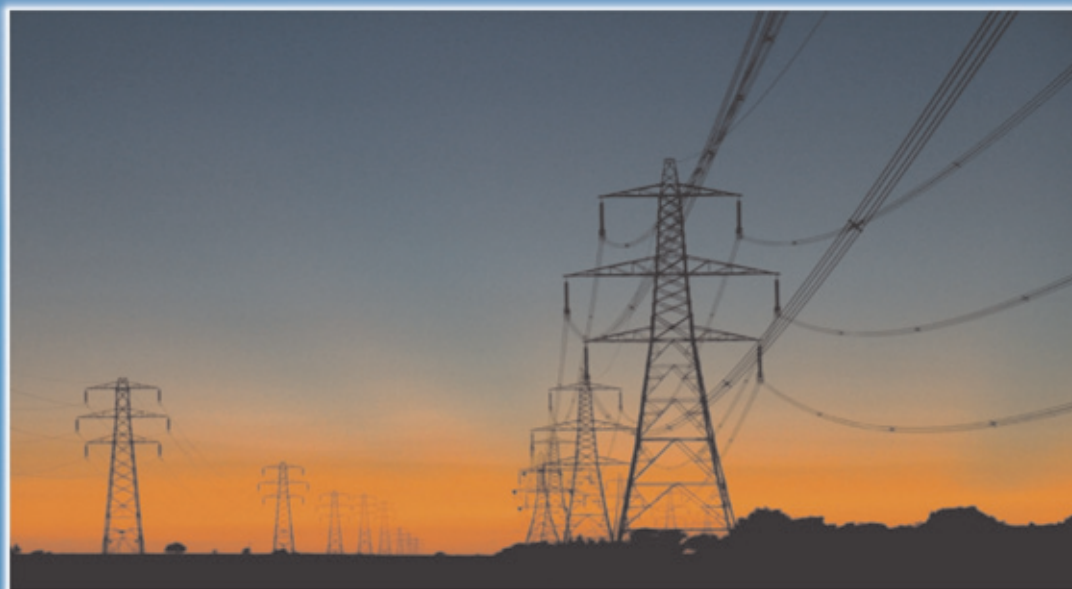


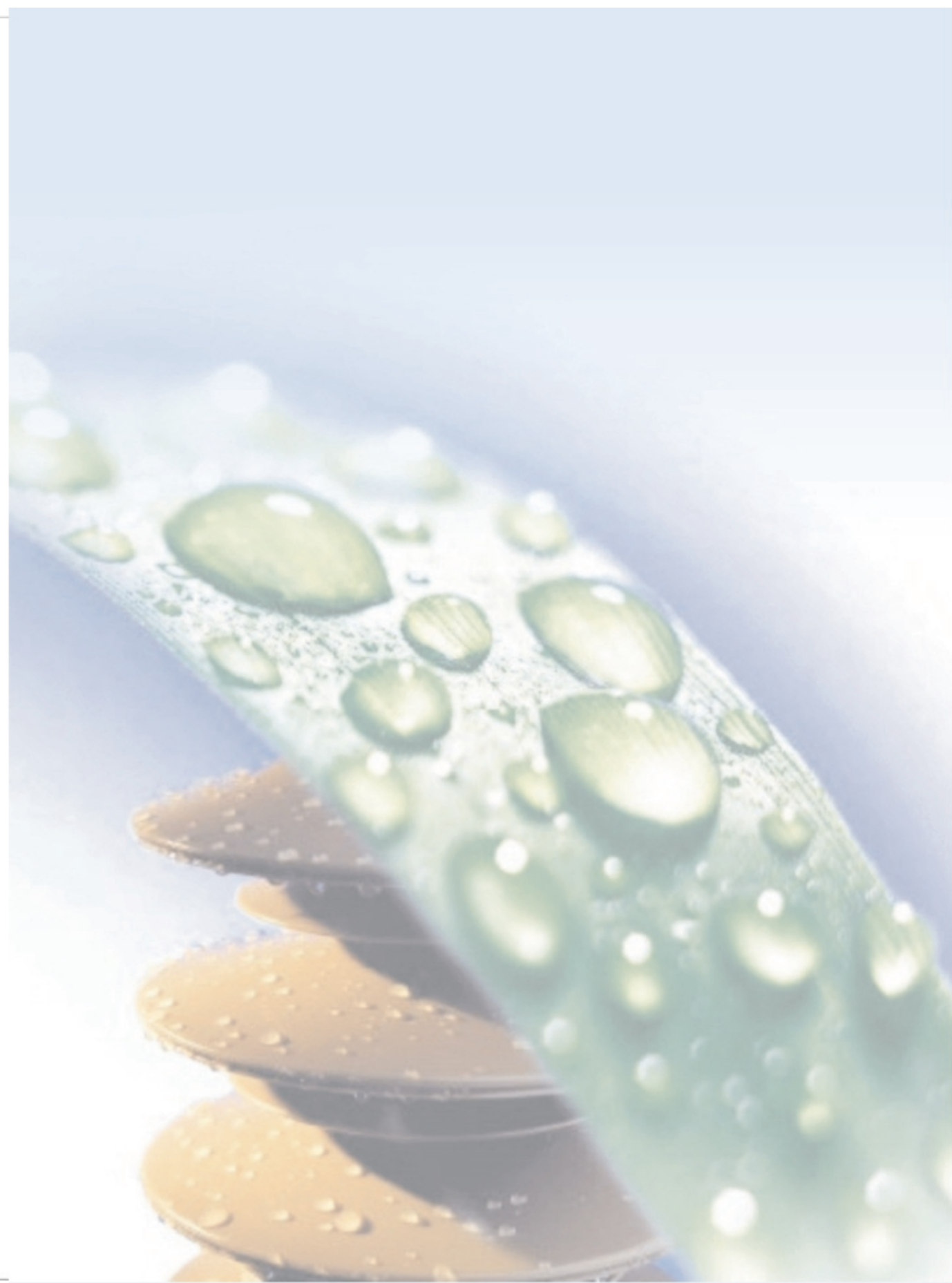


Goldstone



Goldstone Infratech Limited

12th Annual Report 2011-2012



CONTENTS

Notice	—	03
Directors' Report	—	06
Management Discussion and Analysis	—	11
Report on Corporate Governance	—	13
Standalone Financials:		
Auditors' Report	—	21
Balance Sheet	—	25
Statement of Profit and Loss	—	26
Note Numbers/Significant Accounting Policies	—	27
Notes to Accounts	—	29
Cash Flow Statement	—	44
Consolidated Financials:		
Auditors' Report	—	25
Balance Sheet	—	46
Statement of Profit and Loss	—	47
Note Numbers/Significant Accounting Policies	—	48
Notes to Accounts	—	50
Cash Flow Statement	—	65
Statement of Subsidiaries	—	66
Attendance Slip and Proxy Form	—	67

CORPORATE INFORMATION

Board of Directors:

Mr. M. Gopalakrishna, IAS (Retd.)
Mr. S. Murali Krishna
Mrs. Mahita Caddell
Mr. B. Appa Rao
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. K V B Narayana (EVP, Operations)
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
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 12th Annual General Meeting of the Company will be held on Saturday, the 29th September, 2012 at 3.30 p.m. at Plot 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business :

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".

By order of the Board of Directors

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended as on that date along with Directors' Report and Auditors' Reports thereon.
2. To declare Dividend on Equity Shares for the year 2011-12.
3. To appoint a Director in place of Mrs. Mahita Caddell, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. B. Appa Rao, 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 our without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, be and are

Sd/-
Adalat Srikanth
Company Secretary

Place: Secunderabad

Date: 14th August, 2012

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. 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 24th September, 2012 to the Company's Registrar and 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.
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 24th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of Dividend and 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 31st March 2012, Rs.2,07,645.60/- was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07; Rs. 2,25,360.00/- was unclaimed out of the dividend declared on 30th September, 2008 for the financial year 2007-08; Rs. 2,21,009.55/- was unclaimed out of the dividend declared on 30th September, 2009 for the financial year 2008-09; Rs. 1,33,458.00/- was unclaimed out of the dividend declared on 29th September, 2010 for the financial year 2009-10; and Rs. 1,41,903.00/- was unclaimed out of the dividend declared on 30th September, 2011 for the financial year 2010-11. 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, 31st October 2017 and 31st October 2018 respectively.

The Annual Report of the Company for the year 2011-12 circulated to the Members of the Company and the details of the unclaimed dividends are available on the Company's website, viz. www.goldstonepower.com

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING:
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Mrs. Mahita Caddell
Date of Birth	1 st December, 1975
Date of Appointment	29 th May, 2004
Qualifications	MS (International Business Administration and Information Systems)
Expertise in specific functional areas	Over 9 years of experience in Industry and Business
List of other companies in which directorship held	1. Trinity Infraventures Ltd. 2. Shepherd Properties Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/Membership held	NIL
Chairman/Member of the Committees of the Company	NIL
Shareholding in the Company	NIL
Relationship between Directors inter-se	Relative of Mr. L P. Sashikumar

Name of Director	Mr. B. Appa Rao
Date of Birth	5 th October, 1955
Date of Appointment	20 th April, 2009
Qualifications	Graduate in Commerce & Fellow Members of the Institute of Chartered Accountants of India.
Expertise in specific functional areas	Over 20 Years of experience in Industry and Business Sectors
List of other companies in which directorship held	1. Indur Green Power Pvt. Ltd. 2. Mandava Cold Storage Pvt. Ltd. 3. PBN Management Consultants 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 the Audit Committee; Member of the Shareholders/Investors' Grievance Committee; and Member of the Compensation cum Remuneration Committee.
Shareholding in the Company	NIL
Relationship between Directors inter-se	No

Directors' Report

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Statements of Accounts of the company for the financial year ended 31st March 2012.

Financial Results:

The summarized financial results (Standalone) of the Company for the year ended 31st March, 2012 as compared to the preceding year are as under:

	₹ in Lakhs	
Particulars	2011-12	2010-11
Gross Sales	6405.22	7295.38
Net Sales	5978.48	6804.07
Other Income	119.75	122.61
Total Income	6098.23	6926.69
Total Expenditure	5085.44	5788.08
Operating Profit (PBITD)	1012.79	1138.61
Interest	490.34	372.26
Depreciation and Write Offs	289.36	289.81
Profit Before Tax	233.08	476.52
Provision for taxation		
– Current	50.00	100.00
– Deferred	(1.88)	51.94
Profit after Tax	184.96	324.58
Extra-Ordinary Items		
- Taxes pertains to previous year	-	-
- Prior period adjustments	5.55	(1.12)
Net Profit	190.51	323.46
Surplus brought forward from previous year	2751.71	2544.46
Balance available for appropriation	2942.22	2867.92
Appropriations:		
• Proposed Dividend on Equity Shares	72.16	72.16
• Provision for Dividend Tax	11.71	11.71
• Transfer to General Reserves	19.05	32.35
• Others	2721.70	-
Surplus carried forward to Balance Sheet	117.60	2751.71
Equity Share Capital(3,60,80,737 Shares of ₹ 4/- each)	1443.23	1443.23
E.P.S (After Prior Period Items) (Rupees)	0.53	0.90
Net Worth	7312.29	9927.35
Book Value in rupees (face Value of ₹ 4/- each)	20.27	27.51

Review of Operations:

During the year under review, your Company achieved a gross turnover of Rs.6405.22 lakhs as against Rs. 7295.38 lakhs during the previous financial year and the Net Profit for the current financial year was Rs. 190.51 lakhs as against a Net Profit of Rs. 323.46 lakhs during the previous year. This was in spite of difficult market conditions arising due to global economic situations and slow pace of implementation of T & D Projects.

During the year under review, the Company got approval for 765KV Insulators and became the first company in the country to supply locally manufactured 765KV Insulators. The company also developed Solid Core Post Insulators for export market for 11KV and 33 KV. Our R & D efforts are in progress for the development of high capacity insulators of this type. The company has also started commercial production in the captive foundry to ensure timely availability of metal parts.

Dividend:

In spite of decrease in the profits, keeping in view the interests of the shareholders, your Directors have recommended a dividend of Re.0.20 paise (i.e. 5%) per equity share of Rs. 4/- each for the year ended 31st March 2012. The payment of dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will entail an outflow of Rs.83,86,787 inclusive of Corporate Dividend Tax.

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. As the members may be aware, globally there is a downtrend in the

solar photo voltaic industry and also there is a drastic fall in the prices of Solar Modules. Due to these reasons, the project of the subsidiary company has been put on hold for the time being. The company is exploring various options in the best interests 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.

Statutory 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 re-appointment. They being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

Cost Auditors:

The Board of Directors at their meeting held on 10th August, 2011 had appointed Sagar & Associates, Cost Accountants, as the Cost Auditor of the Company for the FY 2011-12. The Cost Auditors have submitted their Compliance Report and the Board has approved the said Report in the Board Meeting held on 28th May, 2012 and the due date for filing of this Compliance Report with the Central Government is 31st December, 2012. The Company is yet to file this Report with the Central Govt. For the financial year 2012-13 also, the Board at its meeting held on 28th May, 2012 has appointed Sagar & Associates, Cost Accountants, as the Cost Auditor of the Company.

Directors:

Mrs. Mahita Caddell and Mr. B. Appa Rao, Directors, retire by rotation and being eligible offer themselves for re-appointment.

During the year under report, Mr. S D Rama Krishna has resigned from the Board with effect from 17th April, 2012.

Stock Exchange Listing:

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE). The Company has received the de-listing approval from Madras Stock Exchange with effect

from 26th May, 2012. The Company confirms that it has paid Annual Listing Fees due to all the Stock Exchanges where the Company's securities are listed for the year 2012-13.

Director's Responsibility Statement:

In accordance with Section 217(2AA) of the Companies Act, 1956, the Directors of the Company, in respect of the financial year ended 31st March, 2012, confirm that:

- (a) in preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) They 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 of the Company for that year;
- (c) They have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) They have prepared the Annual Accounts on a going concern basis.

Corporate Governance:

A report on Corporate Governance including Auditor Certificate thereon as per Clause 49 of the Listing Agreement is attached to this Report.

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

Information required to be furnished as per the Companies (Disclosure of particulars in the Directors Report) Rules 1998 is furnished below:

1. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken or under implementation

During the period the company had 1) commissioned 1 KW SPV Power Plant in the factory premises 2) improved the production process to reduce the cycle time; 3) replaced the existing lighting system with energy efficient lighting system; 4) re-designed the product mix to reduce load on machines; 5) ensured

proper and timely maintenance of plant & equipment.

b. Additional investment and proposals if any, being implemented for reduction of consumption of energy

Re-allocation of load on different DG sets will be initiated for further reduction in energy consumption based on technical evaluation and study of the measures already implemented.

c. Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods

The measures taken during the year has resulted in increased efficiency and ensured lower use of energy per insulator.

d. Consumption of Energy Particulars:

Electricity	2011-2012	2010-2011
A. Purchased		
Units – KWH	18,29,058	20,45,163
Total Amount – In Rupees	97,53,702	96,44,049
Rate/Unit – In Rupees	5.33	4.72
B. Own Generation through Diesel Generator		
Units – KWH	1,84,653	1,60,281
Total Amount – In Rupees	31,63,665	21,63,508
Rate/Unit – In Rupees	17.13	13.50

2. TECHNOLOGY ABSORPTION: Research and Development:

a. Specific Areas in which R & D carried out by the company:

The Company has been continuing its Research and Development in Solid Core Insulators and High Voltage insulators with a view to offer most viable and efficient product to the market.

b. Benefits derived as a result of the above R& D:

- * Introduced new designs for high voltage insulators.
- * Developed Solid Core Insulators for export market.
- * Reduction in wastages.
- * Dependency on imports reduced.
- * Achieved better quality control.

c. Future Plan of Action:

- * New designs to reduce costs.
- * Testing of new materials to improve process and reduce costs.
- * Focus to improve the existing process technology.

d.

Expenditure on Scientific Research & Development was Rs.64.04 lakhs during the financial year 2011-12.

3. FOREIGN EXCHANGE EARNINGS AND OUT GO:

		(₹ in lakhs)	
Particulars		2011-12	2010-11
a)	Value of Imports on CIF Basis		
	* Raw Materials	1500.32	1378.76
	* Capital Goods	10.90	110.12
b)	Expenditure in Foreign Currency		
	* Travelling Expenses	2.62	5.82
	* Others	2.93	72.31
c)	Earnings in Foreign Currency (on receipt basis)		
	* Export of Goods (FOB Basis)	183.64	124.32

Particulars of Employees:

None of the Employees are drawing remuneration in excess of the limits prescribed in Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988.

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

Personnel:

Personnel relations have remained very cordial during the period.

Sd/- Sd/-
L P Sashikumar B. Appa Rao
Managing Director Director

Acknowledgements:

Your Directors convey their sincere thanks to State Bank of Hyderabad, Syndicate Bank, and Technology Development Board for their support, guidance and assistance.

Your Directors thank all the Employees of your company for their dedicated service. Your Directors thank the shareholders for their support

Place: Secunderabad

Date: 14th August, 2012

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

- A. INDUSTRY OVERVIEW:** Growth rate of the Indian electrical equipment industry decelerated to 6.6% in 2011-12 as compared to 11.3% and 13.7% in 2009-10 and 2010-11 respectively according to data compiled by the Indian Electrical and Electronics Manufacturers' Association (IEEMA), the apex Indian industry association of manufacturers of electrical, industrial electronics and allied equipment.

Sluggish growth in the power sector and the escalating imports of electrical equipment is significantly impacting the commercial viability of the domestic electrical equipment industry which may have severe long term consequences. All three segments of the power sector – generation, transmission and distribution are facing several challenges.

Growth in the capacitor, switchgear and transmission line sectors in 2011-12 turned negative, implying distinct decrease in industrial capex activities and slowdown in off-take by users due to credit squeeze, high interest costs, etc. The cable industry is the only sector that has shown a double digit growth in the year.

- B. OPPORTUNITIES & THREATS:** The XIth Plan which concluded in March, 2012 had seen capacity addition of 67,298 MW. This requires matching transmission network to evacuate power from generating points to local center. The generation capacity addition in XIIth plan is targeted at 1,03,000 MW. The investment in XIIth plan for transmission lines is estimated to be Rs. 2,40,000 crores. This is likely to create demand for insulators worth Rs. 2,400 crores per annum. These figures are 3 times the present market. Moreover, entry of private sector in transmission lines has enhanced demand for insulators as more projects are under

implementations. Your Company is geared to meet the demand.

The imports from China continue to be high. Government of India has proposed a levy of 21% duty on imported power equipment but this has not been extended to transmission and distribution equipment. The industry has to face competition from cheaper suppliers and also the higher cost of production due to increased dependence on captive diesel generation, high inflation and high finance costs. Moreover, industry is facing excess capacity in lower KV insulators.

- C. SEGMENT OR PRODUCT WISE PERFORMANCE:** Despite tough market conditions, the performance of the Company is reasonably satisfactory. During the year under review, in spite of intense competition, dollar fluctuations, reduction in margins due to inflationary trends and slow pace of implementation of EPC contracts, the Company was able to record a gross turnover of Rs.64.05 crore as against Rs. 72.95 crore in the previous year. During the year under review, the Company has sold 4,58,712 units of insulators as against 6,31,873 units of insulators in the previous year. The Company also sold 32,815 units of Surge Arresters as against 14,126 units during the previous year. The drop in quantity of insulators is due to focus on higher KV insulators than lower KV insulators. As already reported, the Company's foundry has become operational and it will help the company in getting timely supplies for smooth production of Insulators.
- D. OUTLOOK:** The industry hopes for a consistent growth in the insulator industry in view of the XIIth Plan targeted capacity additions and the proposed investment target for transmission lines in the XIIth Plan. The outlook for the Indian Insulator Industry seems to be bright. As far as Goldstone is concerned, as the Company has already got

approval for its 765KV insulators and has become the first company in India to start commercial supplies of these Insulators, the outlook for the company in the years to come appears good. Strengthening of USD vis-à-vis Rupee has made Indian exports competitive in foreign markets and also made imports expensive which is likely to benefit the company. The company also expects to benefit from its R&D strengths to lower the cost of production.

- E. RISKS AND CONCERNS:** In India, the focus is largely on increasing the power generation capacity. There has been a continuous under-investment in the T&D sector. If this lopsided investment pattern is not corrected, it can result in delayed pick up in the demand. There are also delays in execution of projects by EPC companies due to site issues and tight liquidity situation resulting in lower off take of insulators. The volatility in exchange rates is also increasing input costs of raw material. Increase in fuel costs has increased transportation costs of supplies as well as purchases. Power shortage is forcing increased use of costly power from captive diesel generators. Increase in demand and reduction in costs appears to be the resolutions to the current impasse.
- F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:** The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing transactions and its recording and timely reporting. Consequent to the Ministry of Corporate Affairs notification amending the Cost Audit Rules, the Company has appointed a Cost Auditor.

G. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year, the Company has achieved a gross turnover of Rs. 64.05 crore as compared to Rs. 72.95 crore during the previous financial year. During the year under review, the Company has produced 4,59,144 Polymer Insulators as against 6,32,031 Polymer Insulators during the previous year. During the year the Company sold 4,58,712 Polymer Insulators as against 6,31,873 Polymer Insulators during the previous year. In the context of the present macro-economic situation, the financial as well as operational performance of the Company was satisfactory.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATIONS FRONT:

Industrial relations are harmonious. The company recognizes the importance and contribution of the human resources for its growth and development.

As on 31st March 2012 the Company had total strength of 179 employees.

CAUTIONERY STATEMENT:

The Statement in this section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other incidental factors.

CORPORATE GOVERNANCE

1. Company's Philosophy:

The Company envisages the attainment of highest level of transparency in all facets of its operations and in all its interactions with its shareholders, employees and the Company.

The Company is committed to the best governance norms. It strongly believes in setting the high standards in all its endeavors.

2. Board of Directors:

The Board comprised of five directors as on 14th August, 2012 out of which one Director

is Executive Director and the remaining Directors are Non Executive Directors. Out of the four Non Executive Directors, three are Independent. Mr. L P Sashikumar, the Managing Director of the Company is a Promoter Director. The directors bring with them rich and varied experience in different fields of corporate functioning.

The Board held five meetings during the period ended 31st March, 2012, i.e. on (i) 13th May, 2011, (ii) 10th August, 2011, (iii) 30th August, 2011, (iv) 11th November, 2011, and (v) 14th February, 2012.

Attendance at the meetings of the Board and at the last Annual General Meeting was as follows:

Name of the Director	Category	No. of Meetings attended	Last AGM attendance (YES/NO)
Mr. L P Sashikumar	Promoter, Managing Director	5	Yes
Mr. S Murali Krishna	Independent Director	2	No
Mrs. Mahita Caddell	Promoter Director	1	No
Mr. M Gopalakrishna	Independent Director	5	Yes
Mr. B Appa Rao	Independent Director	5	Yes
Mr. S D Rama Krishna*	Non Executive, Non Independent	3	Yes

* Resigned with effect from 17th April, 2012.

Number of other Board or Board Committees of which the Company's Directors are Members:

Name of the Director	No. of outside Directorships held		No. of other Board Committees he/she is a Member / Chairman of *	
	Public	Private	Member	Chairman
Mr. L P Sashikumar	1	5	1	Nil
Mr. B Appa Rao	Nil	3	Nil	Nil
Mr. S Murali Krishna	Nil	5	Nil	Nil
Mrs. Mahita Caddell	1	1	Nil	Nil
Mr. M Gopalakrishna	5	5	3	1
Mr. S D Rama Krishna**	1	2	Nil	Nil

* viz., the Audit Committee and the Shareholders' Grievance Committee

* Only Indian Companies are considered.

** Resigned with effect from 17th April, 2012.

3. Audit Committee

- **Brief description of Terms of Reference**

The Audit Committee of the Board is responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible; and reviewing with management the annual financial statements before submission to the Board. The Committee periodically reviews with the management the adequacy of internal control systems.

The Committee periodically interacts with the internal auditors to review the manner in which they are performing their responsibilities. The Committee holds discussion with external auditors before the commencement of statutory audit on the nature and scope of audit and ascertains any areas of concern and reviews their written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the company's staff. The Committee also reviews the quarterly (un-audited) and annual financial statements before they are submitted to the Board.

- **Composition, name of members and Chairman**

Mr. B Appa Rao	Chairman	Independent Director
Mr. S Murali Krishna	Member	Independent Director
Mr. M. Gopalakrishna	Member	Independent Director

- The Committee held five meetings during the period ended 31st March, 2012, i.e. on (i) 13th May, 2011, (ii) 10th August, 2011, (iii) 30th August, 2011, (iv) 11th November, 2011, and (v) 14th February, 2012. All the Members of the Committee have attended all the Meetings, except Mr. S. Murali Krishna, who could attend only two meetings which were held on 11th November, 2011, and 14th February, 2012.

4. Compensation cum Remuneration Committee

- **Brief description of terms of reference :**

- * To recommend compensation terms for Executive Directors
- Composition, name of members and Chairman:

Mr. M. Gopalakrishna	Chairman	Independent Director
Mr. S Murali Krishna	Member	Independent Director
Mr. B. Appa Rao	Member	Independent Director

- **Meetings and Attendance during the year:**

No meeting of the Compensation cum Remuneration Committee held during the year under report.

- **Remuneration policy**

The remuneration policy is to pay compensation and benefits adequately so as to attract, motivate and retain talent.

5. Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2011-12:

Name of the Director	Category	Sitting fee	Salary	Benefits	Total
Mr. L P Sashikumar	Promoter, Managing Director	Nil	24,00,000	9,65,518	33,65,518
Mr. B Appa Rao	Independent Director	1,00,000	Nil	Nil	1,00,000
Mr. S Murali Krishna	Independent Director	40,000	Nil	Nil	40,000
Mrs. Mahita Caddell	Promoter Director	Nil	Nil	Nil	Nil
Mr. M Gopalakrishna	Independent Director	1,00,000	Nil	Nil	1,00,000
Mr. S D Rama Krishna*	Non Executive, Non Independent Director	40,000	Nil	Nil	40,000

* Resigned with effect from 17th April, 2012.

Benefits include contribution to Provident Fund, Gratuity Fund, payment of Perquisites and Commission. There was no Employee Stock Option Scheme during the financial year ended 31st March, 2012.

6. Shareholders/ Investors' Grievance Committee

Composition, name of members and Chairman:

Mr. S Murali Krishna	Chairman	Independent Director
Mr. B. Appa Rao	Member	Independent Director
Mr. L P Sashikumar	Member	Managing Director

The Committee held four meetings during the period ended 31st March, 2012, i.e. on (i) 13th May, 2011, (ii) 10th August, 2011, (iii) 11th November, 2011 and (iv) 14th February, 2012. All the Members of the Committee have attended all the Meetings, except Mr. S. Murali Krishna who could not attend the meetings

held on 13th May, 2011 & 10th August, 2011.

Number of shareholder complaints received, number solved and number of pending complaints as on 31st March, 2012:

Nature of grievances	Received	Resolved
Non Receipt Share Certificates after transfer	Nil	Nil
Non Receipt of Annual Reports	02	02
Dividend related complaints	02	02
Other Miscellaneous	Nil	Nil

- Name and Designation of Compliance Officer:
Mr. Adalat Srikanth, Company Secretary

7. General Body Meetings

i) Location, date and time of last three Annual General Meetings:

Year	Location	Date	Time
2011	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.	30.09.2011	04.00 P.M.
2010	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.	29.09.2010	03.30 P.M.
2009	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.	30.09.2009	03.30 P.M.

ii) Special resolutions passed in previous three AGM's were:

AGM	Special Resolution
2010	(1) Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company (2) Allotment of Shares to Employees and Directors of the Company under ESOPS (3) Allotment of Shares to Employees and Directors of the of Holding and Subsidiary Companies under ESOPS
2009	Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company

iii) Resolutions passed last year through Postal Ballot: NIL

8. Management Discussion & analysis Report

Management Discussion & Analysis is separately published in this Report.

9. Disclosures

- As required by the Accounting Standard-18, issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Note No. 37 of Notes to Financial Statements.
- There were no instances of non-compliances by the Company, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled

the following non mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreement with the Stock Exchanges:

- The Company has set up a Remuneration Committee, details of which have been given earlier in this Report
 - The Statutory financial statements of the Company are unqualified
- iv. Secretarial Audit:** A firm of qualified Company Secretaries is conducting the Secretarial Audit on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The Secretarial Audit Report confirms that the total issued/paid-up capital is in

agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- v. **Code of conduct:** The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.goldstonepower.com.
- vi. **Compliance:** At every Board meeting, a statement of Compliance with all laws and regulations as certified by the Managing Director is placed before the Board for its review. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

vii. **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

viii. **Preferential Issue Proceeds:** The Company did not raise any funds during the year under preferential issue mode.

ix. **CEO & CFO certificate:** The certificate as per the requirement of clause 49 of the listing Agreement was given by the Managing Director and the Asst. General Manager (Accounts) of the company and the same was placed before the Board for its noting in its meeting held for approval of the audited financial results for the year ended 31st March 2012

10. Means of Communication

The Company's quarterly un-audited results and audited annual results are intimated in prescribed form and within prescribed time to stock exchanges and to the public. Generally the results are published in *The Financial Express* (National newspaper) and *Andhra Prabha* (regional newspaper).

11. General Information for Shareholders

- i) **Annual General Meeting** will be held on 29th September, 2012 at 3.30 p.m. at Plot No. 1 & 9 IDA, Phase II, Cherlapally, Hyderabad – 500 051
- ii) **Financial Year** of the Company is 1st April to 31st March.
- iii) **Financial Reporting** for the quarter ending 30th September, 2012, 31st December, 2012, 31st March, 2013 and 30th June, 2013 will be within forty five days from the closure of the quarter.
- iv) **Dates of Book Closure** will be from 24th September to 29th September, 2012 (both days inclusive).
- v) **Dividend Payment Date** is within 30 days from the date of declaration
- vi) **Company's shares are listed** on the Bombay Stock Exchange and National Stock Exchange
- vii) **Stock Code** of the Company's scrip is 532439 in BSE and GOLDINFRA in NSE
- viii) **ISIN Code** is INE260D01016

ix) **High & Low Market Price** during each month in the accounting year was as follows :

Month	BSE		NSE	
	High	Low	High	Low
April 2011	20.00	17.20	19.95	17.25
May 2011	19.90	17.90	19.65	17.70
June 2011	19.25	18.00	19.35	17.80
July 2011	18.20	17.60	18.35	17.65
August 2011	17.60	14.00	17.90	14.05
September 2011	14.50	13.30	14.55	13.11
October 2011	13.35	12.15	13.35	12.03
November 2011	12.70	9.25	12.75	9.11
December 2011	10.75	9.05	10.83	9.10
January 2012	14.35	9.10	14.10	9.10
February 2012	14.55	13.05	14.56	12.78
March 2012	13.75	10.05	13.86	10.08

- x) **Registrar & Share Transfer Agents** of the Company is Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Ph. No. 040-27638111; 27634445; Fax.No. 040-27632184/Mail: info@aarthiconsultants.com
- xi) **Share Transfer System:** The Registrar and Share Transfer Agents, Aarthi Consultants Private Limited, handle share transfers under the overall supervision of the Shareholders/Investors' Grievance Committee

xii) **Distribution of Shareholding as of 31st March, 2012** was as follows:

Category	No. of shares	% to share capital
Promoters	18310515	50.75
Financial Institutions/Banks	100459	0.28
Private Corporate Bodies	7687506	21.31
Indian Public	9547566	26.46
NRIs / OCBs	294825	0.82
Trust	1000	0.00
Clearing Members	138866	0.38
Grand Total	36080737	100.00

- xiii) **Dematerialization of Shares & Liquidity:** To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are actively traded on the

Bombay Stock Exchange and National Stock Exchange. As on 31st March, 2012, 99.14% shares were held in dematerialized form.

- xiv) **Compliance Officer:** Mr. Adalat Srikanth, Company Secretary
Ph. 040 - 27807640, Fax No. 040-39120023/39100012.
e-mail: cs@goldstone.net
- xv) **Plant Locations:** 1) Plot No. 1 & 9, IDA Phase II, Cherlapally, Hyderabad - 500 051; 2) Plot No.8, IDA, Gaddapotharam, Jinnaram Mandal, Medak Dist., A.P.
- xvi) **Address for correspondence:** Goldstone Infratech Limited, Shares Department, 9-1-83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad - 500 003
Tel.No. 040-27807640, Fax No. 040-39120023, 39100012
e-mail: cs@goldstone.net
- xvii) **Investor Relations:** All the queries received from shareholders during the accounting year 2011-12 have been responded to. The Company generally replies to the queries within a week of their receipt.
- xviii) **Nomination Facility:** Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to contact the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029.

12. Compliance

In compliance with the terms of the Listing Agreement, a certificate from a Practicing Chartered Accountant regarding compliance of the provisions of Clause 49 of the Listing Agreement is annexed to this Report.

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place: Secunderabad
Date: 14th August, 2012



ANNUAL DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

As the Managing Director of Goldstone Infratech Limited and as required by Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2011-12.

For Goldstone Infratech Limited

Sd/-
L P Sashikumar
Managing Director

Secunderabad
14th August, 2012

Certificate on Compliance of Corporate Governance

To
**The Member of
Goldstone Infratech Limited**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Goldstone Infratech Limited ("the Company") for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the "Guidance note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and based on our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further certify that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 14th August, 2012

P. Murali & Co.
Chartered Accountants
Sd/-
Mukund Vijayrao Joshi
Partner, Membership No. 024784

AUDITORS' REPORT

The Members,

GOLDSTONE INFRATECH LIMITED.

We have audited the attached Balance Sheet of **GOLDSTONE INFRATECH LIMITED** as at 31st March, 2012 and also the Statement of Profit & Loss for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the

company so far as appears from our examination of those books ;

- (iii) The Balance Sheet & Statement of Profit & Loss dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet & Statement of Profit & Loss dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 ;
- (v) On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March , 2012 from being appointed as Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) In the case of the Statement of Profit & Loss, of the Profit for the period ended on that date; and
 - (c) In the case of the Cash Flow, of the cash flows for the period ended on that date.

For **P.MURALI & CO.,**
Chartered Accountants,
FRN: 007257S
Sd/-
P. MURALI MOHANA RAO
PARTNER,
MEMBERSHIP NO. 23412

PLACE :HYDERABAD
DATE : 28/05/2012

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, over due Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/S.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made

- by the company in respect of any party in the financial year, the entry in the register U/S.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. We have broadly verified the books of account and records maintained by the Company relating to the manufacture of Polymer Insulators, pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX. (a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI.** According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- XVII.** According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the Clause of Short term funds being used for Long term investment do not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,
Chartered Accountants
FRN:007257S

Sd/-
P. MURALI MOHANA RAO
PARTNER
MEMBERSHIP NO. 23412

PLACE : HYDERABAD
DATE : 28/05/2012

BALANCE SHEET AS AT MARCH 31,2012

Particulars	Note No	As at 31/03/2012	As at 31/03/2011
I. EQUITY AND LIABILITIES		₹	₹
(1) Shareholders Funds			
(a) Share Capital	1	14,43,22,948	14,43,22,948
(b) Reserves and Surplus	2	58,69,05,892	84,84,11,813
(c) Money received against share warrants			
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	30,91,00,891	21,05,46,792
(b) Deferred tax liabilities (Net)	4	5,33,14,792	5,35,03,160
(c) Other Long term liabilities	5	8,81,01,487	8,81,82,596
(d) Long term provisions	6	88,24,116	91,00,267
(3) Current Liabilities			
(a) Short-term borrowings	7	5,59,15,020	4,13,93,351
(b) Trade payables	8	13,26,50,720	9,66,21,385
(c) Other current liabilities	9	1,07,86,892	74,23,222
(d) Short-term provisions	10	3,56,56,851	6,39,95,814
Total		1,42,55,79,609	1,56,35,01,348
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	82,19,82,485	82,64,16,203
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		9,44,68,857	10,25,36,387
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	6,01,00,000	6,01,00,000
(c) Long term loans and advances	14	2,64,18,124	2,10,07,541
(d) Other non-current assets	15	23,19,428	30,04,060
(2) Current assets			
(a) Inventories	16	13,02,49,978	10,48,41,478
(b) Trade receivables	17	19,21,58,091	35,26,10,754
(c) Cash and cash equivalents	18	5,05,15,303	2,97,78,664
(d) Short-term loans and advances	19	74,41,587	93,59,943
(e) Other current assets	20	3,85,65,267	5,24,85,829
Total		1,42,55,79,609	1,56,35,01,348

Summary of Significant Accounting Policies

Notes on Financial Statement

As per our Report of even date

1 to 47

For P.Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

Sd/-
P.Murali Mohana Rao
Partner
M.No. 023412

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
Srikanth Adalat
Company Secretary

Place : Secunderabad
Date : 28th May 2012

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No	For the year ended 31/03/2012 ₹	For the year ended 31/03/2011 ₹
I. Revenue from operations	21	59,78,47,482	68,04,07,828
II. Other Income	22	1,19,74,799	1,22,60,719
III. Total Revenue (I +II)		60,98,22,281	69,26,68,547
IV. Expenses:			
Cost of materials consumed	23	33,16,12,499	37,00,27,058
Purchase of Stock-in-Trade	24	4,57,69,257	4,82,08,800
Changes in inventories of Finished WIP and Stock-in-Trade	25	25,31,449	1,18,03,820
Employee benefit expenses	26	6,03,74,538	6,17,43,031
Other operating expenses	27	2,30,82,461	3,08,16,479
Administrative Expenses	28	4,51,73,850	5,62,09,204
Financial costs	29	4,90,33,951	3,72,25,792
Depreciation and amortization expenses	11&12	2,82,39,545	2,82,84,766
Other expenses	30	6,97,384	6,97,384
Total Expenses		58,65,14,934	64,50,16,334
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,33,07,347	4,76,52,213
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,33,07,347	4,76,52,213
VIII. Extraordinary Items		5,54,685	(1,11,655)
IX. Profit before tax (VII - VIII)		2,38,62,032	4,75,40,558
X. Tax expenses:			
(1) Current tax		50,00,000	1,00,00,000
(2) Deferred tax		(1,88,368)	51,93,811
XI. Profit after tax		1,90,50,400	3,23,46,747
XII. Profit/(Loss) for the period		1,90,50,400	3,23,46,747
XIII. Earning per equity share: (Refer Note No. 38)			
(1) Basic		0.53	0.90
(2) Diluted		0.53	0.90

Summary of Significant Accounting Policies

Notes on Financial Statements 1 to 47

As per our Report at even date

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P.Murali Mohana Rao

Partner

M.No. 23412

Place : Secunderabad

Date : 28th May, 2012

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

Srikanth Adalat

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

a) Preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India and the provisions of Companies Act, 1956.

b) Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Fixed Assets

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition/ construction/ installation. Pre-operative expenses relating to a specific project are capitalised till all the activities necessary to prepare the qualifying asset for its intended use are completed. Expenses capitalized also include applicable borrowing costs. Fixed Assets are impaired when there is no possibility of using them further.

d) Investments

Investments are classified into current and long-term investments. Current Investments are carried at lower of cost or fair market value. Any diminution in their value is recognized in the profit and loss account. Current & Non-Current investments, including investment in subsidiaries, are carried at cost. Diminution of temporary nature in the value of such long-term investments is not provided for except when such diminution is determined to be of a permanent nature.

e) Inventories

Inventories are valued at cost or net realizable value, whichever is less. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to its their location. Finished goods at the factory are valued at cost in all applicable cases. Obsolete, non-moving and defective inventories are identified at the time of physical verification of inventories and adequate provision, wherever necessary, is made for such inventories.

f) Intangible Assets

Intangible Assets are recognized in the Balance Sheet at cost, net of any accumulated amortization / impairment. Preliminary expenses are amortized over a period of time. De-merger expenses are amortized over a period of ten years.

g) Research and Development

Capital expenditure on Research and Development is included in the Schedule of Fixed Assets. Revenue expenditure relating to the Research phase is charged to the Profit and Loss account. Revenue Expenditure relating to the Development phase is amortized over the period in which the future economic benefits are expected to accrue to the Company, but not exceeding a period of five years, and the amortization commences from the year in which the company realizes these benefits for the first time.

h) Revenue Recognition

Income is recognized when the goods are dispatched in accordance with terms of sale. Sale is inclusive of excise duty.

In respect of income from services, income is recognized as and when the rendering of services is complete. Revenue from time period

services is recognized on the basis of time incurred in providing such services.

i) Retirement Benefits

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. Company provides for accrued liability in respect of gratuity and leave encashment on actuarial valuation.

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.

k) Depreciation

Depreciation is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added, sold or discarded is provided for on pro-rata basis.

l) Foreign Currency Transaction

Foreign currency transactions, being in the nature of integral operations, are accounted for at the rates of exchange prevailing as on the date of transaction. Gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Exchange differences relating to fixed assets are adjusted to the cost of the asset.

m) Government Grants / Incentives

Amounts receivable from Government by way of Grants / Incentives are accounted for on receipt basis and same is to adjust against the cost of the assets. Incentives by way of Sales tax deferment are recognized as loan to the extent of their utilization.

n) Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired.

o) Income and Deferred Tax

The provision made for income tax in the accounts comprises both the current and deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the Profit and Loss account and the cumulative effect thereof is reflected in the Balance Sheet.

p) Contingent Liabilities and Contingent Assets

Liabilities, which are contingent in nature, are not recognized in the books of account but are disclosed separately in the Notes. Contingent Assets are neither recognized nor disclosed in the books of account.

q) Claims

Claims made by the Company are recognized to the extent the Company deems them recoverable. Claims against the Company, including liquidated damages, are recognized only on acceptance basis.

NOTES TO BALANCE SHEET AS AT MARCH 31, 2012

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 1: SHARE CAPITAL	₹	₹
I Share Capital :		
(a) Authorised : 6,16,25,000 No. of Equity Shares @ ₹4/- each	24,65,00,000	24,65,00,000
(b) Issued : 3,60,80,737 No. of Equity Shares @ ₹4/- each fully paid up	14,43,22,948	14,43,22,948
(c) Subscribed & fully paid up : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each.	14,43,22,948	14,43,22,948
(d) Subscribed & not fully paid up	-	-
(e) Par value per share ' 4/-		
Total Equity Share capital	14,43,22,948	14,43,22,948
II Preference shares at the beginning as per class of shares	-	-
Total Share capital (Equity and Preference)	14,43,22,948	14,43,22,948
III Calls unpaid :	-	-
IV Forfeited shares (amount originally paid up)	-	-
V A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	
Equity Shares of ₹4/- Each, Fully paid up:		
At the Beginning	3,60,80,737	3,60,80,737
Issued during the year	-	-
Forfeited / Bought Back during the year	-	-
At the end	3,60,80,737	3,60,80,737
VI Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
Equity Shares of ₹ 4/- each Held By		
Trinity Infraventures Limited -		
1,77,76,165 Nos. (1,77,76,165 Nos.)	49.27%	49.27%
LSRD Global Holding Pvt Ltd -		
26,68,999 Nos. (Nil)	7.40%	0.00%

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 2 : RESERVES AND SURPLUS	₹	₹
a) Securities Premium Reserve		
As at the commencement of the year	42,65,13,494	42,65,13,494
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
	42,65,13,494	42,65,13,494
b) General Reserves		
As at the commencement of the year	14,67,27,306	14,34,92,631
Add: Additions during the year	19,05,040	32,34,675
Less: Utilised	-	-
	14,86,32,346	146,727,306
c) Surplus :		
Opening Balance - Profit and Loss Account	27,51,71,008	25,44,45,727
Add: Transfer from Profit & Loss Account	1,90,50,400	3,23,46,747
Less: Transfer To General Reserve	19,05,040	32,34,675
Less: Dividend and Dividend Tax	83,86,786	83,86,786
Less: Bonus shares	-	-
Less: Obsolete Machinery Write off (Refer Note No.40)	27,21,69,530	-
	1,17,60,052	27,51,71,013
Total Reserves and Surplus	58,69,05,892	84,84,11,813
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Bonds/debentures / Working Capital from banks (Refer note No. 31 (c))		
Secured - State Bank of Hyderabad	16,23,01,926	10,91,48,032
Unsecured	-	-
b) Term loans:		
From banks: (Refer Note No. 31 (a))		
Secured - State Bank of Hyderabad	12,97,32,700	7,97,09,959
Unsecured	-	-
From other parties: (Refer note No. 31 (b))		
Secured - Technology Development Board	1,70,66,265	2,16,88,801
Unsecured	-	-
Notes :		
Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	30,91,00,891	21,05,46,792

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)	₹	₹
Opening Deferred tax Liability	5,35,03,160	4,83,09,349
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(1,88,368)	51,93,811
Gross Deferred tax Liability	5,33,14,792	5,35,03,160
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset		
Deferred Tax Liability/ (Asset) - Net	5,33,14,792	5,35,03,160
NOTE NO. 5 : OTHER LONG TERM LIABILITIES		
a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32)	8,81,01,487	8,81,82,596
Total other long term liabilities	8,81,01,487	8,81,82,596
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits (Refer Note No. 35)		
- Provision for Gratuity	64,07,610	60,33,725
- Provision for Leave Encashment	19,08,628	26,56,683
b) Others - Bonus	5,07,878	4,09,859
Total Long Term Provisions	88,24,116	91,00,267
NOTE NO. 7 : SHORT TERM BORROWINGS.		
Short term borrowings		
a) Loans repayable on demand:		
From banks		
Secured	8,43,159	13,93,351
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	5,50,71,861	4,00,00,000
b) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total short term borrowings	5,59,15,020	4,13,93,351

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 8 : TRADE PAYABLES	₹	₹
a) Trade Payables	11,80,05,960	7,70,93,715
b) Liabilities to Transporters	40,37,980	64,44,816
c) Liabilities to Consultants and individuals	16,92,524	33,72,296
d) Liabilities to Capital purchases	22,67,515	11,70,922
e) Liabilities to Miscellaneous Creditors	66,46,741	85,39,636
Total Trade Payables	13,26,50,720	9,66,21,385
NOTE NO. 9 : OTHER CURRENT LIABILITIES		
a) Interest accrued but not due on borrowings	18,97,045	9,98,558
b) Advances received from Customers.	88,89,847	64,24,664
Total other current liabilities	1,07,86,892	74,23,222
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	3,89,954	3,81,706
ESI Payable	82,157	2,14,704
Salaries Payable	28,60,669	26,50,963
b) Others		
Statutory Liabilities	35,41,849	97,61,691
Provision for Expenses	39,95,472	12,00,000
Provision for Bad Debts	91,62,438	91,62,438
Provision for income tax	72,37,526	3,22,37,526
Provision for Dividend	83,86,786	83,86,786
Total short term provisions	3,56,56,851	6,39,95,814
NOTE NO. 13 : NON- CURRENT INVESTMENTS		
I Non- Current Assets		
1) Investment in Subsidiaries		
a) Equity Shares		
TF SolarPower Private Limited 100% holding	6,01,00,000	6,01,00,000
	6,01,00,000	6,01,00,000
Total Non Current Investments	6,01,00,000	6,01,00,000
Less: Provision for Diminution in Investments	-	-
Total Non - Current Assets (Net)	6,01,00,000	6,01,00,000
Detailed note given in the Note No.34		

NOTE NO. 11 & 12 FIXED ASSETS AS AT MARCH 31, 2012

Particulars	Gross Block			Depreciation/Amortization				Net Block as at 31.03.2012	Net Block as at 31.03.2011
	As at 01.04.2011	Additions during the year	Sale / Deletions during the year	As at 31.03.2012	Depreciation as at 01.04.2011	Depreciation for the year 2011-2012	Depreciation Reserve on Deletions	Total Depreciation	
LAND	₹ 42,73,01,003	-	₹ -	₹ 42,73,01,003	₹ -	₹ -	₹ -	₹ -	₹ 42,73,01,003
BUILDING	5,38,44,665	17,77,018	-	5,56,21,683	1,17,50,664	18,06,666	-	1,35,57,330	4,20,94,001
PLANT & MACHINERY	44,55,27,580	29,06,67,068	37,15,01,504	36,46,93,144	12,82,48,821	2,15,33,873	11,05,25,785	3,92,56,909	32,54,36,235
ELECTRICAL EQUIPMENT	1,63,41,913	17,30,488	91,07,270	89,65,101	74,75,720	8,37,049	71,94,500	11,18,269	31,72,78,759
LABORATORY EQUIPMENT	1,34,15,281	3,05,180	25,17,375	1,12,03,086	36,63,603	6,45,406	20,06,975	23,02,034	88,66,193
OFFICE EQUIPMENT	57,15,600	76,435	41,16,211	16,75,824	26,08,756	2,74,364	21,08,506	7,74,614	97,51,678
COMPUTERS	8,17,77,641	12,80,131	6,95,21,779	1,35,35,993	8,11,13,406	6,57,233	6,89,70,930	1,27,99,709	31,06,844
FURNITURE	76,46,896	1,50,178	34,63,206	43,33,868	49,31,489	4,85,117	20,55,892	33,60,714	6,64,235
VEHICLES	1,37,42,566	7,59,757	11,33,925	1,33,68,398	1,05,12,569	12,66,028	9,43,856	1,08,34,741	27,15,407
GENERATOR	86,16,909	-	7,52,360	78,64,549	30,35,086	4,09,303	3,36,222	31,08,167	32,29,997
LEASEHOLD IMPROVEMENTS	60,60,777	-	54,85,487	5,75,290	18,29,163	2,02,430	17,16,685	314,908	55,81,823
AIR CONDITIONERS	25,39,440	-	22,17,185	3,22,255	9,62,524	1,20,623	10,20,678	62,469	42,31,614
TOOLS AND SPARES	30,589	-	16,414	14,175	12,856	1,453	12,289	2,020	15,76,916
TEMPORARY SHEDS	13,21,522	-	-	13,21,522	13,21,522	-	-	13,21,522	17,733
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	-	-
CAPITAL WORK IN PROGRESS	10,25,36,387	62,68,857	1,43,36,387	9,44,68,857	-	-	-	-	13,60,489
TOTAL	1,18,77,79,258	30,30,15,082	48,41,69,103	1,00,66,25,237	25,74,66,179	2,82,39,545	19,68,92,318	8,88,13,406	93,03,13,079
Previous Year	1,05,73,02,494	4,39,03,946	1,59,63,469	1,08,52,42,871	24,43,86,235	2,82,84,766	1,52,04,822	25,74,66,179	81,29,16,259

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 14 : LONG TERM LOANS AND ADVANCES	₹	₹
Long - term loans and advances:		
a) Capital advance		
Secured	1,63,16,421	1,12,11,559
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	1,01,01,703	97,95,982
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	2,64,18,124	2,10,07,541
Less : Provision for Doubtfull Debts	-	-
Total Long term loans & advances (net)	2,64,18,124	2,10,07,541
NOTE NO.15 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	5,97,045	12,94,429
Interest Accrued on Deposits	16,67,383	16,99,631
Insurance Claims	55,000	10,000
Total other non current assets	23,19,428	30,04,060
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets (net)	23,19,428	30,04,060
NOTE NO. 16 : INVENTORIES		
Inventories :		
a) Raw materials		
- Silicon Rubber	3,56,62,918	2,01,19,175
- End Fittings	1,29,90,042	1,07,51,109
- FRP materials	37,42,860	13,98,371
- Others	1,83,36,397	1,05,23,613
Sub Total	7,07,32,217	4,27,92,268
b) Work - in - progress		
- Railway Insulators	28,25,901	39,51,495
- Electricity Board Insulators	5,66,91,860	5,80,97,715
Sub Total	5,95,17,761	6,20,49,210
Total Inventories	13,02,49,978	10,48,41,478

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 17 : TRADE RECEIVABLES	₹	₹
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	52,66,106	1,80,19,615
Unsecured, Considered Good	-	-
Doubtful	-	-
	52,66,106	1,80,19,615
II Other Receivables:		
Secured, Considered Good	18,68,91,985	33,45,91,139
Unsecured, Considered Good	-	-
Doubtful	-	-
	18,68,91,985	33,45,91,139
Total trade recivable	19,21,58,091	35,26,10,754
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	19,21,58,091	35,26,10,754
NOTE NO. 18 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	55,38,179	18,75,280
2) Margin Money	72,37,060	11,81,444
3) Bank deposits with more than 12 months maturity	2,58,77,797	2,66,51,179
b) Cheques, Draft on hand	1,18,20,659	22,286
c) Cash on hand	41,608	48,475
Total Cash and Cash Equivalents	5,05,15,303	2,97,78,664
NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES		
short - term loans and advances:		
a) Other loans And advances		
Secured:		
- for Staff Advances	1,97,533	2,22,160
- for Suppliers	15,92,138	39,14,925
- for Others	56,51,916	52,22,858
Total short term loans & advances	74,41,587	93,59,943
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances(net)	74,41,587	93,59,943
NOTE NO.20 : OTHER CURRENT ASSETS		
TDS Receivable & Advance Taxes	1,32,29,424	2,96,06,381
Prepaid Expenses	20,95,717	29,32,809
Balances with Government Departments	2,32,40,126	1,99,46,639
	3,85,65,267	5,24,85,829

NOTES TO PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
	₹	₹
NOTE NO. 21 : REVENUE FROM OPERATIONS		
Revenue from operations		
(a) Sale of Products	64,05,21,295	72,95,38,558
Less: Excise Duties	4,26,73,813	4,91,30,730
Total Revenue from Operations	59,78,47,482	68,04,07,828
NOTE NO. 22 : OTHER INCOME		
(a) Interest income	20,43,174	26,49,519
(b) Other non-operating income	99,31,625	96,11,200
Total Other Income	1,19,74,799	1,22,60,719
NOTE NO. 23 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber & chemicals	18,34,70,061	16,12,46,444
Material - End Fittings	9,38,18,396	8,67,44,382
Material - FRP materials	3,31,13,845	4,32,28,293
Other Material	2,12,10,197	7,88,07,939
Total Cost Of Material Consumed	33,16,12,499	37,00,27,058
NOTE NO. 24 : PURCHASE OF STOCK IN TRADE		
Materials - Iron and Steel items	4,57,69,257	4,82,08,800
Total Trade Purchases	4,57,69,257	4,82,08,800
NOTE NO. 25 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	6,20,49,210	7,38,53,030
Less : work in progress at the end of the year	5,95,17,761	6,20,49,210
(Increase) / Decrease in Inventories	25,31,449	1,18,03,820
NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	5,72,56,474	5,88,39,163
(b) Contribution to Provident Fund & Others	22,77,174	22,79,077
(c) Staff Welfare Expenses	8,40,890	6,24,791
Total Employee Benefit Expenses	6,03,74,538	6,17,43,031

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
	₹	₹
NOTE NO. 27 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	16,57,814	16,82,225
(b) Power & Fuel	1,29,27,367	1,18,07,557
(d) Repairs to Building	2,50,744	1,97,458
(e) Repairs to Machinery	8,23,934	6,99,553
(f) Insurance	4,51,419	4,28,359
(h) Testing and Inspection charges	69,71,183	1,60,01,327
Total Other Expenses	2,30,82,461	3,08,16,479
NOTE NO. 28 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	20,08,835	20,51,854
(b) Business Promotion Expenses	13,51,505	9,49,288
(c) Conveyance	11,32,955	9,15,337
(d) Office Maintenance	8,21,275	4,18,577
(e) Printing & Stationery Expenses	7,73,164	13,44,102
(f) Security Charges	12,08,604	12,39,013
(g) Rates & Taxes (excluding Income Tax)	8,45,906	12,66,151
(h) Managerial Remuneration	26,90,000	25,15,000
(i) Consultancy Charges	23,03,011	31,75,022
(j) Rent	31,00,569	8,89,428
(k) Office Electricity charges	9,15,869	7,11,299
(l) Travelling expenses	30,41,225	43,67,771
(m) Vehicle Maintenance	14,69,807	18,04,592
(n) Advertisement expenses	2,69,722	5,58,854
(o) Commission Paid	10,77,558	47,16,257
(p) Exhibition Expenses	5,62,454	2,09,303
(q) Carriage Outward expenses	1,40,71,882	1,28,24,105
(r) Legal Fees	30,500	81,600
(s) Listing Fees	2,09,252	1,32,592
(t) Gifts and Donations	90,000	22,000
(u) Liquidated Damage Charges	-	83,92,455
(v) Miscellaneous Expenses	36,85,417	42,45,281
(w) Loss on Sale of investments/ Assets	60,070	98,450
(x) Repairs and Maintenance Others	17,41,351	15,46,247
(y) Auditors Remuneration	3,00,000	3,00,000
(z) Insurance Charges	14,12,919	14,34,626
Total Administrative Expenses	4,51,73,850	5,62,09,204

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
	₹	₹
NOTE NO. 29 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	1,70,83,255	1,31,29,005
- Interest on Term Loan	1,55,62,045	1,53,77,583
- Bank charges and Commission	63,32,132	47,40,245
- Loan processing Charges & Bank Charges	28,87,640	30,84,941
(b) Other Borrowing costs - Finance charges	71,68,879	8,94,018
Total Finance Cost	4,90,33,951	3,72,25,792
NOTE NO. 30 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	6,97,384	6,97,384
Total Other expenses	6,97,384	6,97,384

NOTES TO FINANCIAL STATEMENTS:

31: Long Term Borrowings

- a) Term Loan from State Bank of Hyderabad is secured by
- Hypothecation of plant and machinery acquired out of the said loan.
 - Hypothecation against first charge on all unencumbered fixed assets of the company both present and future.
 - Equitable Mortgage of immovable property of Trinity Infraventures Limited
 - Corporate Guarantees of Trinity Infraventures Limited
 - Personal guarantee of a promoter director of the company.
- b) Term Loan from Technology Development Board is secured by
- Hypothecation of fixed assets acquired out of the said loan.
 - Corporate Guarantees of Trinity Infraventures Limited.
 - Personal guarantee of a promoter director of the company.
- c) Working Capital Facilities from State Bank of Hyderabad are secured by:
- Hypothecation against first charge on Current Assets of the company both present and future.
 - Equitable Mortgage of immovable property of Trinity Infraventures Limited
 - Corporate Guarantee given by Trinity Infraventures Limited for above loan.
 - Personal guarantee of a promoter director of the company.
- d) Vehicles loans availed are secured by hypothecation of vehicles acquired out of the said loans.

32. Other Long Term Liabilities:

The Company has availed Sales Tax deferment of ₹ 19,18,811/- during the year (Previous Year: Nil). During this financial year the company has repaid an amount of ₹ 20,00,020/-.

33. Confirmation of Balances with Sundry Debtors and Sundry Creditors

Company has taken necessary steps to get the confirmation of balances from the parties.

34. Investments:

Company has invested ₹ 6.01 Cr in TF Solar Power Pvt Limited towards Equity Share Capital and allotted 60,10,000 shares @ ₹ 10/- each.

35. Employee Benefits (AS – 15)

Retirement benefits to employees The Company has made provision based on actuarial valuation in respect of Gratuity and Leave Encashment as per AS 15. The details are as follows:

Particulars	31.03.2012 ₹	31.03.2011 ₹
Gratuity	12,36,661/-	6,81,108/-
Leave Encashment	8,09,369/-	12,62,417/-
Bonus	5,07,878/-	4,09,859/-

Defined contribution plan

During year ended March 31, 2012, the Group contributed ₹ 16,53,801/- to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2012 are as follows:

The valuation has been carried out using the projected Unit Credit Method.

(Amount in ₹)		
Particulars	31 st March 2012	31 st March 2011
Present value of funded obligation		
Fair value of plan assets		
Present value of Unfunded obligations	64,07,610/-	60,33,725/-
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset(limit in Para59(b))	-	-
Net liability	64,07,610/-	60,33,725/-
<u>Amounts in Balance Sheet</u>		
Liability - Current	15,60,672/-	15,22,966/-
Liability – Non Current	48,46,938/-	45,10,759/-
Asset	-	-
Net Liability	64,07,610/-	60,33,725/-

The amounts recognized in the profit and loss account for the year ended March 31, 2012 are as follows:

(Amount in ₹)		
Particulars	31 st March 2012	31 st March 2011
Current service cost	6,57,248/-	7,43,011/-
Interest on Defined Benefit Obligation	4,86,218/-	4,61,631/-
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	93,195/-	(5,23,534)
Past Service Cost	-	-
Losses/(Gains) on "Curtailements & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59 (b)	-	-
Total, included in "Employee Benefit Expense"	12,36,661/-	6,81,108/-
Actual Return on Plan Assets		

The assumptions used in accounting for the gratuity plan are set out as below:

Particulars	31 st March, 2012	31 st March, 2011
Discount Rate	8.20%	8.25%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	10.00% for the first 2 years & 7% thereafter	10.00% for the first 2 years& 7% thereafter

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for estimated term of the obligations.

Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

36. Segment Reporting (AS – 17)

Since the Company Operate in one segment in manufacturing activities – Composite Polymer Insulators, segment reporting as required under Accounting Standard – 17 is not disclosed here separately.

37. Related Party Transactions (AS – 18)

(₹ in lakhs)				
SL No.	Name of the Party	Nature of Transaction	2011-12	2010-11
1	LP Sashikumar	MD Remuneration, and other benefits.	33.66	24.00

38. Earnings Per Share (EPS) (AS – 20)

Calculation of EPS			(Amount in ₹)	
	2011-12	2010-11		
Profit after tax during the year (₹)	1,90,50,400	3,23,46,747		
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	1,90,50,400	3,23,46,747		
Weighted Average Number of Shares taken for computation of EPS				
- Basic	3,60,80,737	3,60,80,737		
- Diluted	3,60,80,737	3,60,80,737		
Earning per Share				
- Basic (₹)	0.53	0.90		
- Diluted (₹)	0.53	0.90		
Face Value of the Share (₹)	4.00	4.00		

39. Deferred Tax Assets & Liabilities (AS – 22)

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the ₹1,88,368/- towards deferred Income Tax Asset. (Previous year ₹ 51,93,811/- towards Deferred Tax Liability)

40. Impairment of Assets (AS – 28)

The company had discontinued lines of business Telecom Jointing Kits and BPO Division and also had recognized obsolete value in respect of certain Fixed Assets for a sum of ₹ 27,21,69,530/- has been written off since there is no realizable value. The same obsolete value has been recognized as impairment of Assets and written off to Profit and Loss appropriation (Refer note No. 2 of notes to financial statements) as per AS-28.

41. Remuneration:

Managing Director

(₹ in Lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
Salary	33.66	24.00
Reimbursements and others	-	-
Total	33.66	24.00

Auditors Remuneration

(₹ in Lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Total	3.00	3.00

42. Prior Period Adjustments: (AS - 4)

Prior period adjustment of ₹ 5,60,790/- (Previous year ₹ 1,10,116/-) shown in the Profit and Loss account is the net amount of the debits and credits pertaining to previous years, which were not provided during those periods.

43. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 AND 4 OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

	2011-12		2010-11	
a. Licenced Capacity	NA		NA	
b. Installed capacity				
- Polymer Insulators	Depends on product mix		Depends on product mix	
c. Production	Quantity	Value (₹)	Quantity	Value (₹)
-Polymer Insulators(Nos.)	4,59,144	-	6,32,031	-
d. Sales				
- Polymer Insulators	4,58,712	47,06,42,043	6,31,873	55,46,45,660
Others		16,98,79,252		17,48,92,898
Total		64,05,21,295		72,95,38,558
e. Material consumption				
- Silicon Rubber & Chemicals		18,34,70,061		16,12,46,444
- Glass Fibre, Tex for FRP rods		3,31,13,845		4,32,28,293
- End Fittings		9,38,18,396		8,67,44,382
- Others		2,12,10,197		7,88,07,939
		33,16,12,499		37,00,27,058

f. Break-up of material consumption (excluding trading material)				
Indigenous	52.34%	17,35,67,284	61.83%	22,88,02,846
Imported	47.66%	15,80,45,215	38.17%	14,12,24,212
	100.00%	33,16,12,499	100.00%	37,00,27,058
g. Earnings in Foreign currency				
Export of goods		1,83,64,185		1,24,31,780
h. Value of imports on CIF Basis				
- Materials including trading materials		15,00,32,755		13,78,76,054
- Capital Goods		10,90,741		1,10,11,854
i. Expenditure in foreign currency				
On travel		2,62,813		5,81,561
Others		2,93,067		72,30,755

44. Contingent Liabilities not provided for

- Letter of credit – ₹ **789.76 lakhs** (Previous year: ₹ 403.97 lakhs)
- Bank Guarantees – ₹ **1033.86 lakhs** (Previous year: ₹ 1166.21 lakhs)
- Commitments on capital contracts remaining to be executed ₹ **170.00 lakhs** (Previous year: ₹ 350.00 lakhs)
- Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09 , 2009-10 and 2010-2011 is lying in the Dividend Account at ,ICICI & Axis Bank for an amount of ₹ 2,07,645.60, ₹2,25,360, ₹2,21,009.55 ₹1,33,458 and ₹1,41,903 respectively

45. During the year company has not made any provision for Intangible Assets – Goodwill.

46. Figures have been rounded off to the nearest rupee.

47. Previous year's figures have been regrouped / rearranged wherever necessary.

Per our Report attached

For P Murali and Co.
Chartered Accountants
FRN : 007257S

For and on behalf of the Board

Sd/-
P Murali Mohana Rao
Partner
M. No. 23412

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place: Secunderabad
Date : 28th May, 2012

Sd/-
Srikanth Adalat
Company Secretary

Cash Flow Statements as at 31.03.2012

(₹ in lakhs)

	As at 31.03.2012	As at 31.03.2011
A Cash Flow from operating activity		
Net Profit before tax	233.07	476.52
Adjustments for:		
Depreciation	-	130.80
Miscellaneous expenditure written off	6.97	6.98
Provision for Gratuity & Earned Leave & others	60.64	23.53
Loss on sale of Assets/ Investments	-	0.98
Other Income	(119.75)	(122.61)
Operating Profit before working capital changes	180.93	516.20
Adjustments for:		
Trade and other receivables	1604.53	(1145.88)
Inventories	(254.09)	173.32
Trade advances	(69.17)	837.57
Trade Payable	539.20	718.36
Cash generated from operations	2001.40	1099.57
Direct Taxes paid (net)	(136.23)	(204.39)
Gratuity, EL encashment & others Paid	(62.54)	(10.03)
Cashflow before extraordinary items	1802.62	885.15
Net Cash flow from operating activity	1802.62	885.15
B. Cash Flow from Investing Activity		
Fixed assets	(2740.05)	(279.40)
Capital work in progress	143.36	(114.96)
Investments	-	(600.03)
Miscellaneous Expenditure	-	-
Other income	119.75	122.61
Loss on Sale of Assets/ Investments	-	(0.98)
Net Cash used for investing activity	(2476.93)	(872.76)
C. Cash Flow from financing activities		
Long term borrowings	985.54	44.50
Deferred sales tax loan payment	(20.00)	(38.51)
Dividend paid	(83.87)	(84.15)
Net cash generated from financing activity	881.67	(78.16)
Cash and cash equivalents (Opening Balance)	297.79	363.56
Net increase in Cash & Cash equivalents (A+B+C)	207.36	(65.77)
Cash and cash equivalents (Closing Balance)	505.15	297.79

For P.Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

For and on behalf of the Board

Sd/-
P.Murali Mohana Rao
Partner M.No. 23412

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place : Secunderabad
Date : 28th May, 2012

Sd/-
Srikanth Adalat
Company Secretary

Auditors' Report on Consolidated Financials

1. We have audited the attached Consolidated Balance Sheet of **GOLDSTONE INFRATECH LIMITED** ('the Company') and its subsidiary as at 31st March, 2012 and the Consolidated Statement of Profit & Loss for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. We have audited the financial statements of TF SolarPower Private Limited as at 31st March, 2012.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 for Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
5. On the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Consolidated balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31st March, 2012.
 - (b) In the case of the Consolidated Statement of Profit and Loss of the consolidated results of operations of the Company and its subsidiary for the year then ended and
 - (c) In the case of the consolidated cash flows Statement, of the Consolidated Cash flows of the Company and its subsidiary for the year then ended.

For P.MURALI & CO.,
Chartered Accountants
FRN:007257S

Sd/-
P.Murali Mohana Rao
Partner
Membership No: 23412

Place : Hyderabad
Date : 28-05-2012

Consolidated Balance Sheet as at March 31, 2012

Particulars	Note No	As at 31/03/2012	As at 31/03/2011
I. EQUITY AND LIABILITIES		₹	₹
(1) Shareholder's Funds			
(a) Share Capital	1	14,43,22,948	14,43,22,948
(b) Reserves and Surplus	2	58,69,68,707	84,84,11,813
(c) Money received against share warrants			
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	30,91,00,891	21,05,46,792
(b) Deferred tax liabilities (Net)	4	5,32,51,977	5,35,03,160
(c) Other Long term liabilities	5	8,81,01,487	8,81,82,596
(d) Long term provisions	6	88,24,116	91,00,267
(3) Current Liabilities			
(a) Short-term borrowings	7	6,95,98,554	5,85,47,344
(b) Trade payables	8	15,34,98,377	10,95,38,848
(c) Other current liabilities	9	1,07,86,892	74,23,222
(d) Short-term provisions	10	4,00,35,791	6,77,60,407
Total		1,46,44,89,740	1,59,73,37,397
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	82,28,24,911	82,74,22,807
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		19,25,51,393	19,50,22,568
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Long term loans and advances	13	2,64,18,124	2,10,07,541
(d) Other non-current assets	14	23,40,696	30,25,328
(2) Current assets			
(a) Inventories	15	13,02,49,978	10,48,41,478
(b) Trade receivables	16	19,21,58,091	35,26,10,754
(c) Cash and cash equivalents	17	5,05,79,204	3,02,00,658
(d) Short-term loans and advances	18	74,41,587	93,59,943
(e) Other current assets	19	3,85,65,267	5,24,85,829
Total		1,46,44,89,740	1,59,73,37,397

Summary of Significant Accounting Policies

Notes on Financial Statements

1 to 46

As per our Reports of even date

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P.Murali Mohana Rao

Partner

M.No. 023412

Place : Secunderabad

Date : 28th May 2012

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

Srikanth Adalat

Company Secretary

Consolidated Profit and Loss statement for the year ended March 31, 2012

Particulars	Note No	For the year ended 31/03/2012	For the year ended 31/03/2011
I. Revenue from operations	20	₹ 59,78,47,482	₹ 68,04,07,828
II. Other Income	21	1,19,74,799	1,22,60,719
III. Total Revenue (I +II)		60,98,22,281	69,26,68,547
IV. Expenses:			
Cost of materials consumed	22	33,16,12,499	37,00,27,058
Purchase of Stock-in-Trade	23	4,57,69,257	4,82,08,800
Changes in inventories of Finished, WIP and Stock-in-Trade	24	25,31,449	1,18,03,820
Employee benefit expenses	25	6,03,74,538	6,17,43,031
Other operating expenses	26	2,30,82,461	3,08,16,479
Administrative Expenses	27	4,51,73,850	5,62,09,204
Financial costs	28	4,90,33,951	3,72,25,792
Depreciation and amortization expenses	11&12	2,82,39,545	2,82,84,766
Other expenses	29	6,97,384	6,97,384
Total Expenses		58,65,14,934	64,50,16,334
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,33,07,347	4,76,52,213
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,33,07,347	4,76,52,213
VIII. Extraordinary Items		5,54,685	(1,11,655)
IX. Profit before tax (VII - VIII)		2,38,62,032	4,75,40,558
X. Tax expenses:			
(1) Current tax		50,00,000	1,00,00,000
(2) Deferred tax		(2,51,183)	51,93,811
XI. Profit after tax		1,91,13,215	3,23,46,747
XII. Profit/(Loss) for the period		1,91,13,215	3,23,46,747
XIII. Earning per equity share: (Refer Note No. 37)			
(1) Basic		0.53	0.90
(2) Diluted		0.53	0.90

Summary of Significant Accounting Policies

Notes on Financial Statements 1 to 46

As per our Report of even date

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P.Murali Mohana Rao

Partner

M.No. 23412

Place : Secunderabad

Date : 28th May, 2012

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

Srikanth Adalat

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED ACCOUNTS

a) Preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India and the provisions of Companies Act, 1956.

b) Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Fixed Assets

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition/ construction/ installation. Pre-operative expenses relating to a specific project are capitalised till all the activities necessary to prepare the qualifying asset for its intended use are completed. Expenses capitalized also include applicable borrowing costs. Fixed Assets are impaired when there is no possibility of using them further.

d) Investments

Investments are classified into current and long-term investments. Current Investments are carried at lower of cost or fair market value. Any diminution in their value is recognized in the profit and loss account. Current & Non-Current investments, including investment in subsidiaries, are carried at cost. Diminution of temporary nature in the value of such long-term investments is not provided for except when such diminution is determined to be of a permanent nature.

e) Inventories

Inventories are valued at cost or net realizable value, whichever is less. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to its their location. Finished goods at the factory are

valued at cost in all applicable cases. Obsolete, non-moving and defective inventories are identified at the time of physical verification of inventories and adequate provision, wherever necessary, is made for such inventories.

f) Intangible Assets

Intangible Assets are recognized in the Balance Sheet at cost, net of any accumulated amortization / impairment. Preliminary expenses are amortized over a period of time. De-merger expenses are amortized over a period of ten years.

g) Research and Development

Capital expenditure on Research and Development is included in the Schedule of Fixed Assets. Revenue expenditure relating to the Research phase is charged to the Profit and Loss account. Revenue Expenditure relating to the Development phase is amortized over the period in which the future economic benefits are expected to accrue to the Company, but not exceeding a period of five years, and the amortization commences from the year in which the company realizes these benefits for the first time.

h) Revenue Recognition

Income is recognized when the goods are dispatched in accordance with terms of sale. Sale is inclusive of excise duty.

In respect of income from services, income is recognized as and when the rendering of services is complete. Revenue from time period services is recognized on the basis of time incurred in providing such services.

i) Retirement Benefits

Company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. Company provides for accrued liability in respect of gratuity and leave encashment on actuarial valuation.

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are treated as a period cost and are expensed in the year of occurrence.

k) Depreciation

Depreciation is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added, sold or discarded is provided for on pro-rata basis.

l) Foreign Currency Transaction

Foreign currency transactions, being in the nature of integral operations, are accounted for at the rates of exchange prevailing as on the date of transaction. Gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Exchange differences relating to fixed assets are adjusted to the cost of the asset.

m) Government Grants / Incentives

Amounts receivable from Government by way of Grants / Incentives are accounted for on receipt basis and same is to adjust against the cost of the assets. Incentives by way of Sales tax deferment are recognized as loan to the extent of their utilization.

n) Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired.

o) Income and Deferred Tax

The provision made for income tax in the accounts comprises both the current and

deferred tax. Current tax is provided for on the taxable income for the year. The deferred tax assets and liabilities for the year arising on account of timing differences (net) are recognized in the Profit and Loss account and the cumulative effect thereof is reflected in the Balance Sheet.

p) Contingent Liabilities and Contingent Assets

Liabilities, which are contingent in nature, are not recognized in the books of account but are disclosed separately in the Notes. Contingent Assets are neither recognized nor disclosed in the books of account.

q) Claims

Claims made by the Company are recognized to the extent the Company deems them recoverable. Claims against the Company, including liquidated damages, are recognized only on acceptance basis.

II Principles of Consolidation.

- A. The consolidated Financial statements relate to **GOLDSTONE INFRATECH LIMITED** (the company) and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis.
 - a. The Financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets , liabilities , income and expenses after fully eliminating intra –group balances and intra group transactions in accordance with Accounting Standard -21 on “Consolidated Financial Statements”.
- B. The subsidiary Companies considered in the Consolidated Financial statements are.

Sl No.	Name of the Subsidiary Company	Country of incorporation	Ownership Interest %
1	TF Solarpower Private Limited	India	100%

NOTES TO CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 1 : SHARE CAPITAL	₹	₹
I Share Capital :		
(a) Authorised : 6,16,25,000 No. of Equity Shares @ ₹ 4/- each	24,65,00,000	24,65,00,000
(b) Issued : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each fully paid up	14,43,22,948	14,43,22,948
(c) Subscribed & fully paid up : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each.	14,43,22,948	14,43,22,948
(d) Subscribed & not fully paid up	-	-
(e) Par value per share ₹ 4/-		
Total Equity Share capital	14,43,22,948	14,43,22,948
II Preference shares at the beginning as per class of shares	-	-
Total Share capital (Equity and Preference)	14,43,22,948	14,43,22,948
III Calls unpaid :	-	-
IV Forfeited shares (amount originally paid up)	-	-
V A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	
Equity Shares of ₹4/- Each, Fully paid up :		
At the Beginning	3,60,80,737	3,60,80,737
Issued during the year		-
Forfeited / Bought Back during the year		-
At the end	3,60,80,737	3,60,80,737
VI Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
Equity Shares of ₹4/- each Held By Trinity Infraventures Limited -1,77,76,165 Nos. (1,77,76,165 Nos.)	49.27%	49.27%
LSRD Global Holding Pvt Ltd - 26,68,999 Nos. (Nil)	7.40%	0.00%

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 2 : RESERVES AND SURPLUS	₹	₹
a) Securities Premium Reserve		
As at the commencement of the year	42,65,13,494	42,65,13,494
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
	42,65,13,494	42,65,13,494
b) General Reserves		
As at the commencement of the year	14,67,27,306	14,34,92,631
Add: Additions during the year	19,05,040	32,34,675
Less: Utilised	-	-
	14,86,32,346	14,67,27,306
c) Surplus:		
Opening Balance - Profit and Loss Account	27,51,71,008	25,44,45,727
Add: Transfer from Profit & Loss Account	1,91,13,215	3,23,46,747
Less: Transfer to General Reserve	19,05,040	32,34,675
Less: Dividend and Dividend Tax	83,86,786	83,86,786
Less: Bonus shares	-	-
Less: Obsolete Machinery Write off (Refer Note 39)	27,21,69,530	-
	1,18,22,867	27,51,71,013
Total Reserve and Surplus	58,69,68,707	84,84,11,813
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Bonds/debentures / Working Capital from banks (Refer note No. 30 (c))		
Secured - State Bank of Hyderabad	16,23,01,926	10,91,48,032
Unsecured	-	-
b) Term loans:		
From banks: (Refer Note No. 30 (a))		
Secured - State Bank of Hyderabad	12,97,32,700	7,97,09,959
Unsecured	-	-
From other parties: (Refer note No. 30 (b))		
Secured - Technology Development Board	1,70,66,265	2,16,88,801
Unsecured	-	-
Notes : Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	30,91,00,891	21,05,46,792

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)	₹	₹
Opening Deferred tax Liability	5,35,03,160	4,83,09,349
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(2,51,183)	51,93,811
Gross Deferred tax Liability	5,32,51,977	5,35,03,160
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	5,32,51,977	5,35,03,160
NOTE NO. 5 : OTHER LONG TERM LIABILITIES		
a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 31)	8,81,01,487	8,81,82,596
Total other long term liabilities	8,81,01,487	8,81,82,596
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits (Refer Note No. 34)		
- Provision for Gratuity	64,07,610	60,33,725
- Provision for Leave Encashment	19,08,628	26,56,683
b) Others - Bonus	5,07,878	4,09,859
Total Long Term Provisions	88,24,116	91,00,267

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 7 : SHORT TERM BORROWINGS.	₹	₹
Short term borrowings		
a) Loans repayable on demand:		
From banks		
Secured	8,43,159	13,93,351
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	6,87,55,395	5,71,53,993
b) Loans and advances from other parties		
Secured		
Unsecured		
Total short term borrowings	6,95,98,554	5,85,47,344
NOTE NO. 8 : TRADE PAYABLES		
a) Trade Payables	11,80,05,960	7,70,93,715
b) Liabilities to Transporters	40,37,980	64,44,816
c) Liabilities to Consultants and individuals	17,87,771	33,72,296
d) Liabilities to Capital purchases	2,30,19,925	1,40,88,385
e) Liabilities to Miscellaneous Creditors	66,46,741	85,39,636
Total Trade Payables	15,34,98,377	10,95,38,848
NOTE NO. 9 : OTHER CURRENT LIABILITIES		
a) Interest accrued but not due on borrowings	18,97,045	9,98,558
b) Advances received from Customers.	88,89,847	64,24,664
Total other current liabilities	1,07,86,892	74,23,222
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	3,89,954	3,81,706
ESI Payable	82,157	2,14,704
Salaries Payable	28,60,669	26,50,963
b) Others		
Statutory Liabilities	79,20,789	1,35,26,284
Provision for Expenses	39,95,472	12,00,000
Provision for Bad Debts	91,62,438	91,62,438
Provision for income tax	72,37,526	3,22,37,526
Provision for Dividend	83,86,786	83,86,786
Total short term provisions	4,00,35,791	6,77,60,407

NOTE NO. 11 & 12 FIXED ASSETS AS AT MARCH 31, 2012

Particulars	Gross Block			Depreciation/Amortization				Net Block as on 31.03.2012	Net Block as on 31.03.2011
	As on 01.04.2011	Additions during the year	Sale / Deletions during the year	As on 31.03.2012	Depreciation as on 01.04.2011	Depreciation for the year 2011 - 2012	Depreciation Reserve on Deletions	Total Depreciation	
LAND	₹ 42,73,01,003	-	-	₹ 42,73,01,003	₹ -	-	-	-	₹ 42,73,01,003
BUILDING	53,84,46,665	17,77,018	-	55,61,28,683	1,17,50,664	18,06,666	-	1,35,57,330	42,09,40,001
PLANT & MACHINERY	44,55,27,580	29,06,67,068	37,15,01,504	36,46,93,144	12,82,48,821	2,15,33,873	11,05,25,785	3,92,56,909	31,72,78,759
ELECTRICAL EQUIPMENT	1,63,41,913	17,30,488	91,07,270	89,65,101	74,75,720	8,37,049	71,94,500	11,18,289	88,66,193
LABORATORY EQUIPMENT	1,34,15,281	3,05,180	25,17,375	1,12,03,086	36,63,603	6,45,406	20,06,975	23,02,034	97,51,678
OFFICE EQUIPMENT	57,44,620	76,435	41,16,211	17,04,844	26,13,248	2,75,742	21,08,506	7,80,484	31,31,372
COMPUTERS	8,21,11,047	12,80,131	6,95,21,779	1,38,69,399	8,13,23,232	7,11,277	6,89,70,930	1,30,63,579	80,58,20
FURNITURE	76,83,096	1,50,178	34,63,206	43,70,068	49,44,262	4,87,408	20,55,892	33,75,778	27,38,834
VEHICLES	1,51,38,862	7,99,757	11,33,925	1,47,64,694	1,11,15,005	13,98,677	9,43,856	1,15,69,826	40,23,857
GENERATOR	86,16,909	-	7,52,360	78,64,549	30,35,086	4,09,303	3,36,222	31,08,167	55,81,823
LEASEHOLD IMPROVEMENTS	60,60,777	-	54,85,487	575,290	18,29,163	2,02,430	17,16,685	3,14,908	42,31,614
AIR CONDITIONERS	25,97,025	29,428	22,17,185	40,92,88	9,78,899	1,23,868	10,20,678	82,089	16,18,126
TOOLS AND SPARES	30,589	-	16,414	14,175	12,856	1,453	12,289	2,020	17,733
TEMPORARY SHEDS	13,21,522	-	-	13,21,522	1,321,522	-	-	13,21,522	-
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	-	13,60,489
CAPITAL WORK IN PROGRESS	19,50,22,568	1,18,65,212	1,43,36,387	19,25,51,393	-	-	-	-	19,50,22,568
TOTAL	1,28,21,17,946	30,86,40,865	48,41,69,103	1,10,65,89,708	25,83,12,081	2,84,33,152	19,68,92,318	8,98,52,915	1,01,67,36,793
Previous Year	1,05,73,02,494	4,39,03,846	1,59,63,469	1,08,52,42,871	24,43,86,235	2,82,84,766	1,52,04,822	25,74,66,179	81,29,16,259

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 13 : LONG TERM LOANS AND ADVANCES	₹	₹
Long - term loans and advances:		
a) Capital advance		
Secured	1,63,16,421	1,12,11,559
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	1,01,01,703	97,95,982
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	2,64,18,124	2,10,07,541
Less : Provision for Doubtfull Debts	-	-
Total Long term loans & advances(net)	2,64,18,124	2,10,07,541
NOTE NO.14 : OTHER NON - CURRENT ASSETS		
I Unamortised Expenses	6,18,313	13,15,697
Interest Accrued on Deposits	16,67,383	16,99,631
Insurance Claims	55,000	10,000
Total other non current assets	23,40,696	30,25,328
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets(net)	23,40,696	30,25,328
NOTE NO. 15 : INVENTORIES		
I Inventories :		
a) Raw materials		
- Silicon Rubber	3,56,62,918	2,01,19,175
- End Fittings	1,29,90,042	1,07,51,109
- FRP materials	37,42,860	13,98,371
- Others	1,83,36,397	1,05,23,613
Sub Total	70,07,32,217	4,27,92,268
b) Work - in - progress		
- Railway Insulators	28,25,901	39,51,495
- Electricity Board Insulators	5,66,91,860	5,80,97,715
Sub Total	5,95,17,761	6,20,49,210
Total Inventories	13,02,49,978	10,48,41,478

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO. 16 : TRADE RECEIVABLES	₹	₹
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	52,66,106	1,80,19,615
Unsecured, Considered Good	-	-
Doubtful	-	-
	52,66,106	1,80,19,615
II Other Receivables:		
Secured, Considered Good	18,68,91,985	33,45,91,139
Unsecured, Considered Good	-	-
Doubtful	-	-
	18,68,91,985	33,45,91,139
Total trade recivable	19,21,58,091	35,26,10,754
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	19,21,58,091	35,26,10,754
NOTE NO. 17 : CASH AND CASH EQUIVALENTS		
I Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	56,02,080	22,97,274
2) Margin Money	72,37,060	11,81,444
3) Bank deposits with more than 12 months maturity	2,58,77,797	2,66,51,179
b) Cheques, Draft on hand	1,18,20,659	22,286
c) Cash on hand	41,608	48,475
Total Cash and Cash Equivalents	5,05,79,204	3,02,00,658
NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES		
I Short - term loans and advances:		
a) Other loans and advances		
Secured:		
- for Staff Advances	1,97,533	2,22,160
- for Suppliers	15,92,138	39,14,925
- for Others	56,51,916	52,22,858
Total short term loans & advances	74,41,587	93,59,943
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances(net)	74,41,587	93,59,943

Particulars	As on 31.03.2012	As on 31.03.2011
NOTE NO.19 : OTHER CURRENT ASSETS	₹	₹
TDS Receivable & Advance Taxes	1,32,29,424	2,96,06,381
Prepaid Expenses	20,95,717	29,32,809
Balances with Government Departments	2,32,40,126	1,99,46,639
	3,85,65,267	5,24,85,829

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT AS AT MARCH 31, 2012

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2012
	₹	₹
NOTE NO. 20 : REVENUE FROM OPERATIONS		
Revenue from operations		
(a) Sale of Products	64,05,21,295	72,95,38,558
Less: Excise Duties	4,26,73,813	4,91,30,730
Total Revenue from Operations	59,78,47,482	68,04,07,828
NOTE NO. 21 : OTHER INCOME		
(a) Interest income	20,43,174	26,49,519
(b) Other non-operating income	99,31,625	96,11,200
Total Other Income	1,19,74,799	1,22,60,719
NOTE NO. 22 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber & chemicals	18,34,70,061	16,12,46,444
Material - End Fittings	9,38,18,396	8,67,44,382
Material - FRP materials	3,31,13,845	4,32,28,293
Other Material	2,12,10,197	7,88,07,939
Total Cost Of Material Consumed	33,16,12,499	37,00,27,058

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2012
	₹	₹
NOTE NO. 23 : PURCHASE OF STOCK IN TRADE		
Materials - Iron and Steel items	4,57,69,257	4,82,08,800
Total Trade Purchases	4,57,69,257	4,82,08,800
NOTE NO. 24 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	6,20,49,210	7,38,53,030
Less : work in progress at the end of the year	5,95,17,761	6,20,49,210
(Increase) / Decrease in Inventories	25,31,449	1,18,03,820
NOTE NO. 25 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	5,72,56,474	5,88,39,163
(b) Contribution to Provident Fund & Others	22,77,174	22,79,077
(c) Staff Welfare Expenses	8,40,890	6,24,791
Total Employee Benefit Expenses	6,03,74,538	6,17,43,031
NOTE NO. 26 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	16,57,814	16,82,225
(b) Power & Fuel	1,29,27,367	1,18,07,557
(d) Repairs to Building	2,50,744	1,97,458
(e) Repairs to Machinery	8,23,934	6,99,553
(f) Insurance	4,51,419	4,28,359
(h) Testing and Inspection charges	69,71,183	1,60,01,327
Total Other Expenses	2,30,82,461	3,08,16,479

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2012
	₹	₹
NOTE NO. 27 : ADMINISTRATIVE EXPENSES		
(a) Telephone, Postage and Others	20,08,835	20,51,854
(b) Business Promotion Expenses	13,51,505	9,49,288
(c) Conveyance	11,32,955	9,15,337
(d) Office Maintenance	8,21,275	4,18,577
(e) Printing & Stationery Expenses	7,73,164	13,44,102
(f) Security Charges	12,08,604	12,39,013
(g) Rates & Taxes (excluding Income Tax)	8,45,906	12,66,151
(h) Managerial Remuneration	26,90,000	25,15,000
(i) Consultancy Charges	23,03,011	31,75,022
(j) Rent	31,00,569	8,89,428
(k) Office Electricity charges	9,15,869	7,11,299
(l) Travelling expenses	30,41,225	43,67,771
(m) Vehicle Maintenance	14,69,807	18,04,592
(n) Advertisement expenses	2,69,722	5,58,854
(o) Commission Paid	10,77,558	47,16,257
(p) Exhibition Expenses	5,62,454	2,09,303
(q) Carriage Outward expenses	1,40,71,882	1,28,24,105
(r) Legal Fees	30,500	81,600
(s) Listing Fees	2,09,252	1,32,592
(t) Gifts and Donations	90,000	22,000
(u) Liquidated Damage Charges	-	83,92,455
(v) Miscellaneous Expenses	36,85,417	42,45,281
(w) Loss on Sale of investments/ Assets	60,070	98,450
(x) Repairs and Maintenance Others	17,41,351	15,46,247
(y) Auditors Remuneration	3,00,000	3,00,000
(z) Insurance Charges	14,12,919	14,34,626
Total Administrative Expenses	4,51,73,850	5,62,09,204
NOTE NO. 28 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	1,70,83,255	1,31,29,005
- Interest on Term Loan	1,55,62,045	1,53,77,583
- Bank charges and Commission	63,32,132	47,40,245
- Loan processing Charges & Bank Charges	28,87,640	30,84,941
(b) Other Borrowing costs - Finance charges	71,68,879	8,94,018
Total Finance Cost	4,90,33,951	3,72,25,792
NOTE NO. 29 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	6,97,384	6,97,384
Total Other expenses	6,97,384	6,97,384

NOTES TO FINANCIAL STATEMENT:

30: Long Term Borrowings

- a) Term Loan from State Bank of Hyderabad is secured by
- Hypothecation of plant and machinery acquired out of the said loan.
 - Hypothecation against first charge on all unencumbered fixed assets of the company both present and future.
 - Equitable Mortgage of immovable property of Trinity Infraventures Limited
 - Corporate Guarantees of Trinity Infraventures Limited
 - Personal guarantee of a promoter director of the company.
- b) Term Loan from Technology Development Board is secured by
- Hypothecation of fixed assets acquired out of the said loan.
 - Corporate Guarantees of Trinity Infraventures Limited.
 - Personal guarantee of a promoter director of the company.
- c) Working Capital Facilities from State Bank of Hyderabad are secured by:
- Hypothecation against first charge on Current Assets of the company both present and future.
 - Equitable Mortgage of immovable property of Trinity Infraventures Limited
 - Corporate Guarantee given by Trinity Infraventures Limited for above loan.
 - Personal guarantee of a promoter director of the company.
- d) Vehicles loans availed are secured by hypothecation of vehicles acquired out of the said loans.

31. Other Long Term Liabilities:

The Company has availed Sales Tax deferment of ₹ 19,18,811/- during the year (Previous Year: Nil) . During this financial year the company has repaid an amount of ₹ 20,00,020/-.

32. Confirmation of Balances with Sundry Debtors and Sundry Creditors

Company has taken necessary steps to get the confirmation of balances from the parties.

33. Investments:

Company has invested ₹ 6.01 Cr in TF Solar Power Pvt Limited towards Equity Share Capital and allotted 60,10,000 shares @ ₹ 10/- each.

Company incurred ₹ 9,80,82,534/- on Capital work in progress till 31.03.2012.

34. Employee Benefits (AS – 15)

Retirement benefits to employees The Company has made provision based on actuarial valuation in respect of Gratuity and Leave Encashment as per AS 15. The details are as follows:

Particulars	31.03.2012 ₹	31.03.2011 ₹
Gratuity	12,36,661/-	6,81,108/-
Leave Encashment	8,09,369/-	12,62,417/-
Bonus	5,07,878/-	4,09,859/-

Defined contribution plan

During year ended March 31, 2012, the Group contributed ₹ 16,53,801/- to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2012 are as follows:

The valuation has been carried out using the projected Unit Credit Method.

	31st March 2012 ₹	31st March 2011 ₹
Present value of funded obligation		
Fair value of plan assets		
Present value of Unfunded obligations	64,07,610/-	60,33,725/-
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset (limit in Para59(b))	-	-
Net liability	64,07,610/-	60,33,725/-
<u>Amounts in Balance Sheet</u>		
Liability - Current	15,60,672/-	15,22,966/-
Liability – Non Current	48,46,938/-	45,10,759/-
Asset	-	-
Net Liability	64,07,610/-	60,33,725/-

The amounts recognized in the profit and loss account for the year ended March 31, 2012 are as follows:

	31st March 2012 ₹	31st March 2011 ₹
Current service cost	6,57,248/-	7,43,011/-
Interest on Defined Benefit Obligation	4,86,218/-	4,61,631/-
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	93,195/-	(5,23,534)
Past Service Cost	-	-
Losses/(Gains) on "Curtailments & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59 (b)	-	-
Total, included in "Employee Benefit Expense"	12,36,661/-	6,81,108/-
Actual Return on Plan Assets		

The assumptions used in accounting for the gratuity plan are set out as below:

	31st March, 2012	31st March, 2011
Discount Rate	8.20%	8.25%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	10.00% for the first 2 years & 7% thereafter	10.00% for the first 2 years & 7% thereafter

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for estimated term of the obligations.

Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

35. Segment Reporting (AS – 17)

Since the Company Operate in one segment in manufacturing activities – Composite Polymer Insulators, segment reporting as required under Accounting Standard – 17 is not disclosed here separately.

36. Related Party Transactions (AS – 18)

(₹ in lakhs)

SL No.	Name of the Party	Nature of Transaction	2011-12	2010-11
1	LP Sashikumar	MDRemuneration, and other benefits.	33.66	24.00

37. Earnings Per Share (EPS) (AS – 20)

	2011-12	2010-11
Profit after tax during the year (₹)	1,91,13,215	3,23,46,747
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	1,91,13,215	3,23,46,747
Weighted Average Number of Shares taken for computation of EPS		
- Basic	3,60,80,737	3,60,80,737
- Diluted	3,60,80,737	3,60,80,737
Earning per Share		
- Basic (₹)	0.53	0.90
- Diluted (₹)	0.53	0.90
Face Value of the Share (₹)	4.00	4.00

38. Deferred Tax Assets & Liabilities (AS – 22)

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the ₹2,51,183/- towards deferred Income Tax Asset. (Previous year ₹ 51,93,811/- towards Deferred Tax Liability)

39. Impairment of Assets (AS – 28)

The company had discontinued lines of business Telecom Jointing Kits and BPO Division and also had recognized obsolete value in respect of certain Fixed Assets for a sum of ₹ 27,21,69,530/- has been written

off since there is no realizable value. The same obsolete value has been recognized as impairment of Assets and written off to Profit and Loss appropriation (Refer note No. 2 of notes to financial statements) as per AS-28.

40. Remuneration:

Managing Director (₹ in lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
Salary	33.66	24.00
Reimbursements and others	-	-
Total	33.66	24.00

Auditors Remuneration (₹ in lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
Statutory Audit Fee	2.75	2.75
Tax Audit Fee	0.50	0.50
Total	3.25	3.25

41. Prior Period Adjustments: (AS - 4)

Prior period adjustment of ₹ 5,54,685/- (Previous year ₹ 1,11,655/-) shown in the Profit and Loss account is the net amount of the debits and credits pertaining to previous years, which were not provided during those periods.

42. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 AND 4 OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

	2011-12		2010-11	
a. Licenced Capacity	NA		NA	
b. Installed capacity - Polymer Insulators	Depends on product mix		Depends on product mix	
	Quantity	Value (₹)	Quantity	Value (₹)
c. Production - Polymer Insulators(Nos.)	4,59,144	-	6,32,031	-
d. Sales				
- Polymer Insulators	4,58,712	47,06,42,043	6,31,873	55,46,45,660
Others		16,98,79,252	-	17,48,92,898
Total		64,05,21,295		72,95,38,558
e. Material consumption				
- Silicon Rubber & Chemicals		18,34,70,061		16,12,46,444
- Glass Fibre, Tex for FRP rods		3,31,13,845		4,32,28,293
- End Fittings		9,38,18,396		8,67,44,382
- Others		2,12,10,197		7,88,07,939
		33,16,12,499		37,00,27,058
f. Break-up of material consumption (excluding trading material)				
Indigenous	52.34%	17,35,67,284	61.83%	22,88,02,846
Imported	47.66%	15,80,45,215	38.17%	14,12,24,212
	100.00%	33,16,12,499	100.00%	37,00,27,058
g. Earnings in Foreign currency				
Export of goods		1,83,64,185		1,24,31,780
h. Value of imports on CIF Basis				
- Materials including trading materials		15,00,32,755		13,78,76,054
- Capital Goods		10,90,741		1,10,11,854
i. Expenditure in foreign currency				
On travel		2,62,813		5,81,561
Others		2,93,067		72,30,755

43. Contingent Liabilities not provided for

- a) Letter of credit – ₹ **789.76 lakhs** (Previous year: ₹ 403.97 lakhs)
- b) Bank Guarantees – ₹ **1033.86 lakhs** (Previous year: ₹ 1166.21 lakhs)
- c) Commitments on capital contracts remaining to be executed ₹ **170.00 lakhs** (Previous year: ₹ 350.00 lakhs)
- d) Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09 , 2009-10 and 2010-2011 is lying in the Dividend Account at ,ICICI & Axis Bank for an amount of ₹ 2,07,645.60, ₹2,25,360.00, ₹2,21,009.55, ₹1,33,458.00 and ₹1,41,903.00 respectively

44. During the year company has not made any provision for Intangible Assets – Goodwill.

45. Figures have been rounded off to the nearest rupee.

46. Previous year's figures have been regrouped / rearranged wherever necessary.

Per our Report attached

For P Murali and Co.
Chartered Accountants
FRN : 007257S

For and on behalf of the Board

Sd/-
P Murali Mohana Rao
Partner
M. No. 23412

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place: Secunderabad
Date : 28th May,2012

Sd/-
Srikanth Adalat
Company Secretary

Consolidated Cash Flow Statements as at 31.03.2012

(₹ In lakhs)

	31.03.2012	31.03.2011
A Cash Flow from operating activity		
Net Profit before tax	233.07	476.52
Adjustments for:		
Depreciation	-	139.26
Miscellaneous expenditure written off	6.97	6.98
Provision for Gratuity & Earned Leave & others	32.03	23.53
Loss on sale of Assets/ Investments	-	0.98
Other Income	(119.75)	(122.61)
Operating Profit before working capital changes	152.32	524.66
Adjustments for:		
Trade and other receivables	1604.53	(1145.88)
Inventories	(254.09)	173.32
Trade advances	(52.64)	884.35
Trade Payable	555.64	1009.95
Cash generated from operations	2005.77	1446.40
Direct Taxes paid (net)	(135.56)	(204.39)
Gratuity, EL encashment & others Paid	(36.03)	(8.91)
Cashflow before extraordinary items	1834.17	1233.10
	-	(1.12)
Net Cash flow from operating activity	1834.17	1231.98
B. Cash Flow from Investing Activity		
Fixed assets	(2675.72)	(297.93)
Capital work in progress	24.71	(1039.83)
Investments	-	0.97
Miscellaneous Expenditure	-	(0.21)
Other income	119.75	122.61
Loss on Sale of Assets/ Investments	-	(0.98)
Net Cash used for investing activity	(2531.26)	(1215.37)
C. Cash Flow from financing activities		
Long term borrowings	985.54	44.50
Deferred sales tax loan payment	(0.81)	(38.51)
Dividend paid	(83.87)	(84.15)
Net cash generated from financing activity	900.86	(78.16)
Cash and cash equivalents (Opening Balance)	302.01	363.56
Net increase in Cash & Cash equivalents (A+B+C)	203.78	(61.55)
Cash and cash equivalents (Closing Balance)	505.79	302.01

For P.Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants
Sd/-
P.Murali Mohana Rao
Partner M.No. 23412

Place : Secunderabad
Date : 28th May, 2012

For and on behalf of the Board

Sd/- Sd/-
L P Sashikumar **B Appa Rao**
Managing Director Director
Sd/-
Srikanth Adalat
Company Secretary

STATEMENT OF SUBSIDIARIES

Name of the Subsidiary : **TF SolarPower Pvt. Ltd.**

(Amount in ₹)

S.No.	Particulars	Amount
1	The financial year for the subsidiary company ended on	31.03.2012
2.	Shares of the subsidiary company held by holding company as on above date	
	(i) Number	60,10,000
	(ii) Extent of holding	100%
3	Date from which it became a subsidiary	14.04.2010
4	The net aggregate amount of Profits / (Losses) of the Subsidiary so far as they concern the member of the Holding Company.	
	a) Dealt within the Holding Company's accounts	
	i) for the financial year of the subsidiary	NIL
	ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary	NIL
	b) Not dealt within the Holding Company's accounts	
	i) for the financial year of the subsidiary	NIL
	ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary	NIL
5	Issued, Subscribed & Paid-up Capital	6,01,00,000
6	Reserves & Surplus	-
7	Liabilities	3,89,10,131
8	Total Liabilities	9,90,10,131
9	Total Assets	9,90,10,131
10	Investments	NIL
11	Turnover	NIL
12	Profit before Tax	NIL
13	Provision for Taxation	NIL
14	Profit after Tax	NIL
15	Proposed Dividend	NIL



GOLDSTONE INFRATECH LIMITED

Regd. Office: 9-1-83 & 84, amarchand Sharma Complex
S D Road, Secunderabad – 500 003

PROXY FORM

I/We of
..... being a member/ members of the above
named company hereby appoint
.....
..... of
as my/our proxy to vote for me/us on my/our behalf at the 12th Annual General Meeting of the company
to be held on Saturday, the September 29, 2012 at 3.30 p.m. at Plot No. 1 & 9 IDA Phase II,
Cherlapally, Hyderabad – 500 051 and at any adjournment thereof.

Signed this..... day of 2012.

Please
Affix Re.1
Revenue
Stamp

NOTE:

- A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
- Proxy need not be a member.
- The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

.....cut here.....

GOLDSTONE INFRATECH LIMITED

(9-1-83 & 84, Amarchand Sharma Complex, S.D. Road, Secunderabad – 500 003)

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio/ : Shares held:.....

Client ID/ DPID :

I hereby record my presence at the 12th Annual General Meeting to be held on Saturday, the September 29, 2012 at 3.30 p.m. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

- Note: 1) To be signed at the time of handing over this slip.
2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

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.



Book - Post
Printed Matter



If undelivered please return to :

Goldstone Infratech Limited
9-1-83 & 84, Amarchand Sharma Complex,
Sarojini Devi Road, Secunderabad-500 003.
Ph. 040-2780 7642, 2780 0742, 2780 7640

