



Independent Auditors' Report

To the Members of **ACE STONE CRAFT LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **ACE STONE CRAFT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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:


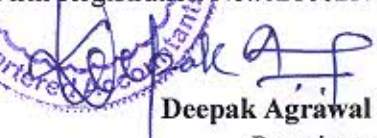
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have 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 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.


For Deepak I.P. Agarwal & CO.
Chartered Accountants
Firm Registration No.:021682N

Deepak Agrawal
Proprietor
M. No. 503548

Place: New Delhi
Date: 30.05.2013

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

1. In respect of its fixed assets:

The Company is not having any fixed assets as at balance sheet date.

2. In respect of its inventories:

- a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of Clause (iii) of paragraph 4 of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:



- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 8. As informed to us, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of its products and services.
 9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues, to the extent they are applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.



- b. According to the information and explanations given to us, there are no disputed dues of Sales Tax, Custom Duty, Wealth Tax, Income Tax, Service Tax, Excise Duty to the extent they are applicable.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. As per the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of paragraph 4 of the Order are not applicable to the Company.
16. Based on the examination of the books of account and related records and according to the information and explanations given to us, the Company has not raised any term loans.



Therefore, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the Company.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. On the basis of our examination of records and according to the information and explanations given to us, the Company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. The Company has not raised any monies by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.



Deepak Agrawal
Proprietor
M. No. 503548

Place: New Delhi
Date: 30.05.2013

**21TH ANNUAL REPORT
FOR THE YEAR ENDED
31ST MARCH, 2013**

**DEEPAK I P AGRAWAL & CO.
CHARTERED ACCOUNTANTS
NEW DELHI**

ACE STONE CRAFT LIMITED

C/o Mr. Jugal Kishore Moda, Sanjay Textile, Naya Sarak, Infront of Day Night Medical, Cuttack, Orissa-753002

BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	234,921,000	234,921,000
Reserves and surplus	2	1,827,715	1,126,367
Current liabilities			
Short Term Borrowings	3	35,028,917	-
Trade Payables	4	-	15,187,882
Other current liabilities	5	252,576	1,313,408
Short-term provisions	6	1,309,092	995,466
Total		273,339,300	253,544,123
ASSETS			
Non Current Assets			
Non Current Investments	7	97,154,575	-
Current assets			
Inventories	8	5,002,972	20,575,555
Trade Receivables	9	2,409,176	300,000
Cash and Cash Equivalents	10	709,525	954,569
Short Term Loans and Advances	11	155,210,064	218,850,026
Other Current Assets	12	12,852,987	12,863,973
Total		273,339,300	253,544,123

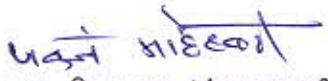
Significant Accounting Policies & Notes to Account form an integral part of Accounts.

As per our report of even date attached
 For DEEPAK P. AGRAWAL & CO.
 Chartered Accountants
 Firm Registration No.: 021682N

 DEEPAK AGRAWAL
 M. No. 503548
 Place: Delhi
 Date: 30.05.2013

For ACE STONE CRAFT LIMITED


 MR. ANIL ARYA
 Director


 MR. PANKAJ MAHESHWARI
 Director

ACE STONE CRAFT LIMITED

C/o Mr. Jugal Kishore Moda, Sanjay Textile, Naya Sarak, Infront of Day Night Medical, Cuttack, Orissa-753002

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Revenue:			
Othe Income	13	5,253,132	5,253,846
Total Revenue		5,253,132	5,253,846
Expenses:			
Employee benefits expense	14	3,058,950	2,987,550
Finance cost	15	283,465	-
Other expenses	16	895,744	688,658
Total expenses		4,238,159	3,676,208
Profit before tax		1,014,973	1,577,638
Tax expense:			
(1) Current tax		(313,626)	(487,491)
(2) Deferred tax		-	-
Profit (Loss) for the period		701,347	1,090,147
Income Tax Adjustments Earlier years		701,347	1,090,147
Basic Earnings per equity share	17	0.03	0.05

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

As per our report of even date attached

For DEEPAK I.P. AGRAWAL & CO.

Chartered Accountants

Firm Registration No.: 021682N

New Delhi

DEEPAK AGRAWAL

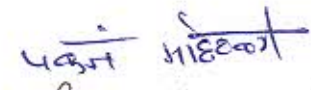
M. No. 503548

Place: Delhi

Date: 30.05.2013

For ACE STONE CRAFT LIMITED


MR. ANIL ARYA
Director


MR. PANKAJ MAHESHWARI
Director

ACE STONE CRAFT LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in Rs.)

	Year ended 31.3.2013	Year ended 31.3.2012
A Cash Flow from Operating Activities		
Net Profit before taxes	1,014,973	1,577,638
Adjustment for Deferred Revenue Expenditure	10,986	10,986
Operating Profit before Working Capital changes	1,025,959	1,588,624
Adjustment for changes in Working Capital		
Increase/(decrease) in Trade Payables	(15,187,883)	15,187,883
Increase/(decrease) in Other current Liabilities	(1,060,832)	1,280,408
Increase/(decrease) in Short-Term Provisions	-	-
(Increase)/decrease in Trade Receivables	(2,109,176)	(300,000)
(Increase)/decrease in Other Current Assets	-	-
(Increase)/decrease in Inventories	15,572,583	(20,575,555)
(Increase)/decrease in Short Term Loan and Advances	63,639,962	20,290,103
Cash generated from Operating Activities	61,880,614	17,471,463
Net Cash from Operating Activities	61,880,614	17,471,463
B Cash Flow from Investing Activities		
Sale/(Purchase)of Investments	(97,154,575)	20,000,000
C Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short Term Borrowings	35,028,917	(63,500,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	(245,044)	(26,028,537)
Cash and Cash Equivalents as on 01st April(Opening Balance)	954,569	26,983,106
Cash and Cash Equivalents as on 31st March (Closing Balance)	709,525	954,569

Notes:

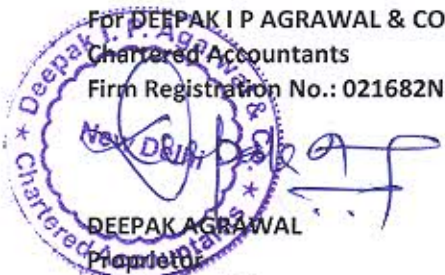
- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" notified under Section 211(3C) of the Companies Act, 1956
- 2 Figures in brackets represents cash outflow.

As per our report of even date annexed

For DEEPAK I P AGRAWAL & CO.

Chartered Accountants

Firm Registration No.: 021682N



DEEPAK AGRAWAL

Proprietor

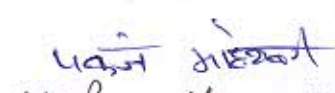
M. No. 503548

Place: Delhi

Date: 30.05.2013

For ACE STONE CRAFT LIMITED


 MR. ANIL ARYA
 Director


 MR. PANKAJ MAHESHWARI
 Director

ACE STONE CRAFT LIMITED

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, 1956. The financial statements are presented in Indian Rupees rounded off to the nearest rupees.

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

2 Depreciation

No Fixed Assets Exist as on Balance Sheet date.

3 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.

4 Taxation

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

5 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

Share Capital	As at 31 March 2013		As at 31 March 2012	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
Issued				
Equity Shares of Rs. 10/- each	23,492,100	234,921,000	23,492,100	234,921,000



Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid	23,492,100	234,921,000	23,492,100	234,921,000
Subscribed but not fully Paid up				
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 2013		As at 31 March 2012	
	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 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Real Gains Infrastructures Limited	3400500	14.5%	3400500	14.5%

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.

2 Reserves & Surplus

	As at 31 March 2013	As at 31 March 2012
Surplus		
Opening balance	1,126,367	36,221
(+) Net Profit/(Net Loss) For the current year	701,347	1,090,147
Closing Balance	1,827,715	1,126,367
Total	1,827,715	1,126,367

3 Short Term Borrowings

	As at 31 March 2013	As at 31 March 2012
Unsecured Loan		
-Globe Fincap Ltd.	35,028,917	-
Total	35,028,917	-



4 Trade Payables

	As at 31 March 2013	As at 31 March 2012
Trade Payables	-	15,187,882
Total	-	15,187,882

5 Other Current Liabilities

	As at 31 March 2013	As at 31 March 2012
Other payables		
- Salary Payable	177,850	15,000
- Audit Fees Payable	36,000	36,000
- TDS Payable	38,726	394,543
- Others Expenses payable	-	867,865
Total	252,576	1,313,408

6 Short Term Provisions

	As at 31 March 2013	As at 31 March 2012
Others		
- Provision for Tax	995,466	995,466
- Provision for Tax A.Y. 2013-14	313,626	-
Total	1,309,092	995,466

7 Non Current Investments

	As at 31 March 2013	As at 31 March 2012
Investments(Non Trade)		
Investment In Spark Plug Company India Ltd.	97,154,575	-
Total	97,154,575	-

8 Inventories

	As at 31 March 2013	As at 31 March 2012
Traded Stock	5,002,972	20,575,555
Total	5,002,972	20,575,555

9 Trade Receivables

	As at 31 March 2013	As at 31 March 2012
Unsecured-considered good		
Others	2,409,176	300,000
Total	2,409,176	300,000



10 Cash and Cash Equivalents

	As at 31 March 2013	As at 31 March 2012
Balance With Banks		
- In Current Account	288,326	3,250
Cash in hand	421,199	951,319
Total	709,525	954,569

11 Short Term Loans And Advances

	As at 31 March 2013	As at 31 March 2012
Deposit Assets	123,387,500	217,397,379
Tds Receivable	1,452,653	1,452,647
TDS Receivable A.Y. 2013-14	525,313	-
Loan To Corporate Bodies	29,844,598	-
Total	155,210,064	218,850,026

12 Other Current Assets

	As at 31 March 2013	As at 31 March 2012
Preliminary Expenses		
Opening Balance	12,863,973	12,874,959
Less:-Written off during the year	10,986	10,986
Total	12,852,987	12,863,973

13 Other Income

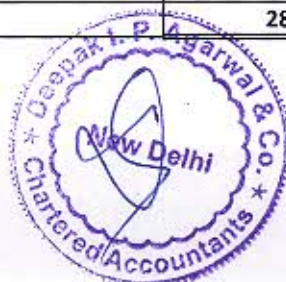
	For the year ended 31 March 2013	For the year ended 31 March 2012
Trading A/c Future & Option	5,253,132	5,253,846
Total	5,253,132	5,253,846

14 Employee Benefit Expenses

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Salary & Wages	3,040,000	2,971,500
Staff Welfare Expenses	18,950	16,050
Total	3,058,950	2,987,550

15 Finance Cost

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest Paid	283,465	-
Total	283,465	-



16 Other Expenses

<u>Indirect Expenses</u>	For the year ended 31 March 2013	For the year ended 31 March 2012
Advertisement Expenses	83,361	51,531
Listing Fees and Other Expenses	328,068	194,300
Miscellaneous Expenses (Refer note below)	69,015	92,476
Legal and Professional Charges	80,000	115,673
Payment to Auditors	18,000	18,500
Travelling and Conveyance	82,211	98,178
Rent	60,000	60,000
Electricity Expenses	36,000	58,000
Loss on Investment	139,089	-
Total	895,744	688,658

Miscellaneous Expenses

<u>Indirect Expenses</u>	For the year ended 31 March 2013	For the year ended 31 March 2012
Printing & Stationery	22,365	34,500
DSE Expenses	-	33,090
Preliminary Expenses Written Off	10,986	10,986
Brokerage Expenses	15,782	10,275
Service Tax	2,099	1,179
Telephone Expenses	1,315	1,078
Turnover Tax	1,004	694
General Expenses	370	247
Bank Charges	657	221
Stamp Duty Payable	1,137	207
ROC and Filing Fees	13,300	-
Total	69,015	92,476

17 Earnings per share (EPS)

Particulars	As at 31 March 2013	As at 31 March 2012
Profit / (Loss) after tax	701,347	1,090,147
Net profit for calculation of basic and diluted EPS	701,347	1,090,147
Weighted average number of equity shares in calculating Basic EPS	23,492,100	23,492,100
Basic EPS (Rs.)	0.03	0.05

18 Estimated amount of Contracts remaining to be executed on capital account and not provided for – NIL

19 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

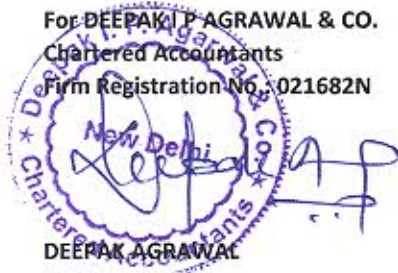
20 Balances under the head - Short Term Borrowings, Long Term Loan & Advance, Short Term Loan & Advances and other current liabilities are subject to confirmation and consequential adjustments, if any.



- 21 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.
- 22 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.
- 23 The Company has taken/given advances against future projects which are either identified/to be identified.
- 24 The operation of the Company is considered as a single segment, hence segment reporting as defined in accounting Standard 17 is not applicable.
- 25 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 DEEPAK P AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 021682N




DEEPAK AGRAWAL
M. No. 503548

Place: Delhi
Date: 30.05.2013

For and on Behalf of the Board


MR. ANIL BORA
Director


MR. PANKAJ MAHESHWARI
Director