GLOBAL STONE INDIA LIMITED

CIN:L51909KA1985PLC006812

33RD

ANNUAL REPORT

FINANCIAL YEAR 2017-18

REGISTERED OFFICE:
Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road Banglaore KA 560066

CORPORATE & CORRESPONDENT OFFICE:
Romal Villa, Bungalow No. 4, Gulmohar Colony, Narsingarh Kothi Indore- 452018

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CORPORATE INFORMATION

GLOBAL STONE INDIA LIMITED

CIN: L51909KA1985PLC006812

Director

Mr. Kailash Narayan Garg	Director (DIN: 00008402)
Mr. Kishan Lal Daga	Non-Executive Independent Director (DIN: 01345114)
Mr. Krishnabhavanam Ramachandran Manoj Kumar	Non-Executive Additional Independent Director (DIN: 08003515 w.e.f. 04/12/2017)
Ms. Hiba Shaikh	Women Director (Independent) (DIN: 07325621)
Mr. R.C. Soni	Non-Executive Independent Director (DIN: 00023092) (Resigned on: 04/12/2017)

Registered Office
G 405 TO G 412, Sigma Soft Tech Park,
Ramagondanahalli Village, Varthur Hobli,
Banglaore-560066, Karnataka
Website : ***www.globalstoneindia.net***
E-Mail : *globalstone1985@gmail.com*.

Corporate & Correspondent Office
Romal Villa, Bungalow No. 4, Gulmohar
Colony, Narsingarh Kothi, Indore 452018 (M.P.)
Tel.: **0731-2590186-87**

Auditors
M/s AKPS & Co.
(Chartered Accountants)
3-H, BCM City 4th Floor,
Navlakha Square, A. B. Road,
Indore-452001
Email: E-Mail: info@pahwajhambandco.com

Registrar and Transfer Agent
Link Intime India Pvt. Ltd.
543A, 7th Main, 3rd Cross,,
Hanumanthnagar,
Bangalore – 560 019

Secretarial Auditor
Nitesh Chaudhary
Practising Company Secretary

Company Secretary
Abhishek Pokharna
(Date of Appointment -14.02.2018)

Listed on Stock Exchange
Bombay Stock Exchange Ltd
Ahmedabad Stock Exchange Ltd

DIRECTORS' REPORT

To
The Member,

The Directors submit herewith their Report together with the Audited Accounts of the company for the financial year ended 31st March, 2018.

Financial Results

Particulars	For The Year Ended 31.03.2018	For The Year Ended 31.03.2017
Sales & Other Income	0.00	0.00
Less: Expenditure	461857	231165
Profit/(Loss) before Taxes	(461857)	(231165)
Provision for Taxation	0.00	0.00
Profit /(Loss) after Taxes	(461857)	(231165)

Financial Performance

The Company has incurred loss of Rs. 461857/- during the current financial year as against Rs. 231165/- during the previous financial year.

Amounts transferred to Reserves

In lieu of losses during the year, the company does not propose to transfer any amount to the Reserves.

Dividend

In view of losses in the current year, the Board of Directors has not recommended any dividend for the year ended 31st March 2018.

Deposits

Your company has not accepted/renewed any deposit from the public during the year under report.

Share Capital

During the year under review, there was no change in the capital structure of the Company. The authorised share capital of the company as on 31st March, 2018 was Rs. 27,00,00,000.00 divided into 2,70,00,000 equity shares of Rs. 10/- each and The paid-up equity share capital of the company was Rs.26,97,18,865.00 divided into 2,69,71,886.00 equity shares of Rs. 10/- each.

Change in Nature of Business

There is no change in nature of business of Company.

Corporate Governance

As per the directions of SEBI and the Bombay Stock Exchange Ltd., accordingly the company has been adhering to the directions and guidelines as required. The report on the code of corporate governance is annexed separately in this Annual report along with the Auditors' Certificate on its compliance.

Conservation Of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy:
Since the company is not engaged in any manufacturing activity, issues relating to conservation of energy are not quite relevant to its functioning.
b) Technology Absorption:
Since the company is not engaged in any manufacturing activity, issues relating to Technology Absorption are not quite relevant to its functioning.
c) Foreign Exchange Earnings/Outgo:

Earnings	NIL
Outgo	NIL

Particulars of Loan, Guarantee and Investments under Section 186

During the period under review, the loans, advance and guarantees were provided by the Company under the provisions of Section 186 of Companies Act, 2013 is given in the balance sheet and schedule of Loans and Advances.

Material Changes Affecting the Financial Position of the Company

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the ends of the financial year of the Company- 31st March, 2018 till the date of this report.

Risk Management Policy

The Board of Directors of the Company are of the view that currently no significant risk factors are present which may threaten the existence of the company.
During the year, your Directors have an adequate risk management infrastructure in place capable of addressing those risks. The company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Audit Committee and Board of Directors review these procedures periodically. The company's management systems, organizational structures, processes, standards, code of conduct and behaviour together form a complete and effective Risk Management System (RMS).

Directors and Key Managerial Personnel

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mrs. K.N. Garg, Director (DIN: 00008402) of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommended his reappointment.

During the period under review, following changes were made in directorship of Company.

(a) Mr. R.C. Soni resigned from directorship of Company w.e.f. 04th December, 2017.

(b) Mr. Krishnabhavanam Ramachandran Manoj Kumar appointed a Independent additional Director of Company w.e.f. 04th December, 2017, confirmation of whom as Independent Director is proposed in this ensuing AGM.

(c) Mr. Abhishek Pokharna appointed as Company Secretary and Compliance Officer in Whole time Employment of Company w. e. f. 14th February, 2018.

Further, the company is in process of appointment of MD and CFO as required under the Act.

Board Evaluation

Reg.17 of SEBI (LODR) Regulations, 2015 of mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

Number of Meetings of the Board

The Board met 4 times during the financial year, the details of which are given in the corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Policy on Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018, the Board consists of 4 members. Out of which one is Executive director, one Woman Director and two Independent Directors on the Board of the Company.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Subsection (3) of Section 178 of the Companies Act, 2013, adopted by the Board, are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Training of Independent Directors

Every new independent director of the Board attended an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, software delivery, organization structure, finance, human resources, technology, quality, facilities and risk management.

The Company has organized the following workshops for the benefit of Directors and Independent Directors:

(a) a program on how to review, verify and study the financial reports;

(b) a program on Corporate Governance;

(c) provisions under the Companies Act, 2013; and

(d) SEBI Insider Trading Regulation, 2015.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director.

Committees of the Board

Currently, the Board has four committees: 1. Audit Committee, 2. Nomination and Remuneration Committee, 3. Stake Holders Relationship Committee.

A detailed note on the Board and its committees is provided under the corporate governance report section in this Annual Report.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Independent Directors Declarations

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not a promoter of the Company or its holding, subsidiary or associate company;

2. They are not directors in the company, its holding, subsidiary or associate company.

3. The independent Directors have/had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

4. None of the relatives of the Independent Directors have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Independent Director, neither himself nor any of his relatives—

   - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

   - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

   - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

Directors' Responsibility Statement As Required Under Section 134(3) (C) Of the Companies Act, 2013

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis.

GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

There are no material departures from prescribed accounting standards in the adoption of these standards. The directors hereby confirm that:

1. In preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed.

2. 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 at the end of the financial year and of the profit and loss of the Company for that period.

3. The directors have taken proper and sufficient care towards 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.

4. The directors have prepared the annual accounts on a going concern basis.

5. The directors have laid down internal financial controls, which are adequate and are operating effectively.

6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Auditors

M/s. AKPS & Co, (Firm Reg. No 009710C), Chartered Accountants, Indore, Chartered Accountants, retire at the end of this AGM and, being eligible, offer themselves for re-appointment. The Board has recommended their re-appointment.

Auditor's Report

The Auditors' Report contains some qualification which are mentioned as below:

(i) Refer Note No 29, regarding non redemption of 15 lakhs preference Shares, due for redemption during the year in non-compliance with section 55 (3) of Companies Act, 2013, the consequential monitory impact of which is presently unascertainable.

(ii) Refer Note No 36, regarding non provision of obsolescence in value of inventory of spares and consumables lying unmoved since long amount of which is unascertainable and consequently over statement of inventory and understatement of loss for the year to is also unascertainable.

(iii) Refer Note No. 42 regarding the preparation of accounts on the assumption of going concern even though no manufacturing operation and business activities have been carried out during the financial year keeping in view of the managements' effort to revive the Company.

iv) Refer Note No. 43 regarding non confirmation of balances of long term and Short term borrowings and other current liabilities. The effect of above on the losses of the current year and on long term and Short term borrowings and other current liabilities is presently unascertainable.

v) Refer Note No 37 regarding non-compliance by the Company with Section 177 and Section 203 of the Act in respect of constitution and conduct of various Committees and their meetings and employment of a full-time Company Secretary on its rolls respectively.

vi) Refer Note No. 6 regarding Debenture redemption and interest payable, no list of amount payable to whom and interest thereon is available. The effect of above on the Losses of the current year and other current liabilities is presently unascertainable.

vii) Refer Note No. 13, "Balance with Bank", No confirmation from bank available for our verification. The effect of above on the losses of current year is presently unascertainable.

Management Clarification on the Auditors Qualification:
Management of the Company taken on record the Observations & Qualifications given by Statutory Auditors on Financial Statements as on 31st March, 2018 and clarification of the Board and Management is as follows:

In our opinion and to the best of our information and according to the explanations given to us except for the effect of the matter described in Basis of Qualified Opinion, 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 general accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

Due to lack of funds the company could not make redemption of 15 lakhs preference Shares, due for redemption during the year in non-compliance with section 55 (3) of Companies Act, 2013.

The Company expect to revive its production and operations and management with expectation that the business of the company will be revived soon and revenue generation therefore the preparation of accounts on the assumption of going concern even though no manufacturing operation and business activities have been carried out during the financial year keeping in view of the managements' effort to revive the Company.

Non confirmation of balances of long term and Short term borrowings and other current liabilities. The effect of above on the losses of the current year and on long term and Short term borrowings and other current liabilities is presently unascertainable, the management of the company has asked for the confirmations from all the parties and the company has received the confirmations after signing the audit report by Auditor the confirmations received by company will be handover to the auditors.

The Company has appointed to Mr. Abhishek Pokharna as Company Secretary & Compliance Officer dated 14.02.2018 and company has also constituted the committees in the current financial year.

The management of the company is in process to get all the records available to the auditors for Debenture redemption and interest payable.

Secretarial Auditor

Mr. Nitesh Chaudhary Practicing Company Secretary as a Secretarial Auditor was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under