

## CORPORATE INFORMATION

### Board of Directors

Mr. M. Gopalakrishna, IAS (Retd.)  
Mr. S. Murali Krishna  
Mrs. Mahita Caddell  
Mr. B. Appa Rao  
Mr. S D Rama Krishna [w.e.f 13<sup>th</sup> May 2011]  
Mr. L P Sashikumar (Managing Director)

### Board Committees

#### Audit Committee

Mr. B. Appa Rao  
Mr. S. Murali Krishna  
Mr. M. Gopalakrishna

#### Shareholders/Investors Grievance Committee

Mr. S. Murali Krishna  
Mr. B. Appa Rao  
Mr. L P Sashikumar

#### Compensation cum Remuneration Committee

Mr. M. Gopalakrishna  
Mr. S. Murali Krishna  
Mr. B. Appa Rao

### Management Team

Mr. Surendra Kabra (President)  
Mr. D P K Udas (VP, Marketing)  
Mr. B. Kiran Kumar Reddy (AGM, Production)  
Mr. Adalat Srikanth (Company Secretary & Compliance Officer)

### Statutory Auditors

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

### Principal Bankers

State Bank of Hyderabad  
Allahabad Bank  
Syndicate 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  
Madras Stock Exchange

### Registered Office

9-1-83 & 84, Amarchand Sharma Complex  
S.D. Road, Secunderabad - 500 003  
Andhra Pradesh

### Factory

- 1) Plot No. 1&9, IDA, Phase II, Cherlapally, Hyderabad - 500 051.
- 2) Plot No. 8, IDA, Gaddapotharam, Jinnaram Mandal, Medak Dist., A.P.

## CONTENTS

|                                     |    |
|-------------------------------------|----|
| Notice                              | 01 |
| Directors' Report                   | 06 |
| Management Discussion and Analysis  | 13 |
| Report on Corporate Governance      | 16 |
| Auditors' Report, Standalone        | 24 |
| Balance Sheet, Standalone           | 28 |
| Profit & Loss Account, Standalone   | 29 |
| Schedules, Standalone               | 30 |
| Notes to Accounts, Standalone       | 37 |
| Cash Flow Statement, Standalone     | 45 |
| Auditors' Report, Consolidated      | 46 |
| Balance Sheet, Consolidated         | 47 |
| Profit & Loss Account, Consolidated | 48 |
| Schedules, Consolidated             | 49 |
| Notes to Accounts, Consolidated     | 55 |
| Cash Flow Statement, Consolidated   | 64 |
| Statement of Subsidiaries           | 65 |
| Balance Sheet Abstract              | 66 |
| Attendance Slip and Proxy Form      | 67 |

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Aarthi Consultants Private Limited.

## NOTICE TO SHAREHOLDERS:

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of the Company will be held on Friday, the 30<sup>th</sup> day of September 2011 at 4.00 p.m. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended as on that date along with Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the year 2010-11.
3. To appoint a Director in place of Mr. S. Murali Krishna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. Gopalakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 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 at such remuneration as may be determined by the Board".

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED** that Mr. S.Dasaradha Rama Krishna, who was appointed as an Additional Director by the Board of Directors at their meeting held on 13<sup>th</sup> May, 2011 and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation"

By order of the Board of Directors

Sd/-

**Adalat Srikanth**  
Company Secretary

Place: Secunderabad

Date: 30<sup>th</sup> August, 2011

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. 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.
3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Payment of Dividend through ECS:  
The Company offers the facility of electronic credit of Dividend directly to the respective bank accounts of shareholders, through Electronic Clearing Services (ECS). This facility is currently available at the locations specified by the Reserve Bank of India.
  - i) Members holding shares in physical form are advised to submit the Bank mandate particulars of their bank account viz., name and address of the branch of the bank, MICR code of the branch, type of account and account number latest by 21<sup>st</sup> September, 2011 to the Company's Registrar and Share Transfer Agent at Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029.
  - ii) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
6. 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.
7. 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.
8. The Register of Members and Transfer Books of the Company shall remain closed from 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive) for the purpose of Dividend and Annual General Meeting.
9. 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.
10. As on 31<sup>st</sup> March 2011 an amount of ₹ 2,07,645.60 was unclaimed out of the dividend declared on 28<sup>th</sup> September, 2007 for the financial year 2006-07, an amount of ₹ 2,25,440.00 was unclaimed out of the dividend declared on 30<sup>th</sup> September, 2008 for the financial year 2007-08, an amount of ₹ 2,21,975.00 was unclaimed out of the dividend declared on 30<sup>th</sup> September,

2009 for the financial year 2008-09 and an amount of Rs. 1,34,205.00/- was unclaimed out of the dividend declared on 29<sup>th</sup> September, 2010 for the financial year 2009-10. 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 on 29<sup>th</sup> October 2014; 31<sup>st</sup> October, 2015; 31<sup>st</sup> October, 2016 and 30<sup>th</sup> October 2017, respectively.

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## **Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956:**

### **Item No. 6: Information about the Appointee:**

Mr. S. Dasaradha Rama Krishna has done Masters Degree in Civil Engineering from Virginia Tech University, USA and has more than 12 years of variegated experience in Civil Engineering, Real Estate, Banking, Technology, and Telecom industry verticals.

In his career span, Mr. Rama Krishna played key role of CEO since the inception of System Services Inc. (SSI) in 1999 in USA and expanded operations to India and instrumental in its success to grow to a multi-million dollar operation Company. He had also been engaged as an expert technical consultant and architected several business critical software packages and technology infrastructure with many companies including Morgan Stanley, Verisign, Mohawk, IBM Global Services, JP Morgan Chase Bank, Alcatel Network Systems, Lucent, MetroPCS, NEC, and XO Communications.

Mr. Rama Krishna has been the managing director of Goldstone Technologies Limited since October, 2010. He is not holding any shares of Goldstone Infratech Ltd.

His continuation on the Board will enable the Company to gain from his considerable experience and expertise. Notice pursuant to the provisions of Sec. 257 of the Companies Act, 1956, together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation. The Board recommends his appointment.

No Director of the Company other than Mr. Rama Krishna is interested in the resolution.

Your Directors recommend the resolution for your approval.

By order of the Board of Directors

Sd/-  
**Adalat Srikanth**  
Company Secretary

Place: Secunderabad  
Date: 30<sup>th</sup> August, 2011

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

**(Pursuant to Clause 49 of the Listing Agreement)**

|   |   |
|---|---|
| Name of Director  | <b>Mr. S. Murali Krishna</b>  |
| Date of Birth   | 25 <sup>th</sup> July, 1969   |
| Date of Appointment   | 30 <sup>th</sup> April, 2005  |
| Qualifications  | Master in Business Administration   |
| Expertise in specific functional areas  | Significant knowledge and experience in the field of Business Management & Administration   |
| List of other companies in which directorship held                              | <ol style="list-style-type: none"> <li>1. GEL Infrastructure Pvt. Ltd.</li> <li>2. Noble Cold Storages Pvt. Ltd.</li> <li>3. Noble Distilleries &amp; Power Ltd.</li> <li>4. Samruk Hotels Pvt. Ltd.</li> <li>5. D M Cements Pvt. Ltd.</li> </ol> |
| List of the Committees of other Companies in which chairmanship/Membership held | NIL   |
| Chairman/Member of the Committees of the Company                                | Audit Committee - Member<br>Investors Grievance & Share Transfer Committee - Chairman<br>Remuneration Committee - Member  |
| Shareholding in the Company   | NIL   |

|   |   |
|---|---|
| Name of Director  | <b>Mr. S.D. Rama Krishna</b>  |
| Date of Birth   | 25 <sup>th</sup> October, 1970  |
| Date of Appointment   | 13 <sup>th</sup> May, 2011  |
| Qualifications  | Masters Degree in Civil Engineering   |
| Expertise in specific functional areas  | Over 12 years of varied experience in the industry and business sectors.  |
| List of other companies in which directorship held                              | Goldstone Technologies Ltd.<br>Sailram Infratech Pvt. Ltd.  |
| List of the Committees of other Companies in which chairmanship/Membership held | Member, Audit Committee; and Member, Shareholders/Investors Grievance Committee of Goldstone Technologies Limited |
| Chairman/Member of the Committees of the Company                                | NIL   |
| Shareholding in the Company   | NIL   |

|   |  |
|---|--|
| Name of Director  | <b>Mr. M. Gopalakrishna, IAS (Retd.)</b>   |
| Date of Birth   | 12 <sup>th</sup> January, 1939   |
| Date of Appointment   | 29 <sup>th</sup> October, 2007   |
| Qualifications  | Graduate in Science & Law  |
| Expertise in specific functional areas  | Over 40 Years of experience in Industry and Business Sectors   |
| List of other companies in which directorships held                             | NSL Textiles Limited<br>BGR Energy Systems Limited<br>JOCIL Limited<br>Pitti Laminations Limited<br>Vijayshri Organics Limited<br>Kernex Microsystems Limited<br>Nuzuveedu Seeds Pvt. Limited<br>Sentini Bio-Products Pvt. Limited<br>Avra Laboratories Pvt. Limited<br>Arani Power Systems Pvt. Limited<br>NSL Renewable Power Pvt. Limited |
| List of the Committees of other Companies in which chairmanship/Membership held | 1. Pitti Laminations Limited - Remuneration Committee Member<br>2. Kernex Microsystems Limited - Audit Committee Member<br>3. BGR Energy Limited -<br>Remuneration Committee - Chairman<br>Audit Committee - Member<br>Shareholders Grievance Committee - Chairman   |
| Chairman/Member of the Committees of the Company                                | Audit Committee - Member<br>Remuneration Committee - Chairman  |
| Shareholding in the Company   | NIL  |

By order of the Board of Directors

Sd/-  
**Adalat Srikanth**  
Company Secretary

Place : Secunderabad  
Date : 30<sup>th</sup> August, 2011

## DIRECTORS' REPORT

To  
The Members  
Goldstone Infratech Limited

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the company for the financial year ended 31<sup>st</sup> March 2011.

### Financial Results

The summarized financial results (Standalone) of the Company for the year ended 31<sup>st</sup> March, 2011 as compared to the preceding year are as under:

₹ in Lakhs

| Particulars   | 2010-11        | 2009-10 |
|---|----------------|---------|
| Gross Sales   | <b>7295.39</b> | 7035.09 |
| Net Sales   | <b>6804.08</b> | 6560.70 |
| Other Income  | <b>122.61</b>  | 205.67  |
| Total Income  | <b>6926.69</b> | 6766.37 |
| Total Expenditure                                       | <b>5788.08</b> | 5304.03 |
| Operating Profit (PBIDT)                                | <b>1138.61</b> | 1462.35 |
| Interest  | <b>372.26</b>  | 263.82  |
| Depreciation and Write Offs                             | <b>289.82</b>  | 288.99  |
| Profit Before Tax                                       | <b>476.52</b>  | 909.53  |
| Provision for taxation -                                |                |         |
| - Current   | <b>100.00</b>  | 200.00  |
| - Deferred  | <b>51.94</b>   | 40.68   |
| Profit after Tax  | <b>324.58</b>  | 668.85  |
| Extra-Ordinary Items                                    |                |         |
| - Taxes pertains to previous year                       | <b>(0.02)</b>  | (2.15)  |
| - Prior period adjustments                              | <b>(1.10)</b>  | 6.53    |
| Net Profit  | <b>323.47</b>  | 673.23  |
| Surplus brought forward from previous year              | <b>2544.46</b> | 2022.69 |
| Balance available for appropriation                     | <b>2867.92</b> | 2695.93 |
| Appropriations:   |                |         |
| - Proposed Dividend on Equity Shares                    | <b>72.16</b>   | 72.16   |
| - Provision for Dividend Tax                            | <b>11.71</b>   | 11.99   |
| - Transfer to General Reserves                          | <b>32.35</b>   | 67.32   |
| Surplus carried forward to Balance Sheet                | <b>2751.71</b> | 2544.46 |
| Equity Share Capital (3,60,80,737 Shares of ₹ 4/- each) | <b>1443.23</b> | 1443.23 |
| E.P.S (After Prior Period Items) (Rupees)               | <b>0.90</b>    | 1.87    |
| Net Worth   | <b>9914.40</b> | 9667.83 |
| Book Value in rupees (face Value of ₹ 4/- each)         | <b>27.48</b>   | 26.79   |



## Review of Operations

During the year under review, your Company has achieved a gross turnover of ₹ 7295.39 Lakhs as compared to ₹ 7035.09 Lakhs during the previous financial year. In spite of slight increase in the turnover, the Net Profit has come down to ₹ 323.47 lakhs from ₹ 673.23 lakhs. This was mainly due to the reduction in selling prices of the products, increased competition and higher interest costs.

To achieve forward integration and to reduce the dependency on outside suppliers for End Fittings, which is crucial for manufacture of Insulators, the Company has set up a foundry in its manufacturing unit no. 2 at Plot No. 8, IDA, Gaddapotharam Village, Jinnaram Mandal, Medak District. The Management is working to bring this foundry into operation by April, 2012. When the foundry becomes fully operational, the company would be having all the facilities (end to end) under one roof and any excess production from this foundry could also be sold, which will give a contribution to the bottom line.

## Surge Arrestors

As informed to the Members in the previous annual report, the Company sold a small quantity of this product during the year under review. The Company is expecting to increase the volume of this product during the years to come.

## Solid Core Insulators

Substation Equipments like Solid Core and Hollow Core insulators are presently being manufactured by the other players in the market with Porcelain material which has certain disadvantages like causing heavy losses to the transmission sector, low level of resistance to bad weather conditions, frequent maintenance, etc.

With a view to expand the operations in this area and to offer high quality product, the Management is proposing to manufacture Solid Core Insulators. The company has already completed feasibility study and the in-house R&D is working on this Project with an aim to commence the commercial production of Solid core Insulators during the current financial year. Keeping in view the existing market for this product and the advantages that the product is having, the Management is confident that once the commercial production commences, it will further improve the financial performance of the Company in the years to come. After successful commencement of commercial production of this product, the Company is planning to go for the production of hollow core insulators, which may take one more year.

## High Voltage Insulators

Your Management is happy to inform that with the objective to manufacture high voltage insulators (which are more profitable), the Company had entered into a Technical Collaboration Agreement with a reputed foreign company (Technology Provider). This collaboration consists of transfer of technological details for the manufacture of Silicon Rubber Polymer Insulators from and above 400KV to 1100 KV of AC and DC of all combinations of mechanical-strengths as may be required by your Company. The Technology Provider will offer activation or installation support, including assisting with the implementation of any Licensor software, diagrams or technological upgradation, wherever applicable. Once the remaining formalities are over, your Management is of the opinion that the Company would be in a position to commence commercial production of high voltage insulators and thereby increase the profitability of the company.

## **Dividend**

Keeping in view the funds requirement for reduction of interest costs, expansion and diversifications plans of the Company, your Directors have recommended a dividend of ₹ 0.20 (i.e. 5%) per equity share of ₹ 4/- each for the year ended 31<sup>st</sup> March 2011. The payment of dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will entail an outflow of ₹ 83,86,786 inclusive of Corporate Dividend Tax.

## **Transfer to Reserves**

The Board has transferred a sum of ₹ 32,34,675/- lacs to the General Reserve from the undistributed profits.

## **Consolidated Financial Statements:**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

## **Subsidiary Company:**

TF SolarPower Private Limited is the wholly owned subsidiary of the Company. 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 company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company 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 company will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

## **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 including its building, plant & machinery and stocks have been adequately insured.

## **Management Discussion and Analysis**

Management Discussion and Analysis for the year under review as required under Clause 49 of the Listing Agreement entered with Stock Exchanges is given as a separate statement in the Annual Report.

## **Auditors**

M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of this Annual General Meeting and are eligible for reappointment. They being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their reappointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

## **Directors**

Mr. S Murali Krishna and Mr. M Gopalakrishna retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors in their Meeting held on 13<sup>th</sup> May 2011 has appointed Mr. S.D. Rama