

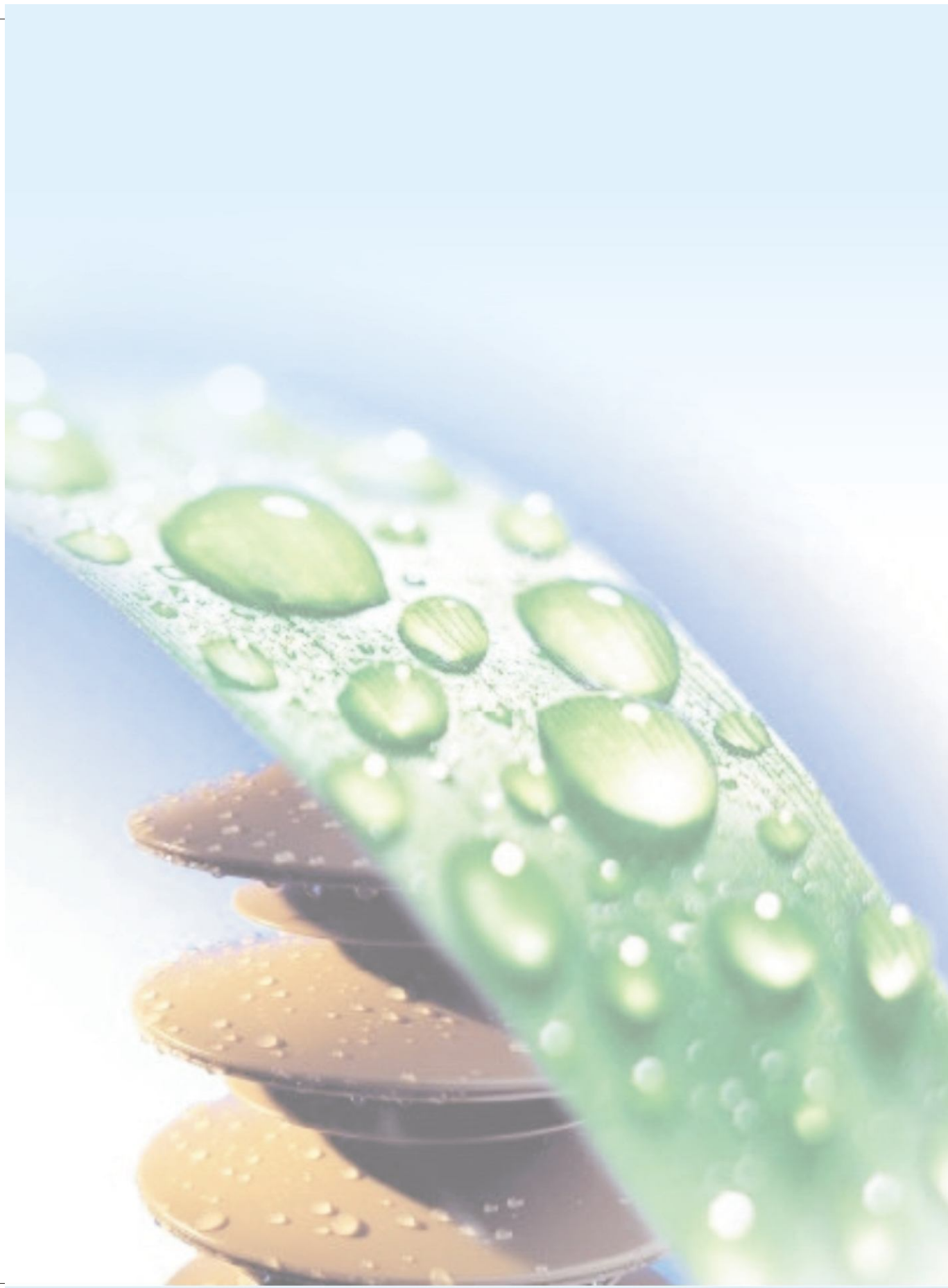


Goldstone



Goldstone Infratech Limited

13th Annual Report 2012-13



CONTENTS

Notice	-	03
Directors' Report	-	09
Management Discussion and Analysis	-	16
Report on Corporate Governance	-	19
Standalone Financials :		
Auditors' Report	-	27
Balance Sheet	-	33
Statement of Profit and Loss	-	34
Significant Accounting Policies	-	35
Notes to Accounts	-	37
Cash Flow Statement	-	51
Consolidated Financials:		
Auditors' Report	-	52
Balance Sheet	-	54
Statement of Profit and Loss	-	55
Significant Accounting Policies	-	56
Notes to Accounts	-	59
Cash Flow Statement	-	74
Statement of Subsidiaries	-	75
Attendance Slip and Proxy Form	-	77

CORPORATE INFORMATION

Board of Directors:

Mr. M. Gopalakrishna, IAS (Retd.)
Mr. B. Appa Rao
Mr. S. Murali Krishna
Mrs. Mahita Caddell
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. N. Nagasatyam (Vice President)
Mr. Manoj Kumar Mishra (VP, Operations)
Mr. D P K Udas (VP, Marketing)
Mr. B. Kiran Kumar Reddy (AGM, Production)
Mr. P. Hanuman Prasad (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
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

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.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Saturday, the 28th September, 2013 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 consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended as on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. M.Gopalakrishna, who retires by rotation and being eligible, offers himself 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 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:

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

"RESOLVED that subject to the provisions of Section 198, 269, 309, 310, 314 and other applicable provisions, if any, read along with Schedule XIII (as amended) of the Companies Act, 1956, Mr. L P Sashikumar be and is hereby appointed as the Managing Director of the Company for a period of three years with effect from 1st April, 2013 on the following terms and conditions:

1. Salary

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

2. Perquisites

The following perquisites may be allowed in addition to salary subject to the ceiling of an amount equal to annual salary:

Category A

1. Housing: Rent Free Accommodation or House Rent Allowance – Rs.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 Rs.32,000/- per month. (Rupees Thirty Two Thousand only).

Category B

Company's contribution towards Provident Fund and payment of Gratuity as per applicable laws. Company's contribution towards Medial Insurance Policy for self and family subject to a ceiling of Rs.

24,000/- (Rupees Twenty Four Thousand only) per annum. 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 billed by the Company

3. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Mr.L.P.Sashikumar shall be paid salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. 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-XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto,

as may be agreed between the Board and Mr. LP Sashikumar."

"RESOLVED further Mr. L P Sashikumar shall be entitled to an exgratia payment, subject to a maximum of one month gross salary."

- 5.** To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Mr.S.Murali Krishna, who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice proposing his candidature for the office of Director under section 257 of the Companies Act 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

Sd/-
P.Hanuman Prasad
Company Secretary

Place: Secunderabad
Date: 12th August, 2013

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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. 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.
5. 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.
6. The Register of Members and Transfer Books of the Company shall remain closed from *23rd September, 2013 to 28th September, 2013 (both days inclusive)* for the purpose of ensuring Annual General Meeting.
7. 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.
8. As on 31st March 2013, Rs.2,07,645.60 was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07; Rs. 2,25,260.00 was unclaimed out of the dividend declared on 30th September, 2008 for the financial year 2007-08; Rs. 2,20,673.55 was unclaimed out of the dividend declared on 30th September, 2009 for the financial year 2008-09; Rs. 1,30,928.00 was unclaimed out of the dividend declared on 29th September, 2010 for the financial year 2009-10; Rs. 1,31,779.00 was unclaimed out of the dividend declared on 30th September, 2011 for the financial year 2010-11 and Rs.1,09,323.00 was unclaimed out of the dividend declared on 29th September, 2012 for the financial year 2011-12. 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 29th October 2014; 31st October, 2015 and 31st October, 2016, 30th October 2017, 31st October 2018 and 30th October 2019 respectively.
9. 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. www.goldstonepower.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956.

ITEM NO.4

Mr.L.P.Sashikumar was re-appointed as Managing Director of the Company by the shareholders in the earlier Annual General Meeting held on 29th September 2010 for a period of three years with effect from 01st April 2010. The Board of directors at their meeting held on 13th February 2013 have re-appointed Mr. L.P.Sashikumar subject to your approval, as Managing Director of the Company for a period of three years with effect from 01st April 2013. The Remuneration is within the limits prescribed under section 309 and Schedule XIII of the Companies Act 1956. Approval of shareholders is required in the Annual General Meeting for his re-appointment as Managing Director and for fixing the remuneration.

This together with the terms and conditions of the appointment as mentioned in the notice of Annual General Meeting may be treated as an abstract in terms of Section 302 of the Companies Act, 1956.

Your Directors recommended the resolution for your approval.

Except Mr.L.P.Sashikumar and Mrs.Mahita Caddell, none of the directors of the company is in any way concerned or interested in this resolution.

ITEM NO.5

Mr.S.Murali Krishna was appointed as an Additional Director of the Company by the Board of Directors on 12th August 2013 and holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act 1956. ("the Act").

A Notice under Section 257 of the Act, along with the requisite deposit of Rs.500/- has been received by the Company from a member signifying his intention to propose the name of Mr. S.Murali Krishna for appointment as a Director of the Company. It will be in the best interest of the Company if he is appointed as a Director liable to retire by rotation.

The Board of Directors feels that his experience and knowledge would be of benefit and value to the Company and therefore recommended his appointment.

No Director, other than Mr.S.Murali Krishna being the appointee is in any way concerned or interested in this resolution.

By order of the Board of Directors

Sd/-
P.Hanuman Prasad
Company Secretary

Place : Secunderabad
Date : 12th August, 2013

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. M.Gopalakrishna, IAS (Retd.)
Date of Birth	12 th January 1939
Date of Appointment	29 th 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 directorship held	NSL Textiles Limited BGR Energy Systems Limited JOCIL Limited Pitti Laminations Limited Vijayshri Organics Limited Kernex Microsystems Limited Suven Life Sciences Limited Nuziveedu Seeds Private Limited Sentini Bio-Products Private Limited Avra Laboratories Private Limited Arani Power Systems Pvt Ltd NSL RenewableM Power Pvt Ltd
List of the Committees of other Companies in which chairmanship/ Membership held	1. Pitti Laminations Limited- Remuneration Committee Member. 2. Kernex Microsystems Limited- Audit Committee Member. 3. BGR Energy Systems Limited- Remuneration Committee- Chairman Audit Committee – Member Shareholders Grievance Committee-Chairman 4. Suven Life Sciences Limited Audit Committee – Member
Chairman/Member of the Committees of the Company	Audit Committee – Member Remuneration Committee-Chairman
Shareholding in the Company	NIL
Relationship between Directors Inter-Se	No

Name of Director	Mr. Lam Paul Sashikumar
Date of Birth	25 th October, 1950
Date of Appointment	11 th October, 2000
Qualifications	Graduate in Business Administration
Expertise in specific functional areas	Over 30 years of varied experience in the industry and business sectors.
List of other companies in which directorship held	1. Goldstone Technologies Ltd. 2. Goldstone Granites Pvt Ltd. 3. Staytop Systems and Software Pvt Ltd. 4. SEPC Power Private Limited. 5. T F Solar Power Pvt. Ltd. 6. Goldstone Power Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/ Membership held	Member of Investors' Grievance & Share Transfer Committee of Goldstone Technologies Ltd.
Chairman/Member of the Committees of the Company	Member of Investors' Grievance & Share Transfer Committee.
Shareholding in the Company	534350
Relationship between Directors Inter-Se	Relative of Mrs. Mahita caddell

Name of Director	Mr. S.Murali Krishna
Date of Birth	25 th July 1969
Date of Appointment	13 th August, 2013
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	1. GEL Infrastructure Pvt Ltd. 2. SVE Castings Pvt. Ltd. 3. Sammuk Hotels Pvt Ltd.
List of the Committees of other Companies in which chairmanship/ Membership held	Nil
Chairman/Member of the Committees of the Company	Chairman of Investors' Grievance & Share Transfer Committee and Member of the Audit Committee & Remuneration Committee.
Shareholding in the Company	Nil
Relationship between Directors Inter-Se	No