,000	544,000
- Audit Fees Payable	28,750	28,625
- EXPENSES Payable	21,039	118,243
- TDS Payable	1,114,117	702,390
- Proposed Dividend Payable	1,174,605	-
- Dividend Distribution Tax	253,790	
Total	2,656,301	1,393,258

6 Short Term Provisions

	As at 31 March 2017	As at 31 March 2016
Others		
- Provision for Tax A.Y. 2016-17	-	95,337
- Provision for Tax A.Y. 2017-18	3,428,216	-
Total	3,428,216	95,337

7 Non Current Investments

	As at 31 March 2017	As at 31 March 2016
Investments(Non Trade)		
Investment In Spark Plug Company India Ltd.		134,078,151
Total	-	134,078,151

8 Inventories

	As at 31 March 2017	As at 31 March 2016
Traded Stock	-	7,015,450
Total	-	7,015,450

9 Trade Receivables

	As at 31 March 2017	As at 31 March 2016
Others	-	-
Total	-	-

10 Cash and Cash Equivalents

	As at 31 March 2017	As at 31 March 2016
Balance With Banks		
- In Current Account	31371	17,346
Cash in hand	73362	32,058
Total	104,733	49,404

Cash Denomination as on 08th november, 2016:

Cash Denominations:	Nos	Rupees
100	220	22,000
50	23	1,150
20	3	60
10	13	130
1	22	22
Total		23,362

11 Short Term Loans And Advances

	As at 31 March 2017	As at 31 March 2016
Loan and Advances	280,175,392	214,865,028
Amount recoverable in cash or kind (Kept as security)	12,285,000	
TDS Receivable A.Y. 2017-18	7,396,468	514,107
TDS Receivable A.Y. 2016-17	751,482	1,005,849
		-
Total	300,608,342	216,384,984

12 Other Current Assets

	As at 31 March 2017	As at 31 March 2016
Preliminary Expenses		
Opening Balance	14891600	14891600
Add:- Listing And Processing Fee Paid	1,032,801	2,049,600
Sub Total	15924401	14891600
Less:-Written off during the year	-	-
Total	15,924,401	14,891,600

13 Other Income

	For the year ended 31 March 2017	For the year ended 31 March 2016
Income from Sale of shares	1,366,865	-1,171,784
Income from sale of investment	7,318,669	-
Interest Income	11,827,605	14,558,482
Interest on Income Tax Refund	7,953	65,492
Refund of Listing Fee	1,023,600	17,800
Total	21,544,692	13,469,990

14 Employee Benefit Expenses

<u>Particulars</u>	For the year ended 31 March 2017	For the year ended 31 March 2016
Salary & Wages	1,294,415	480,849
Staff Welfare Expenses	9,600	9,650
Total	1,304,015	490,499

15 Finance Cost

<u>Particulars</u>	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest Paid	7,476,659	11,838,402
Total	7,476,659	11,838,402

16 Other Expenses

<u>Indirect Expenses</u>	For the year ended 31 March 2017	For the year ended 31 March 2016
Advertisement Expenses	43,943	123,898
Donation	157,000	-
Electricity Expenses	-	24,710
Interest on TDS	62,832	-
Legal and Professional Charges	870,291	227,763
Miscellaneous Expenses (Refer note below)	352,999	199,455
Payment to Auditors	28,750	28,625
Postage & Telegram	153	92,681

Rent	64,000	103,000
Repair & Maintenance	59,500	-
Travelling and Conveyance	30,000	32,422
Total	1,669,468	832,554

Miscellaneous Expenses :

<u>Indirect Expenses</u>	For the year ended 31 March 2017	For the year ended 31 March 2016
Annual Filing Fee	109,400	15,000
Bank Charges	34	532
Bonus	-	8,750
CDSL Charges	85,875	85,875
NSDL Charges	114,890	26,331
Penalty	-	34,277
Printing & Stationery	27,200	500
ROC and Filing Fees	15,600	15,600
Telephone Expenses	-	12,590
Total	352,999	199,455

17 Earnings per share (EPS)

Particulars	As at 31 March 2017	As at 31 March 2016
Profit / (Loss) after tax	74,12,544	213,198
Net profit for calculation of basic and diluted EPS	74,12,544	213,198
Weighted average number of equity shares in calculating Basic EPS	23,492,100	23,492,100
Basic EPS (Rs.)	0.31	0.01

**18 Details of Specified Bank Notes (SBN)
(Amount in rupees)**

PARTICULARS	SBN	OTHER DENOMINATION NOTES	TOTAL
Closing Cash in Hand as on November 8, 2016	0	23362	23362
Add: Permitted receipts	0	0	0
Less: Permitted payments	0	0	0
Less: Amount deposited in Banks	0	0	0

Closing Cash in Hand as on December 30, 2016	0	23362	23362
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- 19** Estimated amount of Contracts remaining to be executed on capital account and not provided for – NIL
- 20** According to the information and explanations given to us there is no amount due to any small-scale industrial undertaking as defined under Section 3(i) of the Industrial (Development & Regulation) Act, 1951
- 21** Balances under the head - Short Term Borrowings, Long Term Loan & Advance, S. Debtors , Short Term Loan & Advances and other current liabilities are subject to confirmation and consequential adjustments, if any.
- 22** Advances have been given or received from certain persons including companies for which documentation is pending. However, such transactions have been approved by the Board of Directors of the company.
- 23** No employees were in receipt of or were entitled to receive emoluments in aggregate to Rs. 24,00,000/- or more per annum if employed for full year or Rs 2,00,000/- or more per month if employed for the part of the year.
- 24** The Company has taken/given advances against future projects which are either identified/to be identified.
- 25** The operation of the Company is considered as a single segment, hence segment reporting as defined in Accounting Standard 17 is not applicable.
- 26** Previous year figures are regrouped/rearranged/reclassified, wherever considered necessary to conform to the current year presentation.

As per our report of even date attached

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

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

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

**Anil Arya
Director
DIN : 05153603**

**Jatin Garg
Director
DIN : 06871101**

**Place: New Delhi
Date: 29/05/2017**

**Pallavi Sahni
Company Secretary**

**Satyendra Singh Rawat
Chief Financial Officer**

NOTICE:

Notice is hereby given that the 25th Annual General Meeting of the Members of **Ace Stone Craft Limited** (“**the Company**”) will be held on Monday, the 18th day of September, 2017 at 01:00 P.M. at the Registered Office of the Company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Jatin Garg (DIN: 06810026), 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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and as per the recommendations of the Board of Directors and pursuant to the approval of members at the 23rd Annual General Meeting, the Company be and is hereby ratify the appointment of M/s VBR & Associates, Chartered Accountants, who has confirmed their eligibility in terms of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014 and to act as Statutory Auditors of the Company till the conclusion of the 26th Annual General Meeting and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

SPECIAL BUSINESS:

4. To re-appoint **Mr. Naresh Aggarwal(DIN: 07815393)** as Managing Director and in this regard to consider and if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 (‘the act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16, 17 and other applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of members of the Company be and is hereby accorded to re-appoint Mr. Naresh Aggarwal (DIN : 07815393), as Managing Director of the Company, who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing his candidature for the office of Managing Director for a further term of 5 (Five) consecutive years from the date of this Annual General Meeting up to May 28, 2022.”

RESOLVED FURTHER THAT in terms of Section 196, 197 and any other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to the approval of Central Government and upon the recommendation made by the Nomination and Remuneration Committee, the consent of the shareholders be and is hereby accorded to pay a maximum amount of Managerial Remuneration to Mr. Naresh Aggarwal (DIN : 07815393) for an amount

of Rs. 1,25,000/- (Rupees One lakh Twenty Five Thousand Only) per month by way of salary including all perquisites and allowances (taxes also).

RESOLVED FURTHER THAT the Board of Directors and Nomination and Remuneration Committee be and is hereby authorized to decide on the quantum of remuneration payable under each head, viz., salary, allowances and perquisites and to alter/vary the term(s) of remuneration payable to Managing/Whole-Time Director subject to maximum amount as specified above.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Jatin Garg, Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.”

5. To alter the Situation Clause i.e. shifting of Registered Office of the Company from One State to Another and in this regards to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13 read with Section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment or modification or re-enactment thereof for the time being in force) and rules framed there under and subject to the approval Regional Director, Southern Region and other required authorities, consent of members of the Company be and is hereby accorded; to shift the Registered Office of the Company from **Plot No, 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa- 753004** in the State of Orissa to Third Floor, Plot No B- 103, South City- I, Gurugram, Haryana- 122001 in the State of Haryana.

RESOLVED FURTHER THAT subject to approval of the Regional Director, the **Clause No. II** of the Memorandum of Association of the Company be and is hereby substituted by the following:

'II. The Registered Office of the Company shall be situated in the State of Haryana within the jurisdiction of the Registrar of Companies, Delhi and Haryana.'

RESOLVED FURTHER THAT Mr. Jatin Garg and Mr. Naresh Aggarwal, Directors of the Company, be and are hereby authorized to ascertain the list of creditors and debenture holders as on the date and send individual notices regarding shifting of registered office from the 'State of Orissa' to 'State of Haryana'.

RESOLVED FURTHER THAT Mr. Jatin Garg and Mr. Naresh Aggarwal, Directors of the Company, be and are hereby authorized to file the petition along with the required documents and paper before the Hon'ble Regional Director of the companies Southern Region, Orissa and also to appoint Authorized Representative to appear for and represent the company before the Hon'ble Regional Director of the companies Southern Region, Orissa and to do all such Acts and things as may be deemed necessary in connection therewith and incidental and ancillary thereto.”

6. To adopt new set of Memorandum of Association and in this regards to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to change in Clause II of Memorandum of Association of the Company i.e. Clause II for Registered Office of the Company, the consent of shareholders of the Company be and is hereby accorded to adopt new set of Memorandum of Association as and from the date of approval of changes by the regulatory Authorities.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Jatin Garg, Directors of the Company, be and are hereby authorized on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the afore said Resolution along with filing of necessary E-forms with the Registrar of Companies, Cuttack, Orissa.”

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

Ishu Kamboj
Company Secretary

Place: New Delhi
Date: 19.08.2017

Telephone: +91 - 011 - 47055534
Website: www.acestonecraft.com
Email id: contactus@acestonecraft.com

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 himself and the proxy need not be a member of the company. a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. a blank proxy form is enclosed herewith and if intended to be used, the form duly completed should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

2. Route map of the venue of the meeting is given at the end of the notice.
3. **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.**
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. Brief resume of Directors proposed to be appointed/re-appointed, their age, qualification, date of first appointment on the Board, experience, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships with other directors / key managerial personnel, number of meetings of the Board attended during the year are provided in the Corporate Governance Report forming part of the Annual Report.
6. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. 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.
9. 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.

10. The Company has notified closure of Register of Members and Share Transfer Books from 12th September, 2017 to 19th September 2017 (both days inclusive) for the purpose of the Annual General Meeting.
11. 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").
12. 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.
13. 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.
14. 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.
15. 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.
16. **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.**
17. 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.
18. **In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). Communication containing detailed instructions in this regard is being sent separately.**

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

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

Item No.4:

The Board of Director of the Company had appointed Mr. Naresh Aggarwal (DIN 07815393) as an Additional Managing Director on the Board of the Company on 29th day of May, 2017 in accordance with the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 ('the act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16, 17 and other applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16, 17 and other applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors of the Company propose to re-Appointment of Mr. Naresh Aggarwal as Managing Director of the Company at a monthly Managerial Remuneration for an amount of Rs. 1,25,000/- (Rupees One lakh Twenty Five Thousand Only) including all perquisites and allowances (taxes also) by according approval of members by way of Special Resolution.

The Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Managing Director of the Company. Mr. Naresh Aggarwal is not disqualified from being appointed as a Director in terms of Section 196 of the Act and has given his consent to act as a Director.

INFORMATION ABOUT MR. NARESH AGGARWAL:

(a) Background Details

Mr. Naresh Aggarwal 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 and is making strong contribution to increase the business of the Company. 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.

Brief resume of Mr. Naresh Aggarwal, his age, qualification, date of his first appointment on the Board, experience, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationship with other directors / key managerial personnel and other details as stipulated under the Regulation 16, 17 and other applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Naresh Aggarwal is re-appointed as Managing Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee and his satisfactory performance, the Board of Directors have proposed that Mr. Naresh Aggarwal be re-appointed as Managing Director of the Company, liable to retire by rotation and to hold office for a further term of 5 (Five) consecutive years from the date of this Annual General Meeting up to May 23, 2022.

Copy of the draft letter for appointment of Mr. Naresh Aggarwal as Managing Director setting out the terms and conditions is available for inspection by members at the registered office/corporate office of the Company.

Save and except Mr. Naresh Aggarwal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No.5.

The Board of Directors of the Company in their meeting held on 19th August, 2017 discussed about altering the Situation Clause of the Company in the ease to perform business more efficiently and conveniently. Presently, the Registered Office of the Company is situated at **Plot No, 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa- 753004 in the State of Orissa.** The Board of Directors is of the opinion that the Registered Office of the **Company should be shifted to State of Haryana to help smooth functioning and efficient** management of the business.

The proposed shifting of registered office requires an approval of the members by way of special resolution and also an approval of the Central Government (Regional Director). If approved, the Registered Office of the Company will be moved to Third Floor, Plot No B- 103, South City- I, Gurugram, Haryana- 122001 in the State of Haryana. Further, a change in the registered office from one state to another state requires an amendment in the Situation Clause i.e. Clause II of the Memorandum of Association of the Company.

The Board of Directors therefore, submits the resolution for your consideration and recommends it to be passed as Special Resolution.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise.

Item 6.

The Board of Directors of the Company in their meeting held on 19th August, 2017 proposed to alter the existing Situation Clause of the Company subject to the approval of Registrar of Companies & shareholder's approval in the convening Annual General Meeting.

In reference to perform the business of the Company more conveniently and smoothly; the Board of your Company proposes to approve the Alteration in Clause II of Memorandum of the Company. The draft copy of New Memorandum of Association of the Company is available for inspection to the members till the date of the Meeting at Corporate Office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution

By the Order of the Board of Directors
For Ace Stone Craft Limited

Ishu Kamboj
Company Secretary

Place: New Delhi
Date: 19.08.2017

Telephone: +91 - 011 - 47055534
Website: www.acestonecraft.com
Email id: contactus@acestonecraft.com

Instructions for E-Voting:

Dear Members,

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 25th 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 25th 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 15th September, 2017 and ends at 5:00 pm on 17th September, 2017. 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. Abdul Quadir, 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, 11th, 2017**. 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, 11th, 2017, 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 15th September, 2017(09:00 A.M.) till 17th September, 2017 (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 csabdulquadir@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 favour 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.

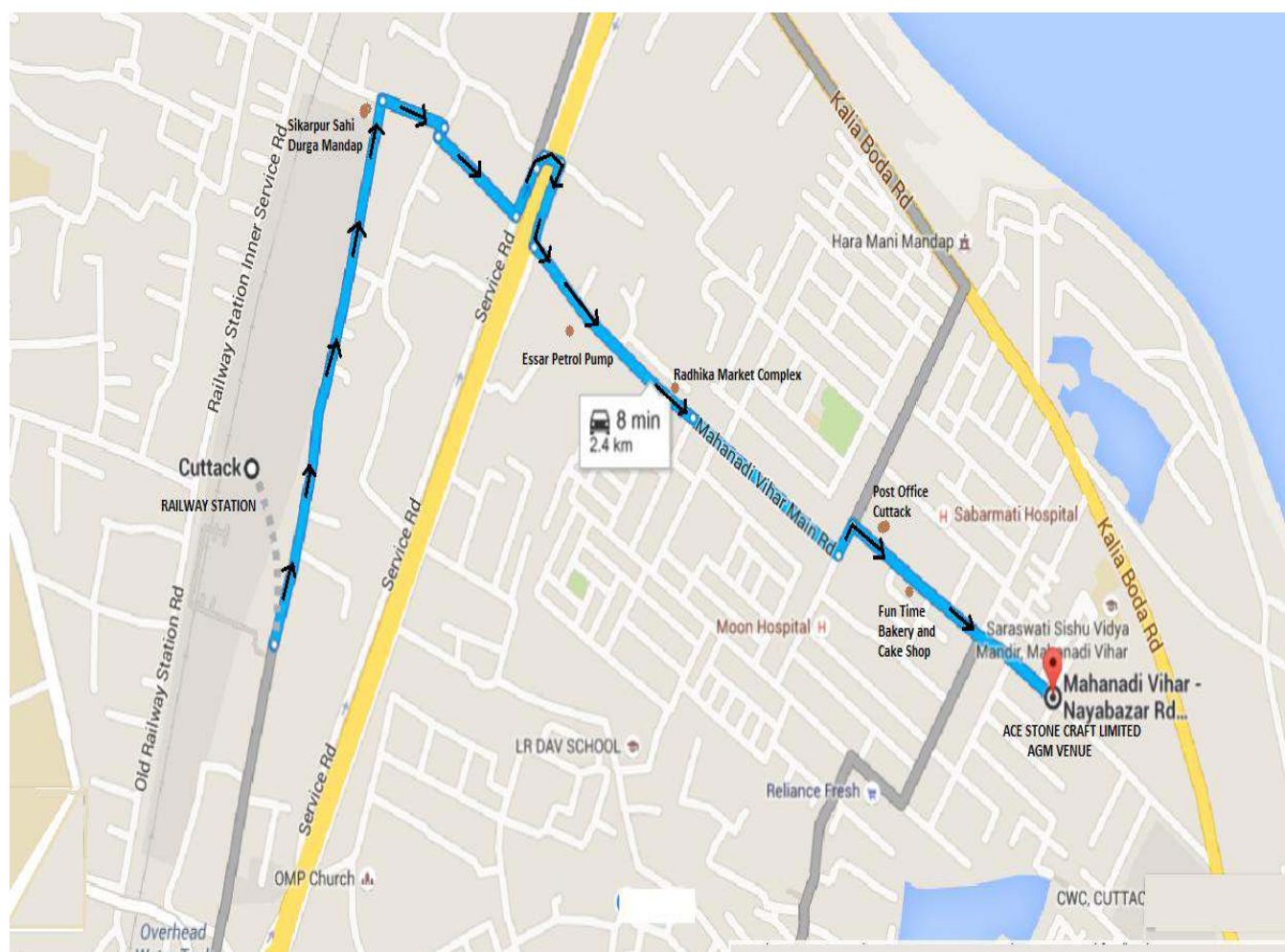
Assuring you of our best services,

Regards,

e-Voting support desk

National Securities Depository Limited (www.nsdl.co.in)

Route Map to the Venue of the 25th 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 - 011 - 47055534

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 25th Annual General Meeting of the Company held on Monday, 18th September, 2017 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 01:00 P.M.

Signature of Member/Proxy present

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

*Applicable for investors holding shares in electronic form.

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

ACE STONE CRAFT LIMITED

CIN – L26994OR1992PLC003022

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

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

Tel: +91 - 011 – 47055534

Email:contactus@acestonecraft.com Website:www.acestonecraft.com

PROXY FORM

Form No. MGT-11

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

Name of the member(s) :

Registered Address :

Email Id:

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

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

1. Name:.....

Address.....

E-mail Id:Signature:;or failing him

2.Name:.....

Address :

E-mail Id: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 25th Annual General Meeting of the Company to be held on Monday, 18th September, 2017 at the registered office of the company at Plot No. 1210, Mahanadivihar, P.O. Nayabazar, Cuttack, Orissa-753004 at 01:00 P.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. Jatin Garg as a director of the Company, liable to retire by rotation.		
3.	Appointment of Auditors and fixing their remuneration.		
4.	To re-appoint Mr. Naresh Aggarwal (DIN: 07815393) as Managing Director.		
5.	To alter the Situation Clause i.e. Shifting of Registered Office of the Company from One State to Another.		
6.	To adopt new set of Memorandum of Association of the Company.		

Signed this day of 2017.

Signature of shareholder.....

Affix Re 1
Revenue
Stamp

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.

BOOK POST

If undelivered please return to:

ACE STONE CRAFT LIMITED

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