

**27<sup>th</sup>**

**ANNUAL REPORT**

**2011-2012**

**GLOBAL STONE INDIA LIMITED**

**Board of Directors** : Mr. K. N. Garg - Chairman  
Mr. R. C. Soni - Director  
Mr. K. L. Daga - Director

**Statutory Auditors** : **M/s. G R S R A & Co.,**  
Chartered Accountants  
No. 178, I Floor, 5th Main,  
4th Cross, J P Nagar 3rd Phase,  
BANGALORE - 560 078

**Registrar  
& Share Transfer Agent** : **Bangalore Office:**  
(For Demat and Physical both) M/s. Link Intime India Pvt. Ltd.  
543A, 7th Main, 3rd Cross,  
Hanumanthnagar,  
Bangalore - 560 019  
Phone : ++91 - 080 - 2650 9004

**Mumbai Office :**  
M/s. Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound  
Kantilal Maganlal Indl. Estate,  
L.B.S. Road, Bhandup West,  
Mumbai - 400 080.  
Phone : ++ 91 - 022 - 2596 3838

**Registered Office** : No. 62 AG's Layout,  
New BEL Road,  
Bangalore - 560054 (Karnataka)  
Phone: ++91 - 080 - 41482091 - 92

## NOTICE

**NOTICE** is hereby given that the 27th Annual General Meeting of the Members of Global Stone India Limited will be held on Saturday, the 29th September, 2012 at 11.00 A.M. at the Registered Office of the Company situated at No. 62 AG's Layout, New BEL Road, Bangalore - 560054 (Karnataka) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on said date together with Directors' Report and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. K. L. Daga, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s S M N P & Co., Chartered Accountants, of Mumbai as Statutory Auditors of the Company in place of the retiring auditors M/s G R S R A & Co. Chartered Accountants, Bangalore and to fix their remuneration, and for that purpose, to pass the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT**M/s S M N P & Co., Chartered Accountants, of Mumbai be and are hereby appointed as the Statutory Auditors of the company in place of the retiring auditors M/s G R S R A & Co. Chartered Accountants, Bangalore to hold the office of the auditors till the conclusion of the next annual general meeting on such remuneration as may be determined by the Board of directors of the company."

Place: Indore (M.P.)  
Date: 07th July, 2012

*By Order of the Board of Directors*  
**For GLOBAL STONE INDIA LIMITED**

Regd Off: 62 AG's Layout, New BEL Road,  
Bangalore - 560054 (Karnataka)

**K. N. Garg**  
Chairman

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
The proxy form to be effective must be lodged duly completed and stamped at the Registered Office of the Company at least 48 hours before the time for holding the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **24th September, 2012 to 29th September, 2012** (both days inclusive).
3. The Members having physical shares are requested to notify immediately any change in their addresses with the Postal Identity Number (Pin Code) and quoting their folio number(s) to the Company. The Members holding shares in Demat form are required to get updated change in their addresses through their Depositories.
4. Members are requested to send their queries, if any, relating to the Annual Accounts and Reports at least one week before the date of Meeting, so that the information is made available in the Meeting.
5. The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and another Circular 188/2011 dated April 29, 2011. This will ensure prompt receipt of communication, avoid loss in postal transit and reduce paper consumption besides entailing other benefits. Hence, Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filed form to our Registrar and Share Transfer Agent **M/s Link Intime India Private Limited** at their following offices address for sending the document in electronic form.:

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### **Bangalore Office:**

M/s. Link Intime India Pvt. Ltd.  
543A, 7th Main, 3rd Cross,  
Hanumanthnagar, Bangalore - 560 019  
Phone: (080) 2650 9004

### **Mumbai Office:**

M/s. Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W) Mumbai-400 078  
Phone: (022) 25963838

6. Any change of address of the Members for physical shares may please be notified to the Registrar and Share Transfer Agent quoting their Registered Folio. Any change of address for the demated shares may please be notified to the respective depository participants directly.
7. Members who wish to dematerialize the share or seek any information regarding transfer of shares are requested to contact the Company's Registrar and Share Transfer Agent.
8. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
9. Information under clause 49 of the Listing Agreement with the Stock Exchange in respect of Director seeking re-appointment at the Annual General Meeting is appended below :

### **MR. KISHANLAL DAGA**

<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Directorship held in other Companies</b>	<b>No. of Shares held in Company</b>
06.05.1955	26.03.2010	02 (Two)	NIL

Mr. K. L. Daga has very wide experience of trade, business and industry for more than two decades. As a Member of the Board, Mr. K. L. Daga is expected to add immense value for the long-term growth of the Company.

### **NOTES ON APPOINTMENT OF M/S S M N P & CO., CHARTERED ACCOUNTANT, AS STATUTORY AUDITOR OF THE COMPANY (ITEM NO.3)**

The Company has received a special notice dated 05th Day of July, 2012 from Ms. Pushpa Garg, Member of the Company, having 57,000 equity shares of Rs. 10/- each, signifying her intention to propose the appointment of M/s S M N P & Co., Chartered Accountants, Mumbai as the Statutory Auditor of the Company for the financial year 2012-13, in place of existing Statutory Auditor M/s G R S R A & Co. Chartered Accountants, Bangalore.

Based on such special notice of member and further recommendation by the Audit Committee, the Board of Director, it meeting held on 07th July, 2012 recommended the appointment of M/s S M N P & Co., Chartered Accountants, Mumbai as the Statutory Auditor of the Company for the financial year 2012-13 in place of M/s G R S R A & Co. Chartered Accountants, Bangalore.

M/s S M N P & Co., Chartered Accountants, Mumbai has expressed its willingness to act as statutory auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

Therefore, members' approval is being sought for the appointment of M/s S M N P & Co., Chartered Accountants as the statutory auditor and to authorise the Board of Directors on the recommendation of the Audit Committee, to determine the remuneration payable to them.

None of the Directors is concerned or interested in this resolution. Your Directors recommend the resolution for your approval.

Place: Indore (M.P.)  
Date: 07th July, 2012

*By Order of the Board of Directors*  
**For GLOBALSTONE INDIA LIMITED**

Regd Off: 62 AG's Layout, New BEL Road,  
Bangalore - 560054 (Karnataka)

**K. N. Garg**  
Chairman

**DIRECTORS' REPORT**

**To,  
The Members,**

The Directors of your Company have pleasure in presenting the 27th Annual Report of the Company with the Audited Annual Accounts for the financial year ended on 31st March 2012.

**FINANCIAL HIGHLIGHTS:**

The Financial Results of the Company for the year ended 31st March, 2012 are as under:

Particulars	(Rs. in Lacs)	
	For the Year Ended on 2011-12	For the Year Ended on 2010-11
Sales/Revenue from Operations	-	-
Manufacturing & Administrative Expenditures	4.10	5.26
(Loss) before Interest, Depreciation & Tax	(4.10)	(5.26)
Less: Interest, Depreciation & Tax	-	-
(Loss) After Interest, Depreciation & Tax but Before Exceptional Items	(4.10)	(5.26)
Exceptional Items	(.44)	-
(Loss) before Taxation	(4.54)	(5.27)
Net Loss for the year	(4.54)	(5.27)

**OPERATIONS:**

During the year under review, the Company could not operate its business satisfactorily due to non-availability of any business opportunity. Therefore, revenue from operation was nil during 2011-12. Further, the continued scarcity of good quality raw material, steep rise in the overall cost of inputs, absence of working capital finances have made the operations of the Company economically unviable. The accumulated losses till end of the financial year have amounted to Rs.2562.99 Lacs. However, the Management explored various feasible alternatives, but was forced to close down its manufacturing unit.

**FUTURE OUTLOOK:**

The management of the Company expects to commence operations at any other alternate place and therefore any turning around of the Company in the near future is very likely. Now the Company has recommenced trading activity for old stocks and various other business activities. The Company expects to enhance its business activities in the days to come.

**DIVIDEND:**

In view of the accumulated losses, your Directors regret their inability to recommend dividend for the year.

**BOARD OF DIRECTORS**

Mr. K. L. Daga, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **AUDITORS**

The Company has received a notice dated 05th July, 2012 from Ms. Pushpa Garg, Member of the Company, having 57,000 Equity Shares of Rs. 10/- each, of the Company, requiring that M/s S M N P & Co., Chartered Accountant, Mumbai be appointed as statutory auditor of the Company in place of retiring auditor M/s G R S R A & CO., Chartered Accountants, Bangalore.

M/s S M N P & Co., Chartered Accountant, Mumbai has given their consent letter to act as Statutory Auditors of the Company and a certificate to the effect that their appointment as a Statutory Auditors, if made would be in accordance with the limit specified in Section 224(IB) of the Companies Act, 1956.

Now, your Directors recommend the appointment of M/s S M N P & Co., Chartered Accountant, Mumbai as Statutory Auditors of the Company from conclusion of the ensuing Annual General Meeting till conclusion of the Annual General Meeting.

Necessary resolution for appointment of M/s S M N P & Co., Chartered Accountant, Mumbai, as Statutory Auditors is being proposed in the notice for approval of the Shareholders.

### **AUDITORS' REPORT**

There are no specific observations in the Auditors' Report requiring further comments under Section 217(3) of the Companies Act, 1956.

### **COMPANY SECRETARY**

During the year Board of Director appointed Ms. Surabhi Panwar, Company Secretary of the Company dated 16th July, 2012. However, due to some personal reason she expressed her unwillingness to continue as a Company Secretary in the company and tendered her resignation to the Board of Director on 30th September, 2012 which was duly accepted by the board.

The Board places on record its deep appreciation for valuable contributions rendered by Ms. Surabhi Panwar, during her tenure as Company Secretary of the Company.

### **REPORT ON CORPORATE GOVERNANCE**

The Company has fairly complied with the requirement of Corporate Governance in terms of Clause 49 of the listing agreement. A detailed report on Corporate Governance is given in the Annexure I which form part of this report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

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

**(a) CONSERVATION OF ENERGY:**

The Company has placed continuous thrust on saving of electrical energy in the office area. The total energy consumption and energy consumption per unit of production as per form "A" is not given, due to closure of the operations.

**(b) TECHNOLOGY ABSORPTION:**

NIL

**(c) RESEARCH AND DEVELOPMENT:**

As a policy, continuous thrust on Research and Development is being maintained.

**(d) FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL**

**PARTICULARS OF EMPLOYEES**

The Company had no employees in the category mentioned in Section 217 (2A) of the Companies Act, 1956.

**FIXED DEPOSITS**

The Company has not accepted any deposits from the public during the year ended on 31st March, 2012.

**APPRECIATION**

The Directors are pleased to record their appreciation for the support and contributions made by all the concerned agencies.

*By order of the Board of Directors*  
**For GLOBAL STONE INDIA LIMITED**

**K. N. GARG**  
CHAIRMAN

Place: Indore (M.P.)  
Date: 07th July, 2012

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

### 1. COMPANY'S PHILOSOPHY

The fundamental objective of the Company's Corporate Governance is "enhancement of long-term value for shareholders and at the same time protecting the interest of other stakeholders and adopting a methodology which enhances effectiveness, better utilization of resources, transparent and harmonious relations between various interest groups", better working environment and workers participation in Management.

### 2. BOARD OF DIRECTORS

#### (A) Composition and Size of the Board:

The Board of Global Stone India Limited comprises of 03 (Three) Directors. None of the Directors of the Company is a Member of more than 10 committees or Chairman of more than 5 committees (as specified in the clause 49 of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business. The Composition of the Board during the financial year 2011-12 was as under:

Name of Directors	Category	No. of other Directorship	Board Committee(s) Memberships	
			Chairman	Member
Mr. K. N. Garg	Promoter & Non Executive	3	-	4
Mr. R. C. Soni	Non Executive, Independent	2	1	3
Mr. K. L. Daga	Non Executive, Independent	1	-	-

Note: Private & Foreign Companies Directorship are excluded.

#### (B) Board Meetings and Attendance of Directors:

During the year 2011-12 Five Board Meetings were held on 30th June, 2011, 16th July, 2011, 12th August, 2011, 20th October, 2011 and 13th February, 2012.

Name of the Director	No. of meetings attended	Last AGM attended
Mr. K. N. Garg- Non Executive Chairman	05	Yes
Mr. R. C. Soni	04	No
Mr. K. L. Daga	05	Yes

#### (C) Sitting Fees

None of the Directors' were paid Sitting Fees during Financial year 2011-12.