



**Analytics and Business
Intelligence**

**IT Consulting, Off Shore
Support & Staffing**

**Testing, Automation
& QA Services**

Twenty First Annual Report 2014-2015



CORPORATE INFORMATION

Board of Directors:

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

Board Committees;

Audit Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V Venkata Ramana
Mr. Clinton Travis Caddell

Nomination and Remuneration Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V Venkata Ramana
Mr. L.P. Sashikumar

Stakeholders Relationship Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V Venkata Ramana
Mr. L.P. Sashikumar

Key Managerial Personnel:

Mr. Ponnepula Sanjeeva Parthasarathy;

Managing Director

Mr. Vithal V S S N K Popuri ;

Chief Financial Officer

Statutory Auditors:

M/s. P. Murali & Company,
Chartered Accountants, 6-3-
655/2/3,
Somajiguda, Hyderabad – 500
082.

Principal Bankers:

Central Bank of India
CITI Bank.

Registrars & Share Transfer Agents:

M/s. Aarthi Consultants Private
Limited,
1-2-285, Domalguda,
Hyderabad – 500 029

Stock Exchanges where Company's Securities are listed:

Bombay Stock Exchange Limited
National Stock Exchange of India
Limited

Registered Office:

9-1-83 & 84, Amarchand Sharma
Complex S.D. Road,
Secunderabad – 500 003
Telangana, INDIA .
Tel. 91-40-27807640 / 0742
www. goldstonetech.com,
E-Mail:
corporate@goldstonetech.com
CIN: L72200TG1994PLC017211

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of Goldstone Technologies Limited will be held on Tuesday, the 29th day of September, 2015 at 3.00 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 31st, 2015, and the Statement of Profit and Loss for the year ended on that date together with the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Mr. L.P. Sashikumar (DIN: 00016679) who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of the Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors".

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED that pursuant to the provisions of Section 197, 198 and 203 read with provisions of Part-I, Section II of Part-II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to the consents and permission as may be necessary, Mr.P.S.Parthasarathy (DIN: 0183728) be and is hereby appointed as Managing Director of the Company for a period of two years from 27th May, 2015 to 26th May, 2017 with a monthly remuneration of ₹ 2,00,000/- Per Month on the following terms and conditions:

1. Salary

Salary of ₹ 1,40,000/- (Rupees One Lakh Forty Thousand Only) per month.

2. Perquisites

The following perquisites may be allowed in addition to salary:

Category A

1. **Housing:** Rent Free Accommodation or House Rent Allowance – ₹ 28,000/-per month (Rupees Twenty Eight Thousand only).
2. Other allowances/reimbursements like Maintenance, LTA, Gardener, Servant, Conveyance, Subscription to Professional journals and Medical etc., not exceeding ₹ 32,000/- per month (Rupees Thirty Two Thousand only).

Category B

Company's contribution towards Provident Fund, Annuity Fund or Super Annuation Fund and payment of Gratuity, Medical Insurance Policy as per the applicable laws. One month leave for every completed year of service or payment in lieu thereof.

Category C

Provision of car for use on Company's

business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be charged by the Company.

3. Minimum Remuneration

Depending upon further performance of the Company the remuneration payable to Mr.P.S.Parthasarathy shall be not exceeding the statutory limits as may be prescribed from time to time pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013. However contribution to provident fund/annuity fund/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule-V or other relevant provisions of the Companies Act, 2013 or any other amendments thereto, as may be agreed between the Board and Mr. P.S.Parthasarathy."

BY ORDER OF THE BOARD
For GOLDSTONE TECHNOLOGIES LIMITED

Sd/-
P.S.Parthasarathy
Managing Director
DIN: 01837281

Place: Secunderabad
Date: 05th August, 2015

NOTES:-

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 of the Notice, is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 2 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.



5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. 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.
7. The Register of Members and Transfer Books of the Company shall remain closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive) for the purpose of ensuing Annual General Meeting.
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
9. As on March 31, 2015 Amount of ₹ 2,49,004/- 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 124 (5) of the Companies Act, 2013 aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund by October 29, 2015.
10. The Annual Report of the Company for the year 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted

mode. The Annual Report of the Company for the year 2014-15 circulated to the Members of the Company is available on the Company's website, viz. www.goldstonetech.com.

11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the e-mail 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.

12. **E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 21st Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 22nd September, 2015 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Saturday, 26th September, 2015 (09:00 hrs) and will end on Monday, 28th September, 2015 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The

e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed M/s. Prathap Satla & Associates, Practicing Company Secretaries (C.P.No. 11879), to act as Scrutinizers to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

13. The e-voting facility will be available at the link www.evotingindia.com during the voting period.

14. The procedure and instructions for e-voting are as follows:

A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars)

- I) The shareholders should log on to the e-voting website www.evotingindia.com
- II) Click on "Shareholders" tab.
- III) Now Enter your User ID
 - a) CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Goldstone Technologies Limited> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in

favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- B. In case of members receiving the physical copy of notice of 21st Annual General Meeting (for members whose e-mail ids are not registered with the Company/ Depositories):

- i. Please follow all the steps from S.No.(i) to S.No. (xvii) to cast vote

C. General Instructions:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd September, 2015.
- ii. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, then voting done by such member will be treated as invalid.
- iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, M/s. Prathap Satla & Associates, Practicing Company Secretaries (C.P. No. 11879) having it's office at H.No.6-3-1238/15/1, Flat No.301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad-500082 so as to reach on or before the conclusion of the 21st Annual General Meeting or can carry the same to the AGM and deposit it

in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to cs@goldstonetech.com by mentioning their Folio No. / DP ID and Client ID.

- iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- vi. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.goldstonetech.com and on the website of www.aarthiconsultants.com the results shall simultaneously be communicated to the Stock Exchanges.
- vii. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within three days of the AGM.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

ITEM NO.4

As per Recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held



on 27th May, 2015 had Appointed Mr. Ponnappula Sanjeeva Parthasarathy (DIN: 0183728) as "Managing Director" of the Company for a period of 2 years from 27th May, 2015 to 28th May, 2015 subject to approval by the share holders of the Company under Schedule V of the Companies Act, 2013.

GENERAL INFORMATION:

The operations of the Company would come under the purview of the Software and IT enabled services. The Company has started its commercial operations on 18th March, 1994.

During the year under review, your Company has reached a Consolidated Turnover of ₹697.18 Million as compared to ₹736.49 Million for the previous Financial Year. The Standalone Turnover was ₹290.66 Million as against a Turnover of ₹261.76 Million during the previous year. The Consolidated Net (Loss) for the year 2014-2015 was (₹27.27) Million in comparison with Net profit of ₹19.64 Million during the previous year and the Standalone Net (Loss) is (₹38.01) Million during the year and in comparison with Net profit of ₹10.81 Million during the previous year. The Company does not have any direct foreign investments as well as collaborations however company is having wholly owned subsidiary situated at outside India.

INFORMATION ABOUT THE APPOINTEE:

Mr. Ponnappula Sanjeeva Parthasarathy has a rich experience of about 20 years in the domestic as well as oversees operations of the software industry along with deep understanding of US and European market. He has no specific recognition or awards other than his rich experience as specified. He joined the Company on 30/05/2012 as Additional Director of the Company. His immediate past assignment was as Non Executive Director of the Company without any remuneration except receiving of conveyance for attending of Board Meetings. Remuneration proposed for the position was ₹ 2,00,000/- per month including

perquisites. He has no pecuniary relationship with company either directly or indirectly and he has no relationship with the management of the Company. The Company appointed Mr. Ponnappula Sanjeeva Parthasarathy as a Managing Director to utilize his rich experience and expertise.

OTHER INFORMATION:

Reasons of loss or inadequate profits:

Due to the continued economic slowdown worldwide, the high stress on core business margins resulted in loss or inadequate profits.

Steps taken or proposed to be taken for improvement:

The company has already ventured into BI segment with a strategy to sell BI products and consulting services across the globe.

Expected increase in productivity and profits in measurable terms:

The Company will take the opportunity in the BI & Analytics segment and expected to grow to the tune of 15 to 20 % in the FY 2015-16 resulting into considerable growth in Turnover and Profitability.

Disclosure:

The Board has also, subject to approval of the share holders, fixed the remuneration/ perquisites/ benefits payable to the aforesaid Mr.Ponnappula Sanjeeva Parthasarathy, Managing Director from May 27, 2015, which, shall be as under:

1. Name of the appointee: Mr.Ponnappula Sanjeeva Parthasarathy
2. Designation: Managing Director
3. Tenure: Two (2) years from May 27, 2015
4. Salary: ₹ 1,40,000/- P.M.

5. Perquisites:

- i) Perquisites include Housing: Rent Free Accommodation or House Rent Allowance – ₹28,000/-per month (Rupees Twenty Eight Thousand only).