



**Goldstone**

Goldstone Technologies Limited

*Nineteenth Annual Report 2012-2013*

• IT Enabled Services • Digital Media Services



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. K S Sarma (IAS Retd)	Director
Mr. V Venkata Ramana	Director
Mr. Ponnappula Sanjeeva Parthasarathy	Director
Mr. Clinton Travis Caddell	Director
Mr. L P Sashikumar	Director

### MANAGEMENT TEAM:

Mr. Rajshekhar Roy	Chief Executive Officer (CEO)
Mr. P Syam Prasad	General Manager (Finance)
Mr. Vithal V S S N K Popuri	General Manager (Accounts)

<b>Auditors:</b>	<b>Bankers:</b>
P. Murali & Company, Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad – 500 082.	Central Bank of India ICICI Bank CITI Bank
<b>Registered Office:</b>	<b>Registrar &amp; Share Transfer Agents</b>
9-1-83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad – 500 003 Ph. Nos. 040 – 27807640 /0742/ 1910 Fax Nos. 040 – 39120023	Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Ph. No. 040-27638111/ 4445; Fax.No. 040-27632184

As the members are already aware, the Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in Corporate Governance" by allowing the companies to service the documents to its members through electronic mode. Recognizing the spirit of the circulars issued by the MCA, we are now sending this Annual Report comprising of Notice, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditors' Report, etc. to the email addresses of the members made available to the Company by the Depositories (CDSL / NSDL) or registered by the members directly with the Company's RTA. For those members who have not yet registered their email, we are sending the Annual Report in physical mode. In case you wish to receive future communication in electronic mode, kindly register your email address through the following link: <http://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.

## **NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of Goldstone Technologies Limited will be held on Saturday, the 28<sup>th</sup> day of September, 2013 at 3.30 P.M. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance sheet as at March 31<sup>st</sup>, 2013, and the Statement of Profit and Loss for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. K.S.Sarma who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint a Director in place of Mr. L.P.Sahikumar who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, the retiring auditors, being eligible, offer themselves for re-appointment.

### **BY ORDER OF THE BOARD**

### **For GOLDSTONE TECHNOLOGIES LTD**

Sd/-

**L.P.Sashikumar**  
Director

Place: Secunderabad

Date : 31.07.2013

## **NOTES:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form duly completed and signed should reach the Company's registered office not later than 48 hrs before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain ***closed from 23<sup>rd</sup> day of September 2013 to 28<sup>th</sup> day of September 2013*** (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting.
4. Members are requested to bring their copy of Annual Report with them at the Annual General Meeting.
5. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agent, Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029:
  - i) Changes, if any, in their address with pin code numbers.
  - ii) Quote their ledger Folio No. in all their correspondence.
  - iii) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 1956.



Members holding shares in dematerialized (electronic) form are requested to intimate the aforesaid changes directly to their Depository Participant, as applicable.

6. Members desiring any information with regard to Accounts/Reports are requested to submit their queries addressed to the Company at least ten (10) days in advance of the meeting so that the information called for can be made available at the meeting.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, between 11.30 a.m. to 1.30 p.m. up to the date of the Annual General Meeting.
8. As on March 31, 2013 of Rs.2,49,604/- was unclaimed out of the dividend declared on September 30, 2008 for the financial year 2007-08. Members who have not claimed the dividend are advised to claim the same at the earliest. In accordance with the provisions of

Section 205C of the Companies Act, 1956 aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund by October 29, 2015.

9. Pursuant to the requirements on Corporate Governance under Clause 49 of the listing agreements entered into with the stock exchanges, the information about the Directors proposed to be appointed / reappointed is given in the Annexure to the Notice.
10. The Annual Report of the Company for the year 2012-13 circulated to the Members of the Company is available on the Company's website, viz. <http://www.goldstonetech.com/>.

**BY ORDER OF THE BOARD**  
**For GOLDSTONE TECHNOLOGIES LTD**

Sd/-  
**L.P.Sashikumar**  
Director

Place: Secunderabad  
Date : 31.07.2013

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE  
FORTHCOMING ANNUAL GENERAL MEETING:**

**Directors' Profile:**

A brief resume of the Directors seeking appointment/re-appointment in the Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement is given below.

**Date of Appointment, Shareholding in the Company, Directorship in Companies and Chairman/ Membership of the Committees:**

<b>Name of the Director</b>	<b>Mr.K.S.SARMA</b>	<b>Mr. L.P.SASHIKUMAR</b>
Date of Birth	01.07.1944	25.10.1950
Date of Appointment	30.04.2007	30.10.2007
No. of shares held (As on 31.07.2013)	Nil	757
Expertise in functional areas	He is a retired IAS officer. During his career he worked in various levels such as Joint Secretary, Special Secretary and Principal Secretary with Govt of Andhra Pradesh before going on deputation to the Government of India. He worked in the Ministry of Information and Broadcasting and held addition charges of the Post of Director General, Doordarshan.etc.	Over 30 years of varied experience in the industry and business sectors.
List of Directorships in Companies (other than Goldstone Technologies Limited)	1. Catholic Syrian Bank Ltd. 2. Renascence Asset Reconstruction Company Limited.	1. Goldstone Infratech Ltd. 2. Goldstone Granites Pvt Ltd. 3. Staytop Systems and Software Pvt. Ltd. 4. SEPC Power Private Ltd 5. T F Solar Power Pvt.Ltd. 6. Goldstone Power pvt. Ltd.
Chairman/ Member of the Committee of the Board of Directors of Companies (other than Goldstone Technologies Limited) on which he/she is a Director	Member of Audit Committee & Investors' Grievance & Share Transfer Committee of Catholic Syrian Bank Ltd	Member of Investors' Grievance & Share Transfer Committee of Goldstone Infratech Ltd.
Relationship between Directors inter-se	No	Relative of Mr. Clinton Travis Caddell

## Directors' Report

To

The Members

Goldstone Technologies Limited

Your Directors have pleasure in presenting the Nineteenth Annual Report of your company and the Audited Financial Accounts for the year ended on March 31, 2013.

Financial Results (Consolidated)

(₹ in Millions)

Particulars	2012-13	2011-12
Net Sales/Income from Operations	<b>735.68</b>	677.57
Total Expenses	<b>657.03</b>	635.00
Profit from Operations before Other Income, Interest & Exceptional Items	<b>78.60</b>	42.57
Other Income	<b>2.63</b>	8.54
Profit before Interest & Exceptional Items	<b>81.28</b>	51.11
Interest	<b>9.94</b>	15.57
Profit after Interest but before Exceptional Items	<b>71.34</b>	35.54
Exceptional Items	<b>0.00</b>	0.00
Profit before Tax	<b>71.34</b>	35.54
Tax expenses	<b>25.56</b>	5.95
Net Profit after Tax	<b>45.75</b>	29.59
Extraordinary Items (Net of Tax)	<b>0.00</b>	1.88
Net Profit for the period	<b>45.75</b>	27.71
Equity Share Capital (1,87,82,066 Shares of Rs 10/- each; Previous year 1,87,82,066 Shares of Rs 10/- each)	<b>187.82</b>	187.82
E.P.S (After Prior Period Items) (Rupees)	<b>2.44</b>	1.48
Net Worth	<b>594.87</b>	574.23
Book Value (face Value of Rs. 10/- each)	<b>31.67</b>	30.57

### Review of Operations

During the year under review, your Company has achieved a consolidated turnover of Rs. 735.68 Million as compared to Rs. 677.57 Million during the previous financial year. The standalone turnover was Rs.287.58 Million as against a turnover of

Rs. 242.93 Million during the previous year. The consolidated net profit for the period increased to Rs.45.75 Million from Rs. 27.71 Million during the previous year and the standalone profit increased to Rs.20.63 Million from Rs. 16.43 Million.

### **Dividend**

In order to conserve resources for future requirements, the Board has decided to retain the profits generated and consequently, your Board did not recommend any dividend for the financial year 2012-13.

### **Fixed deposits**

The Company has not accepted any Fixed Deposits, falling within the purview of Section 58A of the Companies Act, 1956.

### **Insurance**

All the properties of your Company have been adequately insured.

### **Subsidiaries**

Your Company has a wholly owned subsidiary incorporated in USA, namely Staytop Systems Inc. Further, it has another subsidiary company in India namely Staytop Systems and Software Private Limited, which is yet to commence its operations.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary

companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

As required under listing agreement with Stock Exchanges, Consolidated Financial statements prepared in terms of Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India, are attached.

### **Auditors**

M/s. P. Murali & Company [FRN:007257S] Chartered Accountants, Statutory Auditors of the Company, holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

### **Directors**

Mr. K.S.Sarma and Mr.L.P.Sashikumar, Directors who retires by rotation at the 19<sup>th</sup> Annual General Meeting and being eligible, offers themselves for reappointment.

### **Stock Exchange Listing**

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India [NSE], Bombay Stock Exchange Limited [BSE]. The Company confirms that it has paid Listing Fees due to all the Stock Exchanges where the Company's securities are listed for the year 2013-14.

### **Director's Responsibility Statement**

In accordance with the Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirms that:



- a) In the preparation of the Accounts for the twelve months period ending March 31, 2013; the applicable accounting standards have been followed and there are no material departures there from.
- b) They have selected such accounting policies in consultation with Statutory Auditors of the Company and applied 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, 2013 and of the profit of the Company for the financial year.
- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared accounts for the year ended March 31, 2013 on a going concern basis.

### **Corporate Governance and Management Discussion and Analysis Report**

A separate report on Corporate Governance along with Auditors' Certificate on its compliance and Management Discussion and analysis forming part of this report are annexed hereto.

### **Particulars of Employees**

None of the employees are drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act' 1956 read with the Companies (particulars of employees) Rules, 1975, as amended.

### **Particulars of Conservation of energy / technology absorption, foreign exchange earnings and outgoings**

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Companies (Disclosure of particulars in the Directors Report) Rules 1988 are as follows:

#### **A. CONSERVATION OF ENERGY:**

Your company's operations involve low energy consumption. However, adequate measures have been taken to conserve and reduce the energy consumption.

#### **B. TECHNOLOGY ABSORPTION:**

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your company continues to invest in the latest hardware and software.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

₹ In Millions		
Particulars	2012-13	2011-12
Foreign Exchange Earnings	<b>139.50</b>	188.62
Foreign Exchange Outgo	<b>1.66</b>	8.11

### **Acknowledgements**

Your Directors convey their sincere thanks to Central Bank of India, ICICI Bank and CITI Bank for their support, guidance and assistance.

Your Directors thank all the Employees of your company for their dedicated service, which enabled your company to achieve satisfactory results and performance during the year. Your Directors thank the shareholders for their support and confidence reposed in the company and the management and look forward to their continued co-operation and support.

### **For and on behalf of the Board**

Place: Secunderabad

Date: 31.07.2013

Sd/-

**L P Sashikumar**

Director

Sd/-

**P.S.Parthasarathy**

Director