



Goldstone



Goldstone Infratech Limited

14th Annual Report 2013-2014

CONTENTS

Notice	-	3
Director's Report	-	14
Management Discussion and Analysis	-	19
Report on Corporate Governance	-	22
Standalone Financials		
Auditor's Report	-	34
Balance Sheet	-	39
Statement of Profit and Loss	-	40
Significant Accounting Policies	-	41
Notes to Accounts	-	43
Cash Flow Statement	-	57
Consolidated Financials		
Auditor's Report	-	58
Balance Sheet	-	59
Statement of Profit and Loss	-	60
Significant Accounting Policies	-	61
Notes to Accounts	-	64
Cash Flow Statement	-	79
Statement of Subsidiaries	-	80
Attendance Slip and Proxy Form	-	81
Ballot Form	-	83

CORPORATE INFORMATION

Board of Directors:

Mr. M. Gopalakrishna, IAS (Retd.)
 Mr. B. Appa Rao
 Mr. S. Murali Krishna
 Mrs. Mahita Caddell
 Mr. L P Sashikumar (Managing Director)

Board Committees

Audit Committee :

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

Nomination and Remuneration Committee :

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

Stakeholders Relationship Committee:

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

Management Team:

Mr. N. Nagasatyam (Vice President, Business Development)
 Mr. N. Sudhakar Reddy (AVP, Operations)
 Mr. D P K Udas (VP, Sales & Marketing)
 Mr. P. Syam Prasad (GM, Finance & Accounts)
 Mr. B. Kiran Kumar Reddy (GM, Technical)
 Mr. P. Hanuman Prasad (Company Secretary & Compliance Officer)

Statutory Auditors:

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

Principal Bankers:

State Bank of Hyderabad

Registrars & Share Transfer Agents:

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

Stock Exchanges where Company's Securities are listed :

Bombay Stock Exchange Limited
 National Stock Exchange of India Limited

Registered Office :

9-1-83 & 84, Amarchand Sharma Complex
 S.D. Road, Secunderabad – 500 003
 Telangana, INDIA .
 Tel. 91-40-27807640/0742/1910.
 www.goldstonepower.com,
 E-Mail; info@goldstone.net
 CIN: L64203TG2000PLC035451

Factory :

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Saturday, 27th day of September, 2014 at 3.30 p.m. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended as on that date along with Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mrs. Mahitha Caddell, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS :

4. Appointment of Mr. S. Murali Krishna (DIN; 00050507) as an Independent Director of the Company.

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

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any and the rules made there under, read with Schedule-IV to the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr.S.Murali Krishna, Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr.S.Murali Krishna as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company, for a term of five years from 27th September 2014 to 26th September 2019 not liable to retire by rotation."

"RESOLVED further that the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

5. Appointment of Mr.M.Gopala Krishna (DIN; 00088454) as an Independent Director of the Company.

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

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions

of the Companies Act, 2013, if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013, (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. M. Gopala Krishna, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.M.Gopala Krishna as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years from 27th September 2014 to 26th September 2019 not liable to retire by rotation."

"RESOLVED further that the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

6. Appointment of Mr. B. Appa Rao (DIN;00004309) as an Independent Director of the Company.

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

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013, (including statutory modification(s) or re-enactment thereof for the time being in

force), and Clause 49 of the Listing Agreement, Mr.B.Appa Rao, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr.B.Appa Rao as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years from 27th September 2014 to 26th September 2019 not liable to retire by rotation."

"RESOLVED further that the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

**BY ORDER OF THE BOARD
For GOLDSTONE INFRA TECH LIMITED**

Sd/-

P. Hanuman Prasad
Company Secretary

Place : Secunderabad
Date : 04-08-2014

NOTES :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. The relevant details (as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges) of persons seeking appointment/ re-appointment as Directors under Item No. 2 and 4 to 6 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Transfer Books of the Company shall remain closed from 23rd September, 2014 to 27th September, 2014 (both days inclusive) for the purpose of ensuing Annual General Meeting.
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
9. As on 31st March 2014, Rs.2,07,645.60 was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07; Rs. 2,24,540.00 was unclaimed out of the dividend declared on 30th September, 2008 for the financial year 2007-08; Rs. 2,19,954.00 was unclaimed out of the dividend declared on 30th September, 2009 for the financial year 2008-09; Rs. 1,29,968.00 was unclaimed out of the dividend declared on 29th September, 2010 for the financial year 2009-10; Rs. 1,31,419.00 was unclaimed out of the dividend declared on 30th September, 2011 for the financial year 2010-11 and Rs.1,09,123.00 was unclaimed out of the dividend declared on

29th September, 2012 for the financial year 2011-12. Members who have not claimed the dividend are advised to claim the same at the earliest. In accordance with the provisions of Section 205C of the Companies Act, 1956 (corresponding Section 124 (5) of the Companies Act, 2013) aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund on 29th October 2014; 31st October 2015 and 31st October 2016, 30th October 2017, 31st October 2018 and 30th October 2019 respectively.

10. The Annual Report of the Company for the year 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Annual Report of the Company for the year 2013-14 circulated to the Members of the Company is available on the Company's website, viz. www.goldstonepower.com.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register their e-mail address through the following link; <http://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.
12. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and as per Clause 35B of the Listing Agreement the Company is extending e-Voting facility for its Members to enable them to cast their vote electronically instead

of participating and voting physically in the Annual General Meeting. In this regard, the Company has appointed Mr. Prathap Satla Practicing Company Secretary, Hyderabad, having their office situated at H.No. 6-3-1238/15/1, Flat No. 301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad - 500 082. Who in the opinion of the Board is a duly qualified person, as a Scrutinizer to collate the electronic voting process in a fair and transparent manner.

13. The e-voting facility will be available at the link <https://evoting.karvy.com> during the voting period.
14. Login ID and password for e-voting along with process, manner and instructions is being sent to the members individually at their registered e-mail IDs along with physical copy of the Notice.
15. Members are requested to note that the e-Voting period commences on Friday, September 19th, 2014 (10.30 a.m. IST) and ends on Monday, September 22nd, 2014 (6.00 p.m. IST). The e-Voting module shall be disabled by KARYV for voting thereafter.
16. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
17. The procedure and instructions for e-voting are as follows:
 - i. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>

- ii. Enter the login credentials (i.e., user-id & password) provided to you as mentioned at point no. 14 supra.
- iii. In the event of any difficulty, please contact toll free No. 1-800-34-54-001 for any further clarifications.
- iv. After entering these details appropriately, click on "LOGIN".
- v. Members holding shares in Demat/ Physical form will then reach Password change menu wherein they are required to mandatorily change their login password in the new password field. The new password shall be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this same password can be used by the Demat holders for voting in respect of other Companies also, provided that the other Company opts for e-Voting through Karvy e-Voting platform. Then, system will prompt you to change your contact details like mobile number, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- viii. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and you have already casted your vote in respect of any company, then your existing login id and password are to be used.
- ix. On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.
- x. After selecting the resolution you have decided to vote on, then click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, then click on "OK", and in case, if you wish to modify your vote, then click on "CANCEL" and accordingly modify your vote.
- xi. Once you 'CONFIRM' your vote on the resolution, then in such case, you will not be allowed to modify your vote in any manner.
- xii. Corporate/Institutional Members (Corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to gil.scrutinizer@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- xiii. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

Other Instructions:

- i) Members who do not have access to e-Voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company (Mr. Prathap Satla Practicing Company Secretary, (Membership No. 25595), having his office situated H.No. 6-3-1238/15/1, Flat No. 301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad - 500 082) at the Registered Office of the Company not later than Monday, September 22nd, 2014 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to cs@goldstone.net by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer not later than Monday, September 22nd, 2014 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-Voting or by Ballot. If a Member casts votes by both modes, then voting done through e-Voting shall prevail and Ballot shall be treated as invalid.

- ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.goldstonepower.com and on the website of KARVY <https://evoting.karvy.com> within three days of the passing of the resolutions at the Fourteenth AGM of the Company on September 27, 2014 and communicated to the Bombay Stock

Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

ITEM NO.4

Mr.S.Murali Krishna is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in August 2013. Mr.S.Murali Krishna retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr.S.Murali Krishna being eligible and willing to re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of requisite amount proposing the candidature of Mr.S.Murali Krishna for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr.S.Murali Krishna (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee has recommended his appointment as Independent Director from 27th September, 2014 upto 26th September, 2019.

Brief resume of Mr. S.Murali Krishna, nature of his expertise in specific functional areas and names of Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

A copy of the draft letter for the appointment of Mr.S.Murali Krishna as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days excluding Saturday up to the date of the AGM.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board of Directors, Mr.S.Murali Krishna, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr.S.Murali Krishna as Independent Director.

No director, key managerial personnel or their relatives, except Mr.S.Murali Krishna, to whom the resolution relates, is interested or concerned financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

ITEM NO.5 & 6

Mr. M.Gopala Krishna and Mr. B.Appa Rao are Independent Directors of the Company and have held the positions as such for more than 5(five)

years. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. M.Gopala Krishna and Mr. B.Appa Rao as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term from 27th September 2014 to 26th September 2019. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. M.Gopala Krishna and Mr. B.Appa Rao for the office of Directors of the Company.

The Nomination and Remuneration Committee has recommended the appointment of each of Mr. M.Gopala Krishna and Mr. B.Appa Rao as Independent Directors from 27th September 2014 upto 26th September 2019.

The Company has received from each of Mr. M.Gopala Krishna, and Mr. B.Appa Rao (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, each of these two directors fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

Brief resume of Mr. M.Gopala Krishna, and Mr. B.Appa Rao, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. M.Gopala Krishna and Mr. B.Appa Rao as Independent Directors setting out the terms and conditions are available for inspection by members at the registered office of the Company during normal business hours on any working day, excluding Saturday up to the date of AGM.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. M.Gopala Krishna and Mr. B.Appa Rao as Independent Directors.

No director, key managerial personnel or their relatives, except Mr. M.Gopala Krishna and Mr. B.Appa Rao, for their appointments respectively as set out in Item No.5 & 6, is interested or concerned financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no. 5 & 6 for the approval of the members.

**BY ORDER OF THE BOARD
For GOLDSTONE INFRA TECH LIMITED**

Sd/-

P. Hanuman Prasad
Company Secretary

Place : Secunderabad

Date : 04-08-2014

**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. Mahitha Caddell
Date of Birth	01 st December 1975
Date of Appointment	29 th May 2004
Qualifications	MS(International Business Administration and Information Systems).
Expertise in specific functional areas	Over 11 Years of experience in industry and business.
List of other Companies in which directorship held	1.Trinity Infraventures Limited. 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. S. Murali Krishna
Date of Birth	25 th July 1969
Date of Appointment	13 th August 2013
Qualifications	Master in Business Administration
Expertise in specific functional areas	Significant knowledge and experience in the field of business management & administration.
List of other Companies in which directorship held	1. GEL Infrastructure Pvt Ltd. 2. Sammuk Hotels Pvt Ltd.
List of the Committees of other Companies in which chairmanship/membership held	Nil
Chairman/Member of the Committees of the Company	Chairman of Stakeholders Relationship Committee; Member of the Audit Committee and Nomination & Remuneration Committee.
Shareholding in the Company	Nil
Relationship between directors inter-se	No

Name of Director	Mr. M. Gopalakrishna, IAS (Retd.)
Date of Birth	12th January 1939
Date of Appointment	29 th October 2007
Qualifications	Graduate in Science & Law
Expertise in specific functional areas	Over 40 years of experience in industry and business sectors
List of other Companies in which directorship held	NSL Textiles Limited BGR Energy Systems Limited JOCIL Limited Pitti Laminations Limited Vijayshri Organics Limited Kernex Microsystems (INDIA) Limited Suven Life Sciences Limited Nuziveedu Seeds Private Limited Sentini Bio-Products Private Limited Avra Laboratories Private Limited Arani Power Systems Private Limited NSL Renewable Power Private Limited
List of the Committees of other Companies in which chairmanship/membership held	1. Pitti Laminations Limited Nomination & Remuneration Committee Member. 2. Kernex Microsystems Limited Audit Committee Member. 3. BGR Energy Systems Limited Nomination & Remuneration Committee -Chairman Audit Committee - Member Stakeholders Relationship Committee-Chairman 4. Suven Life Sciences Limited Audit Committee - Member
Chairman/Member of the Committees of the Company	Audit Committee - Member Nomination and Remuneration Committee-Chairman.
Shareholding in the Company	NIL
Relationship between directors inter-se	No

Name of Director	Mr. B. Appa Rao
Date of Birth	05 th October, 1955
Date of Appointment	20 th April, 2009
Qualifications	Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India.
Expertise in specific functional areas	Over 22 years of varied experience in the industry and business sectors.
List of other Companies in which directorship held	1. Mandava Cold Storage Pvt Ltd. 2. PBN Management Consultant 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 Nomination & Remuneration Committee; and Stakeholders Relationship Committee.
Shareholding in the Company	Nil.
Relationship between directors inter-se	No

Director's Report

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the 14th Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31st March 2014.

Financial Results :

The summarized financial results (Standalone) of the Company for the year ended 31st March, 2014 as compared to the preceding year are as under:

(₹ in Lakhs)

Particulars	2013-14	2012-13
Gross Sales	8738.96	7628.98
Net Sales	8032.47	7006.99
Other Income	69.77	123.09
Total Income	8102.24	7130.08
Total Expenditure	6933.33	5947.70
Operating Profit (PBITD)	1168.91	1182.38
Interest	578.68	638.10
Depreciation and Write Offs	239.78	239.67
Profit before Tax	350.45	304.61
Provision for taxation		
- Current	25.00	35.00
- Deferred	69.52	66.87
Profit after Tax	255.93	202.74
Extra-Ordinary Items		
- Taxes pertains to previous year	-	-
- Prior period adjustments	44.10	(2.14)
Net Profit	211.83	200.60
Surplus brought forward from previous year	209.72	117.60
Balance available for appropriation	421.55	318.20
Appropriations:		
• Proposed Dividend on Equity Shares	-	-
• Provision for Dividend Tax	-	-
• Transfer to General Reserves	-	-
• Others	-	108.47
Surplus carried forward to Balance Sheet	421.55	209.72
Equity Share Capital(3,60,80,737 Shares of Rs 4/- each)	1443.23	1443.23
E.P.S (After Prior Period Items) (Rupees)	0.59	0.56
Net Worth	7616.24	7404.41
Book Value in rupees (face Value of Rs. 4/- each)	21.11	20.52

Review of Operations:

During the year under review, your Company has achieved a gross turnover of Rs. 8738.96 lakhs as against Rs. 7628.98 Lakhs for the previous financial year. The Net Profit has increased from Rs. 200.60 Lakhs for the year ended 31st March 2013 to Rs. 211.83 Lakhs during the Current Year. Though the turnover increased by 14.55% the increase in net profit was around 5.60% and the main reasons for this were appreciation of US Dollar vis-à-vis Indian Rupee and increase in the manufacturing costs.

During the year under review, the Company has successfully developed Insulators for market in African countries which has increased business opportunities in export market. Company has also got approval for its 765KV insulators for Transmission Lines and obtained orders from PGCIL.

Dividend:

In order to conserve resources for future requirements and development of export market the Board has decided to retain the profits generated and consequently, your Board has not recommend any dividend for the financial year 2013-14.

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 Solar Power Private Limited is the wholly owned subsidiary of the Company. In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. The Company will make available the

Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the registered office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

Fixed deposits:

The Company has not accepted any fixed deposits from the public, and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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 up to the conclusion of forth-coming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of the Section 139 (2) of the Companies Act, 2013 and based on recommendations of the Audit Committee 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 141 (3) (g) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

The Audit Committee of your Company meets periodically with Statutory Auditors and Internal Auditors to review the performance of the Internal Audit, to discuss the nature and scope of statutory auditors functions, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the statutory auditor and the internal auditor have full access to the Members of the Audit Committee to discuss any matter of substance.

Cost Auditors:

The Board of Directors at their meeting held on 27th May, 2013 had appointed Sagar & Associates, Cost Accountants, as the Cost Auditor of the Company for the FY 2013-14. The Cost Auditors have submitted their Cost Audit Report and the Board has approved the said Report in the Board Meeting held on 04th August, 2014 and the due date for filing of this Cost Audit Report with the Central Government is 30th September 2014. As per the Companies (cost records and audit) Rules, 2014 which were notified on 30.06.2014, our company would not come under the ambit of the industry which is subject to maintenance of Cost Records and Cost Audit.

Directors:

Mrs. Mahitha Caddell, and Mr.S.Murali Krishna, Directors, who retires by rotation at the 14th Annual General Meeting and being eligible, offer themselves for re-appointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation and the tenure of the Independent Directors on the date of commencement of the Companies Act, 2013 (i.e., 01.04.2014) shall not be counted as term

for aforesaid period of 5 years. Accordingly, it is proposed to appoint Mr.S.Murali Krishna, Mr. M.Gopala Krishna and Mr. B.Appa Rao as Independent Directors of your Company from 27th September, 2014 up to 26th September, 2019.

Appropriate resolutions for the appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. Your Directors recommend their reappointment as Directors of your Company.

Stock Exchange Listing:

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India (NSE) and the Bombay Stock Exchange Limited (BSE). 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 2014-15.

Director's Responsibility Statement :

In accordance with the Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors of the Company, in respect of the financial year ended 31st March, 2014, 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, and the Companies Act, 2013, 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.

Managing Director and Finance Head Certification:

As required under the SEBI Guidelines, the Managing Director and the Finance Head Certification 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:

d. Consumption of Energy Particulars.

Electricity	2013-14	2012-13
A. Purchased		
Units – KWH	24,42,117	19,48,032
Total Amount – In Rupees	2,19,36,511	1,41,97,116
Rate/Unit – In Rupees	8.98	7.29
B. Own Generation through Diesel Generator		
Units – KWH	1,77,412	4,14,736
Total Amount – In Rupees	32,64,598	64,66,351
Rate/Unit – In Rupees	18.40	15.59

2. TECHNOLOGY ABSORPTION:

Research and Development:

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

1. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken or under implementation

During the period the company had:

- 1) Implemented the energy audit system as a part of waste and power control measures.
- 2) Introduced new material / processes to reduce power consumption.
- 3) Ensured proper and timely maintenance of plant & equipment.

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

Additional/new measures 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 ensured optimum use of energy and increased efficiency and ensured lower use of energy per insulator.

The Company has been continuing its Research and Development process to optimize the productivity and performance. The designs of Insulators have been

optimized for improvement in quality, standardization and value engineering. The continuous research has helped in introducing new material for higher performance and conservation of energy.

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

- Successfully produced and supplied 765 KV insulators for transmission lines.
- Optimized designs to be competitive in the market with world class quality products.

- Reduction in wastages and power costs.
- Dependency on imports reduced.

c. Future Plan of Action:

- New products have been identified for export market after a thorough study of the market
- The designs for manufacturing the related products would be developed in the In-house R & D centre.
- Focus to improve the existing process technology and development of new base input material.

3. FOREIGN EXCHANGE EARNINGS AND OUT GO:

(₹ In lakhs)

Particulars	2013-14	2012-13
a) Value of Imports on CIF Basis		
➤ Raw Materials	1331.96	1213.87
➤ Capital Goods	85.74	32.37
b) Expenditure in Foreign Currency		
➤ Traveling Expenses	3.79	1.21
➤ Others	1.52	44.66
c) Earnings in Foreign Currency (on receipt basis)		
➤ Export of Goods (FOB Basis)	376.05	136.85

Particulars of Employees:

None of the Employees are drawing remuneration 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.

Personnel:

Personnel relations have remained very cordial during the period.

Acknowledgements:

Your Directors convey their sincere thanks to State Bank of Hyderabad 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 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

Sd/-
L P Sashikumar
Managing Director

Sd/-
B. Appa Rao
Director

Place: Secunderabad
Date: 04-08-2014

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

A. INDUSTRY OVERVIEW :

The Indian electrical equipment industry has registered a moderate growth of 3.5% in output in 2013-14 as compared to 8% negative growth in 2012-13 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.

The power sector reported a healthy growth in capacity in 2013-14. According to CapEx survey of CMIE, power generation capacity in India increased by 22,119 mw during the year. This was the third consecutive year in which the industry witnessed a capacity addition of more than 20,000 mw. In the financial year 2011-12 and 2012-13, power generation capacity in the country had risen by 23,306 mw and 23,906 mw, respectively. This requires matching transmission network to evacuate power from generating points to local center.

In 2013-14, private sector companies took a strong lead in capacity addition, of the total capacity, nearly 66 per cent (14,610 mw) was added by private companies.

XII Plan has witnessed laying of new transmission lines of 1,09,440 ckms as against XI Plan figure of 73,036 ckms. The planning for XIIth plan is to lay 1,30,000 ckms of transmission line which is showing continuous increase over the previous plans. The investment in XIIth plan for transmission lines is Rs.2,40,000 Crores. Moreover entry of private sector in transmission lines has enhanced demand for Insulators as more projects are under implementation. The main trend is that of substantial increase in higher kV class (765 kV & 800kV HVDC) from previous plans. The Company has taken full advantage of this situation. The Company was approved by

PGCIL for 765 kV lines and as well for sub stations.

In addition to new line requirement the company's products have also found replacement demand wherein old insulators are being replaced by new composite type. To add power transmission capacity, the Government of India (GOI) has awarded many transmission lines to private operators on BOOT and BOOM basis. This has also opened up demand. The GOI has planned to increase power generation capacity from 200 GW in 2012 to 400 GW by 2022 with commensurate T&D capacity enhancement.

Presently the domestic electrical industry size exceeds Rs 1.20 lakh crore. For the rapid development of the domestic electrical equipment industry and to enhance its competitiveness the Indian Electrical Equipment Industry Mission Plan 2012-2022 was launched. The Mission plan seeks to steer, co-ordinate and synergies the efforts of all stakeholders to accelerate and sustain the growth of electrical equipment industry. One of the objectives of the mission 2022 is to make India the country of choice for the production of electrical equipment and to reach an output of US \$ 100 billion by balancing exports and imports.

However the sluggish growth in the country's power sector, delays in project execution and the precarious financial situation of the State power distribution companies continues to severely hit the domestic electrical equipment manufacturers. The industry has been staying somewhat afloat on account of ongoing transmission and sub-station projects, power generating stations especially of renewable energy like wind, and R-APDRP projects. Despite this, the top and bottom lines of most manufacturers are under pressure and showing continued declining trends.

Over and above this, electrical equipment industry continues to face very severe credit

crunch, enormous delays and non-adherence of payment terms by customers, mainly power utilities, resulting in reverse cash flow problems across the sector. Further, the depreciating rupee has made critical imported raw material and inputs for electrical equipment more costly. However, given the continued threat from imports of electrical equipment in the Indian market, domestic manufacturers are being forced to absorb this additional cost to remain competitive.

B. OPPORTUNITIES AND THREATS :

- Market opportunities are shifting from developed countries to developing countries like China, India, Brazil, etc. due to massive investments in new transmission lines and substations.
- Africa represents significant opportunity.
- Rapid growth in Metros, railway electrification and transmission & distribution network.
- The generation and transmission projects are delayed due to problems of land acquisition, fuel linkage and environmental clearance.
- Due to limitations in Right of Way for transmission corridors, there are delays and re- routing of transmission lines.
- Weak financial health of several DISCOMs and very high transmission losses.
- Increasing pollution will become the biggest driver of R&D - the rising level of pollution is leading to the increase in specific creepage distance from 25mm/kV to 31mm/kV and sometimes even higher for some projects.
- Absence of a level playing field for the domestic industry to compete with cheap imports.

C.SEGMENT OR PRODUCT WISE PERFORMANCE :

Keeping in view the industry overview as discussed in (A) above, the performance of the Company's product is reasonably satisfactory. During the year under review, in spite of intense competition, dollar fluctuations, increase in imports, 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. 87.39 crores as against Rs. 76.29 crores in the previous year. During the year under review, the Company started regular production of 765kV insulators for transmission lines.

D. OUTLOOK :

The industry hopes for a consistent growth in the insulator industry. Particularly with the launching of mission 2022 and the XIIth Plan targeted capacity additions and the proposed investments target for transmission lines in the XII Plan, the outlook for the Indian Insulator Industry seems to be bright. Further, simultaneous to 765 kV transmission lines, now new 800kV HVDC transmission lines are being setup, which will give boost to the polymer insulator demand.

E. RISKS AND CONCERNS :

Depressed domestic demand and the rapidly escalating imports of electrical equipment, capacity additions by the existing players, cut-throat competition from Chinese manufacturers and increase in costs of raw materials are the major risks and concerns that the Industry is facing now.

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 all

transactions and its recording and timely reporting.

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

During the year, the Company has achieved a gross turnover of Rs. 87.39 Crores as compared to Rs. 76.29 Crores during the previous financial year. Considering the average industry growth, the financial/ operational performance of the Company was satisfactory.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONSHIP 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 2014 the Company has total strength of 207 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 04th August, 2014 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 six meetings during the period ended 31st March, 2014, i.e. on (i) 27th May, 2013, (ii) 01st August, 2013, (iii) 12th August, 2013, (iv) 09th November, 2013, (v) 11th February, 2014 and (vi) 19th March 2014.

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	6	Yes
Mrs. Mahita Caddell	Promoter, Non-Executive Director	-	No
Mr. M Gopalakrishna	Independent Director	6	Yes
Mr. B Appa Rao	Independent Director	5	No
*Mr. S Murali Krishna	Independent Director	2	No

* Appointed with effect from 12th August 2013.

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	2	Nil	Nil
Mr. S Murali Krishna	Nil	2	Nil	Nil
Mrs. Mahita Caddell	1	1	Nil	Nil
Mr. M Gopalakrishna	7	5	3	1

* viz., the Audit Committee and the Stakeholders Relationship Committee

* Only Indian Companies are considered.

3. Audit Committee :

The terms of reference stipulated by the Board of Directors to the Audit Committee as contained in Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, are as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient & credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fees and also approval for payment for any other services;
- c. Reviewing with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:
 - i. Matters required to be included in the Directors responsibility statement to be included in the Directors Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of Judgement by management;
 - iv. Qualifications in draft audit report;
 - v. Significant adjustments made in the financial statements arising out of audit findings;
 - vi. The going concern assumption;
 - vii. Compliance with accounting standards;
 - viii. Compliance with Stock Exchange and legal requirements concerning financial statements; and,
 - ix. Disclosure of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing with the management, performance of statutory and internal auditors, the adequacy and compliance of internal control systems;
- f. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g. Discussion with internal auditors any significant findings and follow up thereon;
- h. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- j. Reviewing the Company's financial and risk management policies;
- k. Review of information by Audit Committee:

- i. Management Discussion & Analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions submitted by the management;
 - iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses;
 - v. The appointment, removal and terms of remuneration of the chief internal auditor.
- l. Examine the reasons for substantial defaults in the payment to the depositors, Members (in case of non-payment of declared dividends) and creditors.
 - m. Reviewing the functioning of whistle blower mechanism, in case the same exists.
 - n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate.
 - o. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

• Composition, Name of Members and Chairman

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

*Joined as member on 27th May, 2013 and resigned as member on 12th August, 2013.

The Committee held four meetings during the period ended 31st March, 2014, i.e. on (i) 27th May, 2013, (ii) 12th August, 2013, (iii) 09th November, 2013, and (iv) 11th February, 2014.

Attendance at the meetings of the Audit Committee was as follows:

Name of the Director	Category	No. of meetings attended
Mr. B. Appa Rao	Independent Director	3
Mr. M. Gopalakrishna	Independent Director	4
Mr. S. Murali Krishna	Independent Director	2
Mr. L.P. Sashikumar	Managing Director	1

4. Nomination and Remuneration Committee :

The Remuneration/ Compensation Committee was rechristened as Nomination and Remuneration Committee by the Board at its meeting held on 17th May 2014. The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee as contained in Clause 49 of the Listing Agreement and Sub Section (1) of Section 178 of the Companies Act 2013, are as follows;

- Formulate the criteria for determining qualifications, attributes, and independence of a director.
- Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment and removal.
- Recommend to the Board appointment and removal of directors and senior management and carryout evaluation of every director's performance.
- Review the remuneration policy of the company, relating to the remuneration for the Directors, Key Managerial Persons and other employees from time to time.
- **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**

During the year under review for the period ended 31st March, 2014, no meeting was held.

- **Remuneration Policy**

The remuneration policy is to pay compensation and benefits adequately, so as to attract, motivate and retain talent. The Company follows a compensation of fixed pay. Performance of the individuals measured through the annual appraisal process. There was no Employee Stock Option Scheme during the financial year ended March 31, 2014.

Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2013-14:

(Amount In ₹)

Name of the Director	Category	Sitting fee	Salary	Benefits	Total
Mr. L P Sashikumar	Promoter, Managing Director	Nil	24,00,000	2,00,000	26,00,000
Mr. B Appa Rao	Independent Director	80,000	Nil	Nil	80,000
Mr. S Murali Krishna	Independent Director	40,000	Nil	Nil	40,000
Mrs. Mahita Caddell	Promoter, Non-Executive Director	Nil	Nil	Nil	Nil
Mr. M Gopalakrishna	Independent Director	1,00,000	Nil	Nil	1,00,000

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, 2014.

5. Stakeholders Relationship Committee :

The Board had at its meeting held on May 17, 2014, rechristened the Share Transfer and Investors' / Shareholders' Grievance Committee as "Stakeholders Relationship Committee."

The Stakeholders Relationship Committee is to perform all the functions relating to handling of all sorts of shareholder's grievances like non-transfer of shares, loss of share certificates, non-receipt of notices/ annual reports etc., and to look after share transfers/transmissions periodically. The Committee inter-alia also approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers.

• **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	Promoter, Managing Director

- The Committee held four meetings during the period ended 31st March, 2014, i.e. on (i) 27th May, 2013, (ii) 12th August, 2013, (iii) 09th November, 2013, and (iv) 11th February, 2014.

Attendance at the meetings of the Committee was as follows:

Name of the Director	Category	No. of meetings attended
Mr. S. Murali Krishna	Independent Director	3
Mr. B. Appa Rao	Independent Director	4
Mr. L.P. Sashikumar	Promoter, Managing Director	2

Number of shareholder complaints received, solved and number of pending complaints as on 31st March, 2014:

Opening Balance as on 01.04.2013	Received during the period 01.04.2013 to 31.03.2014	Resolved during the period 01.04.2013 to 31.03.2014	Closing Balance as on 31.03.2014
Nil	Nil	Nil	Nil

- Name and Designation of Compliance Officer :
➤ Mr. P. Hanuman Prasad, Company Secretary

6. General Body Meetings :

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

Year	Location	Date	Time
2013	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.	28.09.2013	03.00 P.M
2012	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051.	29.09.2012	03.30 P.M
2011	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.	30.09.2011	04.00 P.M.

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

AGM	Special Resolution
2013	(1) Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company.

iii) Resolutions passed last year through Postal Ballot : NIL

7. Disclosures :

i. As required by the Accounting Standard-18, issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Schedule 22 of Notes to Accounts.

ii. 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.

iii. **Whistle Blower Policy;** As per the provisions of the Section 177 (9) & (10) of the Companies Act, 2013, read with amended Clause 49, of the Listing Agreement, the Board had its meeting held on 17th May 2014, adopted a Vigil Mechanism called 'Whistle Blower Policy' for directors and employees to report the management /Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of company's code of conduct or ethics policy. The Vigil Mechanism also provided adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit committee in exceptional cases further it has also been uploaded in the Company's web site; www.goldstonepower.com.

iv. 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 XIII to the Clause 49 of the Listing Agreement with the Stock Exchanges:

- The Company has set up a Nomination and Remuneration Committee, details of which have been given earlier in this Report.
- Adopted Whistle Blower Policy.
- The Statutory financial statements of the Company are unqualified.

v. **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.

vi. **Code of conduct :** The Code of Ethics and Business Conduct as adopted by the Board of directors is applicable to all directors, senior management and employees in above officer's 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.

vii. A declaration signed by the Managing Director regarding affirmation of the compliance with the Code of Conduct by Board and senior management is appended to this report.

viii. **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.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or by any other statutory authorities relating to the above.

ix. **Risk Management:** Business risk evaluation and management is an ongoing process within the organization. The Board of Directors reviews the reports of compliance to all applicable laws and regulations on a quarterly basis. Any non-compliance is seriously taken up by the Board and the action taken for rectification of non-compliance is reported to the Board.

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

xi. **CEO & CFO Certificate:** The Certificate as per requirement of clause 49 of the listing agreement was given by Managing Director and 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 2014.

xii. **Remuneration Policy;** The remuneration policy is to pay compensation and benefits adequately, so as to attract, motivate and retain talent. The Company follows a compensation of fixed pay. Performance of the individuals measured through the annual appraisal process. There was no Employee Stock Option Scheme during the financial year ended March 31, 2014.

8. Means of Communication :

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Un-audited as well as Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board. These financial results are normally published in *The Financial Express* (National newspaper) and *Surya* (regional newspaper). This information will also be uploaded on the Company's website www.goldstonepower.com.
- b. Management Discussion & Analysis Report forms part of Report of Directors.

9. General Information for Shareholders :

- i) **Annual General Meeting** will be held on 27th September, 2014 at 03.30 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, 2014, 31st December, 2014, 31st March, 2015 and 30th June, 2015 will be within forty five days from the closure of the quarter.

iv) **Dates of Book Closure** will be from 23rd September, 2014 to 27th September, 2014 (both days inclusive).

v) **Company's shares are listed** on the Bombay Stock Exchange and National Stock Exchange.

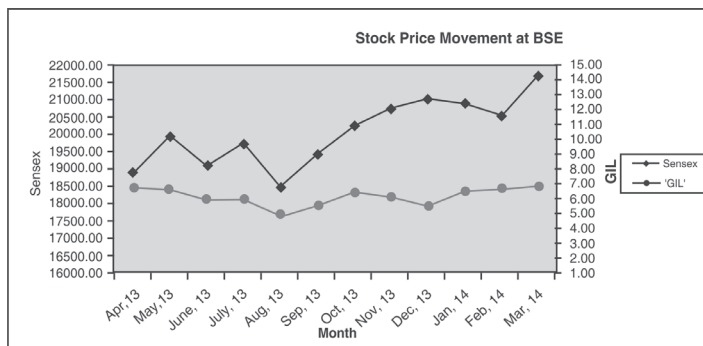
vi) **Stock Code** of the Company's scrip is 532439 in BSE and GOLDINFRA in NSE.

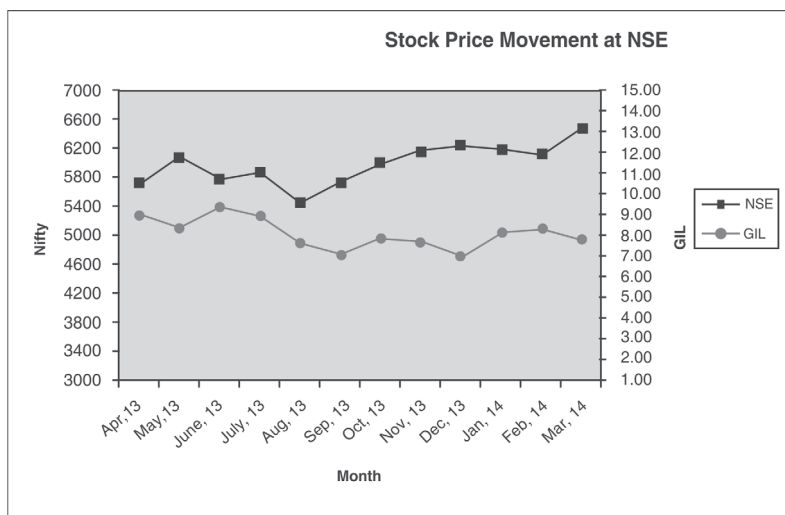
vii) **ISIN Code** is INE260D01016.

viii) **Market Price Data** : High, Low (Based on the closing prices) and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2013-14	BSE			NSE		
Month	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr,13	11.35	9.15	22682	11.10	9.15	86280
May,13	12.30	9.00	72307	12.35	8.85	121075
June,13	10.98	9.60	93660	10.95	9.50	287753
July,13	11.55	10.36	57014	11.65	10.05	249209
Aug,13	10.98	9.57	61194	11.00	9.75	73669
Sept,13	10.70	9.62	30719	10.05	9.75	78979
Oct,13	10.97	9.16	88050	10.95	9.25	146985
Nov,13	10.62	9.50	23795	10.70	9.55	74035
Dec,13	10.40	9.35	47540	10.25	9.25	85972
Jan,14	10.25	9.26	24308	10.20	9.20	69013
Feb,14	9.20	7.00	72460	9.20	6.75	172364
Mar,14	7.99	6.95	34403	7.70	6.90	163113

ix) **Performance of the Share Price of the Company in comparison to the BSE Sensex and NSE Nifty;**





- 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 Stakeholders Relationship Committee.
- xii) **Shareholding as on March 31, 2014.**

a) **Category of Shareholders**

Category	No.of Shares	% of Share Capital
Promoters	18347515	50.85
Mutual Funds and UTI	-	-
Insurance Companies	-	-
Banks	100459	0.28
FII's	-	-
Private Corporate Bodies	7084668	19.64
Indian Public	10027058	27.79
NRI's / OCB's	162440	0.45
Trust	-	-
Clearing Members	358597	0.99
Grand Total	36080737	100.00

b) Distribution of Shareholding

Category	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Up to - 5000	8492	89.71	2252823	6.24
5001 - 10000	441	4.66	815603	2.26
10000 - 20000	232	2.45	872163	2.42
20000 - 30000	74	0.78	459982	1.27
30001 - 40000	56	0.59	505033	1.40
40001 - 50000	27	0.27	131959	0.84
50001 - 100000	59	0.62	1094748	3.03
100001 and above	85	0.90	29778426	82.53
TOTAL	9466	100.00	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 Limited and National Stock Exchange Limited As on 31st March, 2014, 99.34% shares were held in dematerialized form.

xiv) **Compliance Officer** : Mr. P.Hanuman Prasad, Company Secretary, Ph. 040 – 27807640, Fax No. 040-39100012/ 39120023 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., T.G.

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. 040-39100012 /39120023 e-mail: cs@goldstone.net.

xvii) **Investor Relations** : All the queries received from shareholders during the Financial Year 2013-14 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 72 of the Companies Act, 2013, are requested to contact the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029.

10. 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
 Place : Secunderabad
 Date : 04-08-2014

Sd/-
B. Appa Rao
 Director

ANNUAL DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO CLAUSE 49 (I) (D) (ii) 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 2013-14.

For and on behalf of the Board

Sd/-

L P Sashikumar
Managing Director

Place : Secunderabad
Date : 04-08-2014

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members 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, 2014 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.

For P. Murali & Co.
Chartered Accountants

Sd/-

Mukund Vijayrao Joshi
Partner
Membership No. 024784

Place : Hyderabad
Date : 04-08-2014

CERTIFICATE FROM THE MANAGING DIRECTOR & THE FINANCE HEAD

We, L P Sashikumar, Managing Director and S.Satyanarayana Asst. General Manager (Accounts) of Goldstone Infratech Limited, responsible for the finance function, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference -
- (i) there were no significant changes in the internal control and overall financial reporting;
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Sd/-
L P Sashikumar
Managing Director

Sd/-
S. Satyanarayana
AGM (Accounts)

Place : Secunderabad

Date : 17-05-2014

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/S GOLDSTONE INFRATECH LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of **M/S GOLDSTONE INFRATECH LIMITED** which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2014;
- (b) In the case of the Statement of Profit and Loss of the profit for year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 for the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

Sd/-
P. Murali Mohana Rao
Partner
Membership Number : 023412

Place : Hyderabad
Date : 17-05-2014

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 Income Tax, Cess & 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 Income Tax, Cess and any other statutory dues as at the end of the period.
- 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 and over all examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term-investments.
- XVI. 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 Number : 023412

Place : Hyderabad
Date : 17-05-2014

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
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	61,73,01,227	59,61,18,278
(c) Money received against share warrants		-	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	17,99,79,457	14,79,74,305
(b) Deferred tax liabilities (Net)	4	6,69,54,125	6,00,01,899
(c) Other Long term liabilities	5	7,45,80,451	8,35,53,155
(d) Long term provisions	6	94,31,873	83,86,909
(3) Current Liabilities			
(a) Short-term borrowings	7	25,02,62,954	22,39,87,329
(b) Trade payables	8	14,49,68,793	14,01,41,048
(c) Other current liabilities	9	2,13,20,878	68,83,135
(d) Short-term provisions	10	3,00,59,571	3,13,48,926
Total		1,53,91,82,277	1,44,27,17,932
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	83,65,67,616	81,86,91,418
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		8,89,28,280	10,27,86,484
(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	1,84,12,157	1,59,28,870
(d) Other non-current assets	15	-	-
(2) Current assets			
(a) Inventories	16	17,84,34,410	17,22,55,822
(b) Trade receivables	17	26,12,33,279	18,48,54,583
(c) Cash and cash equivalents	18	5,95,10,375	4,54,47,839
(d) Short-term loans and advances	19	69,72,232	94,39,578
(e) Other current assets	20	2,76,63,439	3,18,52,849
Total		1,53,91,82,277	1,44,27,17,932

Summary of Significant Accounting Policies

Notes on Financial Statement 1 to 47

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. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

P. Hanuman Prasad
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No	For the year ended 31.03.2014	For the year ended 31.03.2013
I. Revenue from operations	21	₹ 80,32,46,934	₹ 70,06,98,822
II. Other Income	22	69,77,017	1,23,08,842
III. Total Revenue (I+II)		81,02,23,951	71,30,07,664
IV. Expenses:			
Cost of materials consumed	23	49,95,54,415	33,56,25,489
Purchase of Stock-in-Trade	24	4,00,10,962	16,68,40,672
Changes in inventories of Finished, WIP and Stock-in-Trade	25	(92,22,153)	(4,20,68,966)
Employee benefit expense	26	6,40,12,460	6,38,43,925
Other operating expenses	27	5,01,51,415	3,35,25,003
Administrative Expenses	28	4,88,26,360	3,70,03,348
Financial costs	29	5,78,67,584	6,38,09,877
Depreciation and amortization expense	11 & 12	2,39,77,794	2,33,70,434
Other expenses	30	-	5,97,045
Total Expenses		77,51,78,837	68,25,46,827
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,50,45,114	3,04,60,837
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		3,50,45,114	3,04,60,837
VIII. Prior Period adjustments&Extraordinary Items		(44,09,937)	(2,13,922)
IX. Profit before tax (VII - VIII)		3,06,35,177	3,02,46,915
X. Tax expense:			
(1) Current tax		25,00,000	35,00,000
(2) Deferred tax		69,52,226	66,87,107
XI. Profit after tax		2,11,82,951	2,00,59,808
XII. Profit/(Loss) for the period		2,11,82,951	2,00,59,808
XIII. Earning per equity share: (Refer Note No. 38)			
(1) Basic		0.59	0.56
(2) Diluted		0.59	0.56

Summary of Significant Accounting Policies
Notes on Financial Statement 1 to 47
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. 023412

Place : Secunderabad
Date : 17-05-2014

For and on behalf of the board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
P. Hanuman Prasad
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 exclusive 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 or 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, 2014

Particulars	As at 31.03.2014	As at 31.03.2013
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: Equity Shares of ₹ 4/- Each, Fully paid up :	Number of Shares	
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: Equity Shares of ₹ 4/- each Held By	% of Share Holding	
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. (26,68,999 Nos.)	7.40%	7.40%

Particulars	As at 31.03.2014	As at 31.03.2013
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	14,86,32,346	14,86,32,346
Add: Additions during the year	-	-
Less: Utilised	-	-
	14,86,32,346	14,86,32,346
c) Surplus :		
Opening Balance - Profit and Loss Account	2,09,72,436	1,17,60,052
Add: Transfer from Profit & Loss Account	2,11,82,951	2,00,59,808
Less: Transfer To General Reserve	-	-
Less: Dividend and Dividend Tax	-	-
Less: Bonus shares	-	-
Less: Prior period taxes	-	1,08,47,422
Less: Obsolete Machinery Write off	-	-
	4,21,55,387	2,09,72,438
Total Reserves and Surplus	61,73,01,227	59,61,18,278
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Term loans:		
From banks: (Refer Note No. 31 (a))		
Secured - State Bank of Hyderabad	2,77,68,442	5,81,36,390
Unsecured	-	-
From other parties: (Refer note No. 31 (b))		
Secured	-	-
Unsecured - Others	15,22,11,015	8,98,37,915
Notes :		
Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	17,99,79,457	14,79,74,305

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)		
Opening Deferred tax Liability	₹ 6,00,01,899	₹ 5,33,14,792
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	69,52,226	66,87,107
Gross Deferred tax Liability	6,69,54,125	6,00,01,899
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	6,69,54,125	6,00,01,899
NOTE NO. 5 : OTHER LONG TERM LIABILITIES		
a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32)	7,45,80,451	8,35,53,155
Total other long term liabilities	7,45,80,451	8,35,53,155
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits (Refer Note No. 35)		
- Provision for Gratuity	66,61,318	60,89,505
- Provision for Leave Encashment	23,50,527	18,06,122
b) Others - Bonus	4,20,028	4,91,282
Total Long Term Provisions	94,31,873	83,86,909
NOTE NO. 7 : SHORT TERM BORROWINGS		
Short term borrowings		
a) Working Capital from banks (Refer note No. 31 (c))		
Secured - State Bank of Hyderabad	20,13,33,055	16,91,42,466
b) Term Loans repayable within 12 months:		
From banks		
Secured	3,82,07,839	5,02,20,562
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	1,07,22,060	46,24,301
c) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total short term borrowings	25,02,62,954	22,39,87,329

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 8 : TRADE PAYABLES	₹	₹
a) Trade Payables	9,08,09,517	11,19,92,232
b) Liabilities to Transporters	1,09,16,144	74,46,889
c) Liabilities to Consultants and individuals	22,67,724	24,35,561
d) Liabilities to Capital purchases	2,72,57,281	90,21,011
e) Liabilities to Miscellaneous Creditors	1,37,18,127	92,45,355
Total Trade Payables	14,49,68,793	14,01,41,048
NOTE NO. 9 : OTHER CURRENT LIABILITIES		
a) Interest accrued but not due on borrowings	7,78,968	16,14,565
b) Advances received from Customers	2,05,41,910	52,68,570
Total other current liabilities	2,13,20,878	68,83,135
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	12,11,693	3,47,411
ESI Payable	77,104	76,324
Salaries Payable	38,22,158	36,43,039
b) Others		
Statutory Liabilities	97,46,733	74,74,575
Provision for Expenses	16,03,233	2,74,400
Provision for Liquidated Damage Charges	1,10,98,650	87,95,651
Provision for income tax	25,00,000	1,07,37,526
Total short term provisions	3,00,59,571	3,13,48,926
NOTE NO. 13 : NON-CURRENT INVESTMENTS		
I Non- Current Assets		
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
Notes :		
II Detailed note given in the Notes to Account No.34		

NOTE NO. 11 & 12 FIXED ASSETS AS AT MARCH 31, 2014

Particulars	Gross Block				Depreciation/Amortization			Net Block as at 31.03.2014	Net Block as at 31.03.2013
	As at 01.04.2013	Additions during the year	Sale / Deletions during the year	As at 31.03.2014	Depreciation as at 01.04.2013	Depreciation for the year 2013-2014	Depreciation Reserve on Deletions		
LAND & LAND DEVELOPMENT	42,73,01,003	2,04,485	-	42,75,05,488	-	-	-	42,75,05,488	42,73,01,003
BUILDING	5,56,21,683	2,10,59,871	-	7,66,81,554	1,54,15,094	22,09,376	-	5,90,57,084	4,02,06,589
PLANT & MACHINERY	38,57,26,843	1,29,30,039	-	39,86,56,882	5,70,67,060	1,87,21,614	-	32,28,68,208	32,86,59,783
ELECTRICAL EQUIPMENT	91,39,741	9,16,491	-	1,00,56,232	15,47,543	465,045	-	80,43,644	75,92,198
LABORATORY EQUIPMENT	90,05,924	63,35,479	-	1,53,41,403	20,98,591	507,738	-	1,27,35,074	69,07,333
OFFICE EQUIPMENT	17,10,874	3,58,627	-	20,69,501	8,54,822	93,765	-	11,20,914	8,56,052
COMPUTERS	1,35,35,993	-	-	1,35,35,993	1,35,21,889	14,104	-	-	14,104
FURNITURE	45,08,573	-	-	45,08,573	36,45,038	2,85,393	-	5,78,142	8,63,535
VEHICLES	1,33,68,398	-	-	1,33,68,398	1,21,04,739	12,63,659	-	-	12,63,659
GENERATOR	78,64,549	-	-	78,64,549	34,81,733	3,73,566	-	40,09,250	43,82,816
LEASEHOLD IMPROVEMENTS	5,75,290	-	-	5,75,290	3,34,123	19,215	-	2,21,952	2,41,167
AIR CONDITIONERS	4,23,755	-	-	4,23,755	79,982	20,128	-	3,23,645	3,43,773
TOOLS AND SPARES	64,073	49,000	-	1,13,073	4,667	4,191	-	104,215	59,406
TEMPORARY SHEDS	-	-	-	-	-	-	-	-	-
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	13,60,489	13,60,489
CAPITAL WORK IN PROGRESS	10,27,86,484	72,01,667	2,10,59,871	8,89,28,280	-	-	-	8,89,28,280	10,27,86,484
TOTAL	1,03,29,93,672	4,90,55,659	2,10,59,871	1,06,09,89,460	11,01,55,281	2,39,77,794	-	92,68,56,385	92,28,38,391
Previous Year	1,00,68,25,237	2,99,75,621	36,07,186	1,03,29,93,672	8,88,13,406	2,33,70,434	20,28,559	92,28,38,391	91,78,11,831

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 14 : LONG TERM LOANS AND ADVANCES	₹	₹
Long - term loans and advances :		
a) Capital advance		
Secured	1,52,81,258	1,59,28,870
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	31,30,899	-
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	1,84,12,157	1,59,28,870
Less : Provision for Doubtfull Debts		
Total Long term loans & advances (net)	1,84,12,157	1,59,28,870
NOTE NO. 15 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	-	-
Interest Accrued on Deposits	-	-
Insurance Claims	-	-
Total other non current assets	-	-
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets (net)	-	-
NOTE NO. 16 : INVENTORIES		
Inventories :		
a) Raw materials		
- Silicon Rubber	3,52,78,149	2,95,63,390
- Hardware items	1,22,58,495	2,63,69,706
- FRP materials	44,16,954	35,57,030
- Others	1,56,71,933	1,11,78,969
Sub Total	6,76,25,531	7,06,69,095
b) Work - in - progress		
- Railway Insulators	4,89,865	24,54,323
- Transmission & Distribution Insulators	11,03,19,014	9,91,32,404
Sub Total	11,08,08,879	10,15,86,727
Total Inventories	17,84,34,410	17,22,55,822

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 17 : TRADE RECEIVABLES	₹	₹
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	-	-
Unsecured, Considered Good	51,37,900	55,59,541
Doubtful	-	-
	51,37,900	55,59,541
II Other Receivables:		
Secured, Considered Good	-	-
Unsecured, Considered Good	25,60,95,379	17,92,95,042
Doubtful	-	-
	25,60,95,379	17,92,95,042
Total trade recivable	26,12,33,279	18,48,54,583
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	26,12,33,279	18,48,54,583
NOTE NO. 18 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	6,35,503	5,11,925
2) Bank Deposits against BG & LC with less than 12 months maturity	70,47,287	37,08,662
3) Bank deposits against BG & LC with more than 12 months maturity	5,01,14,385	4,04,68,443
4) Interest accrued on Fixed Deposits	16,71,622	3,39,308
b) Cheques, Draft on hand	-	3,90,760
c) Cash on hand	41,578	28,741
Total Cash and Cash Equivalents	5,95,10,375	4,54,47,839
NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES		
short - term loans and advances :		
a) Other loans And advances		
Unsecured:		
- for Staff Advances	2,84,132	3,91,384
- for Suppliers	17,16,739	51,30,608
- for Others	49,71,361	39,17,586
Total short term loans & advances	69,72,232	94,39,578
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances (net)	69,72,232	94,39,578
NOTE NO. 20 : OTHER CURRENT ASSETS		
TDS Receivable & Advance Taxes	25,22,365	93,72,885
Prepaid Expenses	79,52,705	83,59,788
Balances with Government Departments	1,71,88,369	1,41,20,176
	2,76,63,439	3,18,52,849

NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
NOTE NO. 21 : REVENUE FROM OPERATIONS	₹	₹
Revenue from operations		
(a) Sale of Products	87,38,95,673	76,28,98,066
Less: Excise Duties	7,06,48,739	6,21,99,244
Total Revenue from Operations	80,32,46,934	70,06,98,822
NOTE NO. 22 : OTHER INCOME		
(a) Interest income	31,98,607	17,87,005
(b) Other non-operating income	37,78,410	1,05,21,837
Total Other Income	69,77,017	1,23,08,842
NOTE NO. 23 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber	21,95,75,346	16,64,67,543
Material - Hardware items	14,56,75,316	7,91,12,538
Material - FRP materials	4,05,36,345	3,16,87,366
Other Material	9,37,67,408	5,83,58,042
Total Cost Of Material Consumed	49,95,54,415	33,56,25,489
NOTE NO. 24 : PURCHASE OF STOCK IN TRADE		
Materials - Insulators	4,00,10,962	16,68,40,672
Total Trade Purchases	4,00,10,962	16,68,40,672
NOTE NO. 25 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	10,15,86,726	5,95,17,761
Less : work in progress at the end of the year	11,08,08,879	10,15,86,727
(Increase) / Decrease in Inventories	(92,22,153)	(4,20,68,966)
NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	6,03,80,280	6,02,79,127
(b) Contribution to Provident & Other Funds	22,25,656	22,68,212
(c) Staff Welfare Expenses	14,06,524	12,96,586
Total Employee Benefit Expenses	6,40,12,460	6,38,43,925
NOTE NO. 27 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	20,33,312	43,92,241
(b) Power & Fuel	2,52,01,109	2,06,63,467
(d) Repairs to Building	3,82,315	80,000
(e) Repairs to Machinery	19,23,622	12,21,934
(f) Insurance	6,13,127	6,86,099
(h) Testing and Inspection charges	1,99,97,930	64,81,262
Total Other operating Expenses	5,01,51,415	3,35,25,003

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
NOTE NO. 28 : ADMINISTRATIVE EXPENSES	₹	₹
(a) Telephone, Postage and Others	14,76,754	15,40,013
(b) Business Promotion Expenses	27,76,335	19,74,338
(c) Conveyance	9,69,185	11,25,371
(d) Office Maintenance	16,36,187	9,14,469
(e) Printing & Stationery Expenses	5,21,004	4,43,406
(f) Security Charges	13,71,862	13,39,482
(g) Rates & Taxes (excluding Income Tax)	12,23,169	12,93,552
(h) Managerial Remuneration	26,20,000	26,50,000
(i) Consultancy Charges	34,48,411	46,32,850
(j) Rent	34,14,230	32,70,148
(k) Office Electricity charges	4,81,009	6,38,050
(l) Travelling expenses	45,28,900	37,64,593
(m) Vehicle Maintenance	22,06,900	26,85,556
(n) Advertisement expenses	82,396	1,29,881
(o) Commission Paid	10,97,056	12,37,339
(p) Exhibition Expenses	12,48,322	4,54,496
(q) Ocean Freight & Charges	26,17,377	4,35,937
(r) Legal Fees	2,84,000	29,200
(s) Listing Fees	1,25,034	1,56,220
(t) Gifts and Donations	67,500	54,344
(u) Liquidated Damage Charges	59,31,942	-
(v) Miscellaneous Expenses	46,59,881	33,43,952
(w) Loss on Sale of investments/ Assets	-	6,28,627
(x) Repairs and Maintenance Others	41,08,072	23,10,629
(y) Auditors Remuneration	6,20,000	4,60,000
(z) Insurance Charges	13,10,834	14,90,895
Total Administrative Expenses	4,88,26,360	3,70,03,348
NOTE NO. 29 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	2,78,33,862	2,68,48,760
- Interest on Term Loan	1,21,45,100	1,91,53,714
- Bank charges, Commission & Financial charges	1,78,88,622	1,78,07,403
Total Finance Cost	5,78,67,584	6,38,09,877
NOTE NO. 30 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	-	5,97,045
Total Other expenses	-	5,97,045

NOTES TO FINANCIAL STATEMENT :

31. Long Term & Short Term Borrowings

- a) Term Loan from State Bank of Hyderabad is secured by
 - i) Hypothecation of plant and machinery acquired out of the said loan.
 - ii) Hypothecation against first charge on all unencumbered fixed assets of the company both present and future.
 - iii) Equitable Mortgage of immovable property of M/s Goldstone Technologies Limited
 - iv) Corporate Guarantees of M/s Trinity Infraventures Limited & M/s Goldstone Technologies Limited.
 - v) Personal guarantee of a promoter director of the company.
- b) Working Capital Facilities from State Bank of Hyderabad are secured by:
 - i) Hypothecation against first charge on Current Assets of the company both present and future.
 - ii) Equitable Mortgage of immovable property of M/s Goldstone Technologies Limited.
 - iii) Corporate Guarantee given by M/s Trinity Infraventures Limited & M/s Goldstone Technologies Limited for above loan.
 - iv) Personal guarantee of a promoter director of the company.
- c) 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 ₹ Nil during the year (Previous Year: ₹ 80,645/-) . During this financial year the company has repaid an amount of ₹ 89,72,704/- (Previous year : ₹ 46,28,977/-)

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 (Previous year ₹ 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	31.03.2014	31.03.2013
	₹	₹
Gratuity	9,40,762	5,61,106
Leave		
Encashment	10,58,196	3,96,394
Bonus	4,20,028	4,91,282

Defined contribution plan

During year ended March 31, 2014, the Group contributed ₹ 16,48,406/- to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2014 are as follows:

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

(Amount In ₹)

	31st March 2014	31st March 2013
Present value of funded obligation	-	-
Fair value of plan assets	-	-
Present value of Unfunded obligations	66,61,318	60,89,505
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset (limit in Para59(b))	-	-
Net liability	66,61,318	60,89,505
<u>Amounts in Balance Sheet</u>		
Liability - Current	17,72,526	15,73,774
Liability – Non Current	48,88,792	45,15,731
Asset	-	-
Net Liability	66,61,318	60,89,505

The amounts recognized in the profit and loss account for the year ended March 31, 2014 are as follows:

(Amount In ₹)

	31st March 2014	31st March 2013
Current service cost	6,28,539	7,37,349
Interest on Defined Benefit Obligation	4,80,424	5,44,175
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	(1,68,201)	(7,20,418)
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”	9,40,762	5,61,106
Actual Return on Plan Assets	-	-

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

	31st March, 2014	31st March, 2013
Discount Rate	9.35%	8.10%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	7.00%	7.00%

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 applicable.

37. Related Party Transactions (AS – 18)

(₹ In lacs)

SL No.	Name of the Party	Nature of Transaction	2013-14	2012-13
1	L P Sashikumar	MD Remuneration, and other benefits.	26.00	28.00

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

Calculation of EPS

	2013-14	2012-13
Profit after tax during the year (₹)	2,11,82,951	2,00,59,808
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	2,11,82,951	2,00,59,808
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 (₹)	0.59	0.56
- Diluted (₹)	0.59	0.56
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 ₹69,52,226/-towards deferred Income Tax Liability. (Previous year ₹66,87,107/- towards Deferred Tax Liability)

40. Impairment of Assets (AS – 28)

Nil

41. Remuneration:

Managing Director

(₹ In lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
Salary	26.00	28.00
Reimburse- ments and others	-	-
Total	26.00	28.00

Auditors Remuneration (₹ In lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Total	3.00	3.00

42. Prior Period Adjustments & Extra ordinary items: (AS - 5)

Prior period adjustment of ₹ 44,09,937/- (Previous year ₹ 2,13,922/-) 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:

	2013-14		2012-13	
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.)	2,47,602		3,03,018	-
d. Net Sales - Polymer Insulators Others	2,47,368	74,60,60,075 5,71,86,859	3,02,875	52,92,91,998 17,14,06,824
Total		80,32,46,934		70,06,98,822
e. Material consumption - Silicon Rubber - FRP material - Hardware items - Others		21,95,75,346 4,05,36,345 14,56,75,316 9,37,67,408		16,64,67,543 3,16,87,366 7,91,12,538 5,83,58,042
Total		49,95,54,415		33,56,25,489
f. Break-up of material consumption (excluding trading material) Indigenous Imported	47.28% 52.72%	23,62,16,401 26,33,38,014	61.93% 38.07%	20,78,56,680 12,77,68,809
Total	100.00%	49,95,54,415	100.00%	33,56,25,489

g. Earnings in Foreign currency Export of goods		3,76,05,476		1,36,84,843
h. Value of imports on CIF Basis - Materials including trading materials - Capital Goods		13,31,95,582 85,73,880		12,13,86,960 32,36,845
i. Expenditure in foreign currency On travel Others		3,78,847 1,52,152		1,20,725 44,65,821

44. Contingent Liabilities not provided for

- Letter of credit – ₹ 802.53 lakhs (Previous year: ₹ 664.07 lakhs)
- Bank Guarantees – ₹ 2087.48 lakhs (Previous year: ₹ 1853.63 lakhs)
- Commitments on capital contracts remaining to be executed ₹ 170.00 lakhs (Previous year: ₹ 210.00 lakhs)
- Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09, 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at ,ICICI & Axis Bank for an amount of ₹ 2,07,646/-, ₹ 2,24,540/-, ₹ 2,19,954/- ₹1,29,968/-, ₹ 1,31,419/- and ₹ 1,09,123/- 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.

As Per our Report attached

For **P. Murali and Co.**

Chartered Accountants

FRN : 007257S

Sd/-

P. Muralimohana Rao

Partner

M. No. 023412

For and on behalf of the Board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

P. Hanuman Prasad
Company Secretary

Place : Secunderabad

Date : 17-05-2014

Cash Flow Statement as at March 31, 2014

(₹ In lakhs)

	31.03.2014	31.03.2013
A Cash Flow from operating activity		
Net Profit before tax	306.39	302.47
Adjustments for:		
Depreciation	-	-
Miscellaneous expenditure written off	-	5.97
Provision for Gratuity & Earned Leave & others	73.30	52.46
Loss on sale of Assets/ Investments	-	6.28
Other Income	(69.77)	(235.97)
Operating Profit before working capital changes	309.92	131.21
Adjustments for:		
Trade and other receivables	(763.79)	73.04
Inventories	(61.79)	(420.06)
Trade advances	(25.28)	13.00
Trade Payable	253.66	68.85
Cash generated from operations	(287.28)	(133.96)
Direct Taxes paid (net)	(38.87)	(69.91)
Gratuity, EL encashment & others Paid	(52.41)	(49.49)
Cashflow before extraordinary items	(378.56)	(253.36)
Net Cash flow from operating activity	(378.56)	(253.36)
B. Cash Flow from Investing Activity		
Fixed assets	(178.76)	32.91
Capital work in progress	138.58	(83.18)
Investments	-	-
Miscellaneous Expenditure written off	-	-
Other income	69.77	235.97
Loss on Sale of Assets/ Investments	-	(6.28)
Net Cash used for investing activity	29.59	179.42
C. Cash Flow from financing activities		
Long term borrowings	320.37	(390.87)
Short Term borrowings	262.76	414.08
Deferred sales tax loan payment	(89.73)	(45.48)
Dividend paid	-	(72.15)
Net cash generated from financing activity	493.40	(94.42)
Cash and cash equivalents (Opening Balance)	454.48	622.84
Net increase in Cash & Cash equivalents (A+B+C)	144.43	(168.36)
Cash and cash equivalents (Closing Balance)	598.91	454.48

For **P. Murali and Co.**

Chartered Accountants

FRN : 007257S

Sd/-

P. Muralimohana Rao

Partner

M. No. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

P. Hanuman Prasad

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **M/S GOLDSTONE INFRATECH LIMITED**

We have audited the accompanying consolidated financial statements of **M/S GOLDSTONE INFRATECH LIMITED** and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financials. As there is no reporting on 'Other Legal and Regulatory Requirements', there is no necessity of including the heading 'Report on the Financial Statements' above the introductory paragraph statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence

about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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 state of affairs of the Company as at March 31, 2014;
- (b) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **P. Murali & Co.,**
Chartered Accountants
FRN : 007257S
Sd/-

P. Muralil Mohana Rao
Partner

Membership Number: 023412

Place : Hyderabad

Date : 17-05-2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
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	61,73,51,822	59,61,18,278
(c) Money received against share warrants		-	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	19,38,13,455	16,16,59,056
(b) Deferred tax liabilities (Net)	4	6,69,03,530	6,00,01,899
(c) Other Long term liabilities	5	7,45,80,451	8,35,53,155
(d) Long term provisions	6	94,31,873	83,86,909
(3) Current Liabilities			
(a) Short-term borrowings	7	25,02,62,954	22,39,87,329
(b) Trade payables	8	16,57,21,203	16,10,13,705
(c) Other current liabilities	9	2,13,20,878	68,83,135
(d) Short-term provisions	10	3,36,16,941	3,49,06,296
Total		1,57,73,26,055	1,48,08,32,710
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	83,70,59,604	81,93,39,348
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		18,76,02,957	20,12,60,235
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	-	-
(c) Long term loans and advances	14	1,74,19,212	1,49,38,425
(d) Other non-current assets	15	21,268	21,268
(2) Current assets			
(a) Inventories	16	17,84,34,410	17,22,55,822
(b) Trade receivables	17	26,12,33,279	18,48,54,583
(c) Cash and cash equivalents	18	5,95,59,165	4,55,10,113
(d) Short-term loans and advances	19	69,72,232	94,39,578
(e) Other current assets	20	2,76,63,439	3,18,52,849
Total		1,57,73,26,055	1,48,08,32,710

Summary of Significant Accounting Policies
Notes on Financial Statement 1 to 47

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. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

P. Hanuman Prasad

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No	For the year ended 31.03.2014	For the year ended 31.03.2013
		₹	₹
I. Revenue from operations	21	80,32,46,934	70,06,98,822
II. Other Income	22	69,77,017	1,23,08,842
III. Total Revenue (I + II)		81,02,23,951	71,30,07,664
IV. Expenses:			
Cost of materials consumed	23	49,95,54,415	33,56,25,489
Purchase of Stock-in-Trade	24	4,00,10,962	16,68,40,672
Changes in inventories of Finished, WIP and Stock-in-Trade	25	(92,22,153)	(4,20,68,966)
Employee benefit expense	26	6,40,12,460	6,38,43,925
Other operating expenses	27	5,01,51,415	3,35,25,003
Administrative Expenses	28	4,88,26,360	3,70,03,348
Financial costs	29	5,78,67,584	6,38,09,877
Depreciation and amortization expense	11 & 12	2,39,77,794	2,33,70,434
Other expenses	30	-	5,97,045
Total Expenses		77,51,78,837	68,25,46,827
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,50,45,114	3,04,60,837
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,50,45,114	3,04,60,837
VIII. Prior Period adjustments & Extraordinary Items		(44,09,937)	(2,13,922)
IX. Profit before tax (VII - VIII)		3,06,35,177	3,02,46,915
X. Tax expense:			
(1) Current tax		25,00,000	35,00,000
(2) Deferred tax		69,01,631	66,87,107
XI. Profit after tax		2,12,33,546	2,00,59,808
XII. Profit/(Loss) for the period		2,12,33,546	2,00,59,808
XIII. Earning per equity share: (Refer Note No. 38)			
(1) Basic		0.59	0.56
(2) Diluted		0.59	0.56

Summary of Significant Accounting Policies
Notes on Financial Statement 1 to 47

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. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

P. Hanuman Prasad
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 relatable 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 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, 2014

Particulars	As at 31.03.2014	As at 31.03.2013
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. (26,68,999 Nos.)	7.40%	7.40%

Particulars	As at 31.03.2014	As at 31.03.2013
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	14,86,32,346	14,86,32,346
Add: Additions during the year	-	-
Less: Utilised		
	14,86,32,346	14,86,32,346
c) Surplus :		
Opening Balance - Profit and Loss Account	2,09,72,436	1,17,60,052
Add: Transfer from Profit & Loss Account	2,12,33,546	2,00,59,808
Less: Transfer To General Reserve	-	-
Less: Dividend and Dividend Tax	-	-
Less: Bonus shares	-	-
Less: Prior period taxes	-	1,08,47,422
Less: Obsolete Machinery Write off	-	-
	4,22,05,982	2,09,72,438
Total Reserves and Surplus	61,73,51,822	59,61,18,278
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Term loans:		
From banks: (Refer Note No. 31 (a))		
Secured - State Bank of Hyderabad	2,77,68,442	5,81,36,390
Unsecured	-	-
From other parties: (Refer note No. 31 (b))		
Secured - Technology Development Board	-	-
Unsecured - Others	16,60,45,013	10,35,22,666
Notes :		
Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	19,38,13,455	16,16,59,056

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)	₹	₹
Opening Deferred tax Liability	6,00,01,899	5,33,14,792
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	69,01,631	66,87,107
Gross Deferred tax Liability	6,69,03,530	6,00,01,899
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debte	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	6,69,03,530	6,00,01,899
NOTE NO. 5 : OTHER LONG TERM LIABILITIES		
a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32)	7,45,80,451	8,35,53,155
Total other long term liabilities	7,45,80,451	8,35,53,155
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits (Refer Note No. 35)		
- Provision for Gratuity	66,61,318	60,89,505
- Provision for Leave Encashment	23,50,527	18,06,122
b) Others - Bonus	4,20,028	4,91,282
Total Long Term Provisions	94,31,873	83,86,909

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 7 : SHORT TERM BORROWINGS	₹	₹
Short term borrowings		
a) Working Capital from banks (Refer note No. 31 (c))		
Secured - State Bank of Hyderabad	20,13,33,055	16,91,42,466
b) Term Loans repayable with in 12months:		
From banks		
Secured	3,82,07,839	5,02,20,562
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	1,07,22,060	46,24,301
c) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total short term borrowings	25,02,62,954	22,39,87,329
NOTE NO. 8 : TRADE PAYABLES		
a) Trade Payables	9,08,09,517	11,19,92,232
b) Liabilities to Transporters	1,09,16,144	74,46,889
c) Liabilities to Consultants and individuals	22,67,724	24,35,561
d) Liabilities to Capital purchases	4,80,09,691	2,97,73,421
e) Liabilities to Miscellaneous Creditors	1,37,18,127	93,65,602
Total Trade Payables	16,57,21,203	16,10,13,705
NOTE NO. 9 : OTHER CURRENT LIABILITIES		
a) Interest accrued but not due on borrowings	7,78,968	16,14,565
b) Advances received from Customers.	2,05,41,910	52,68,570
Total other current liabilities	2,13,20,878	68,83,135
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	12,11,693	3,47,411
ESI Payable	77,104	76,324
Salaries Payable	38,22,158	36,43,039
b) Others		
Statutory Liabilities	1,33,04,103	1,10,31,945
Provision for Expenses	16,03,233	2,74,400
Provision for Liquidated Damage Charges	1,10,98,650	87,95,651
Provision for income tax	25,00,000	1,07,37,526
Total short term provisions	3,36,16,941	3,49,06,296

NOTE NO. 11 & 12 CONSOLIDATED FIXED ASSETS AS AT MARCH 31, 2014

Particulars	Gross Block			Depreciation/Amortization					Net Block as at 31.03.2014	Net Block as at 31.03.2013
	As at 01.04.2013	Additions during the year	Sale / Deletions during the year	As at 31.03.2014	Depreciation as at 01.04.2013	Depreciation for the year 2013-2014	Depreciation Reserve on Deletions	Total Depreciation		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND & LAND DEVELOPMENT	42,73,01,003	2,04,485	-	42,75,05,488	-	-	-	-	42,75,05,488	42,73,01,003
BUILDING	5,56,21,683	2,10,59,871	-	7,66,81,554	1,54,15,094	22,09,376	-	1,76,24,470	5,90,57,084	4,02,06,589
PLANT & MACHINERY	38,57,26,843	1,29,30,039	-	39,86,56,882	5,70,67,060	1,87,21,614	-	7,57,88,674	32,28,68,208	32,86,59,783
ELECTRICAL EQUIPMENT	91,39,741	9,16,491	-	1,00,56,232	15,47,543	4,65,045	-	20,12,588	80,43,644	75,92,198
LABORATORY EQUIPMENT	90,05,924	63,35,479	-	1,53,41,403	20,98,591	5,07,738	-	26,06,329	1,27,35,074	69,07,333
OFFICE EQUIPMENT	17,39,874	3,58,627	-	20,98,521	8,62,070	95,143	-	9,57,213	11,41,308	8,77,824
COMPUTERS	1,38,69,399	-	-	1,38,69,399	1,38,39,804	29,595	-	1,38,69,399	-	29,595
FURNITURE	45,44,773	-	-	45,44,773	36,62,393	2,87,684	-	39,50,077	5,94,696	8,82,380
VEHICLES	1,47,64,694	-	-	1,47,64,694	1,29,72,473	13,96,308	-	1,43,68,781	3,95,913	17,92,221
GENERATOR	78,64,549	-	-	78,64,549	34,81,733	3,73,566	-	38,55,299	40,09,250	43,82,816
LEASEHOLD IMPROVEMENTS	5,75,290	-	-	5,75,290	3,34,123	19,215	-	3,53,338	2,21,952	2,41,167
AIR CONDITIONERS	5,10,768	-	-	5,10,768	1,03,735	24,261	-	1,27,996	3,82,772	4,07,033
TOOLS AND SPARES	64,073	49,000	-	1,13,073	4,667	4,191	-	8,858	1,04,215	59,406
TEMPORARY SHEDS	-	-	-	-	-	-	-	-	-	-
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	-	13,60,489	13,60,489
CAPITAL WORK IN PROGRESS	20,12,60,235	74,02,593	2,10,59,871	18,76,02,957	-	-	-	-	18,76,02,957	20,12,60,235
TOTAL	1,13,33,49,358	4,92,56,595	2,10,59,871	1,16,15,46,072	11,13,89,286	2,41,33,736	-	13,55,23,022	1,02,60,23,060	1,02,19,60,072
Previous Year	1,10,65,68,708	3,03,66,636	36,07,166	1,13,33,49,358	8,98,52,915	2,35,64,930	20,28,599	11,13,88,286	1,02,19,60,072	1,01,67,36,793

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 13 : NON- CURRENT INVESTMENTS	₹	₹
Non- Current Assets		
I) Investment in Subsidiaries		
a) Equity Shares		
TF Solarpower Private Limited 100% holding	-	-
	-	-
Total Non Current Investments	-	-
Less: Provision for Diminution in Investments	-	-
Total Non - Current Assets (Net)	-	-
Notes :		
II) Detailed note given in the Notes to Account No.34		
NOTE NO. 14 : LONG TERM LOANS AND ADVANCES		
Long - term loans and advances:		
a) Capital advance		
Secured	1,42,88,313	1,49,38,425
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	31,30,899	-
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	1,74,19,212	1,49,38,425
Less : Provision for Doubtfull Debts	-	-
Total Long term loans & advances (net)	1,74,19,212	1,49,38,425
NOTE NO.15 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	21,268	21,268
Interest Accrued on Deposits	-	-
Insurance Claims	-	-
Total other non current assets	21,268	21,268
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets(net)	21,268	21,268

Particulars	As at 31.03.2014	As at 31.03.2013
	₹	₹
NOTE NO. 16 : INVENTORIES		
I Inventories :		
a) Raw materials		
- Silicon Rubber	3,52,78,149	2,95,63,390
- Hardware items	1,22,58,495	2,63,69,706
- FRP materials	44,16,954	35,57,030
- Others	1,56,71,933	1,11,78,969
Sub Total	6,76,25,531	7,06,69,095
b) Work - in - progress		
- Railway Insulators	4,89,865	24,54,323
- Transmission & Distribution Insulators	11,03,19,014	9,91,32,404
Sub Total	11,08,08,879	10,15,86,727
Total Inventories	17,84,34,410	17,22,55,822
NOTE NO. 17 : TRADE RECEIVABLES		
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	-	-
Unsecured, Considered Good	51,37,900	55,59,541
Doubtful	-	-
	51,37,900	55,59,541
II Other Receivables:		
Secured, Considered Good	-	-
Unsecured, Considered Good	25,60,95,379	17,92,95,042
Doubtful	-	-
	25,60,95,379	17,92,95,042
Total trade receivable	26,12,33,279	18,48,54,583
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	26,12,33,279	18,48,54,583
NOTE NO. 18 : CASH AND CASH EQUIVALENTS		
I Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	6,84,293	5,74,199
2) Bank Deposits against BG & LC with less than 12 months maturity	70,47,287	37,08,662
3) Bank deposits against BG & LC with more than 12 months maturity	5,01,14,385	4,04,68,443
4) Interest accrued on Fixed Deposits	16,71,622	3,39,308
b) Cheques, Draft on hand	-	3,90,760
c) Cash on hand	41,578	28,741
Total Cash and Cash Equivalents	5,95,59,165	4,55,10,113

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES	₹	₹
short - term loans and advances:		
a) Other loans And advances		
Unsecured:		
- for Staff Advances	2,84,132	3,91,384
- for Suppliers	17,16,739	51,30,608
- for Others	49,71,361	39,17,586
Total short term loans & advances	69,72,232	94,39,578
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances (net)	69,72,232	94,39,578
NOTE NO.20 : OTHER CURRENT ASSETS		
TDS Receivable & Advance Taxes	25,22,365	93,72,885
Prepaid Expenses	79,52,705	83,59,788
Balances with Government Departments	1,71,88,369	1,41,20,176
Total other Current Assessts	2,76,63,439	3,18,52,849

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
NOTE NO. 21 : REVENUE FROM OPERATIONS	₹	₹
Revenue from operations		
(a) Sale of Products	87,38,95,673	76,28,98,066
Less: Excise Duties	7,06,48,739	6,21,99,244
Total Revenue from Operations	80,32,46,934	70,06,98,822
NOTE NO. 22 : OTHER INCOME		
(a) Interest income	31,98,607	17,87,005
(b) Other non-operating income	37,78,410	1,05,21,837
Total Other Income	69,77,017	1,23,08,842
NOTE NO. 23 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber	21,95,75,346	16,64,67,543
Material - Hardware items	14,56,75,316	7,91,12,538
Material - FRP materials	4,05,36,345	3,16,87,366
Other Material	9,37,67,408	5,83,58,042
Total Cost Of Material Consumed	49,95,54,415	33,56,25,489
NOTE NO. 24 : PURCHASE OF STOCK IN TRADE		
Materials - Insulators	4,00,10,962	16,68,40,672
Total Trade Purchases	4,00,10,962	16,68,40,672
NOTE NO. 25 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	10,15,86,726	5,95,17,761
Less : work in progress at the end of the year	11,08,08,879	10,15,86,727
(Increase) / Decrease in Inventories	(92,22,153)	(4,20,68,966)
NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	6,03,80,280	6,02,79,127
(b) Contribution to Provident & Other Funds	22,25,656	22,68,212
(c) Staff Welfare Expenses	14,06,524	12,96,586
Total Employee Benefit Expenses	6,40,12,460	6,38,43,925
NOTE NO. 27 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	20,33,312	43,92,241
(b) Power & Fuel	2,52,01,109	2,06,63,467
(d) Repairs to Building	3,82,315	80,000
(e) Repairs to Machinery	19,23,622	12,21,934
(f) Insurance	6,13,127	6,86,099
(h) Testing and Inspection charges	1,99,97,930	64,81,262
Total Other operating Expenses	5,01,51,415	3,35,25,003

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
NOTE NO. 28 : ADMINISTRATIVE EXPENSES	₹	₹
(a) Telephone, Postage and Others	14,76,754	15,40,013
(b) Business Promotion Expenses	27,76,335	19,74,338
(c) Conveyance	9,69,185	11,25,371
(d) Office Maintenance	16,36,187	9,14,469
(e) Printing & Stationery Expenses	5,21,004	4,43,406
(f) Security Charges	13,71,862	13,39,482
(g) Rates & Taxes (excluding Income Tax)	12,23,169	12,93,552
(h) Managerial Remuneration	26,20,000	26,50,000
(i) Consultancy Charges	34,48,411	46,32,850
(j) Rent	34,14,230	32,70,148
(k) Office Electricity charges	4,81,009	6,38,050
(l) Travelling expenses	45,28,900	37,64,593
(m) Vehicle Maintenance	22,06,900	26,85,556
(n) Advertisement expenses	82,396	1,29,881
(o) Commission Paid	10,97,056	12,37,339
(p) Exhibition Expenses	12,48,322	4,54,496
(q) Ocean Freight & Charges	26,17,377	4,35,937
(r) Legal Fees	2,84,000	29,200
(s) Listing Fees	1,25,034	1,56,220
(t) Gifts and Donations	67,500	54,344
(u) Liquidated Damage Charges	59,31,942	-
(v) Miscellaneous Expenses	46,59,881	33,43,952
(w) Loss on Sale of investments/ Assets	-	6,28,627
(x) Repairs and Maintenance Others	41,08,072	23,10,629
(y) Auditors Remuneration	6,20,000	4,60,000
(z) Insurance Charges	13,10,834	14,90,895
Total Administrative Expenses	4,88,26,360	3,70,03,348
NOTE NO. 29 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	2,78,33,862	2,68,48,760
- Interest on Term Loan	1,21,45,100	1,91,53,714
- Bank charges, Commission & Financial charges	1,78,88,622	1,78,07,403
Total Finance Cost	5,78,67,584	6,38,09,877
NOTE NO. 30 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	-	5,97,045
Total Other expenses	-	5,97,045

NOTES TO FINANCIAL STATEMENT:

31: Long Term & Short 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 Goldstone Technologies Limited
 - Corporate Guarantees of Trinity Infraventures Limited
 - Personal guarantee of a promoter director of the company.
- b) 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 Goldstone Technologies Limited
 - Corporate Guarantee given by Trinity Infraventures Limited and Goldstone Technologies Limited for above loan.
 - Personal guarantee of a promoter director of the company.
- c) 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 ₹ Nil during the year (Previous Year: ₹ 80,645/-) . During this financial year the company has repaid an

amount of ₹ 89,72,704/- (Previous year : ₹ 46,28,977/-)

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. Company incurred ₹ 9,86,74,677/- on Capital work in progress till 31.03.2014.

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	31.03.2014 ₹	31.03.2013 ₹
Gratuity	9,40,762	5,61,106
Leave		
Encashment	10,58,196	3,96,394
Bonus	4,20,028	4,91,282

Defined contribution plan

During year ended March 31, 2014, the Group contributed ₹ 16,48,406/- to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2014 are as follows:

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

(Amount In ₹)

	31st March 2014	31st March 2013
Present value of funded obligation		
Fair value of plan assets		
Present value of Unfunded obligations	66,61,318	60,89,505
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset (limit in Para59(b))	-	-
Net liability	66,61,318	60,89,505
Amounts in Balance Sheet		
Liability - Current	17,72,526	15,73,774
Liability – Non Current	48,88,792	45,15,731
Asset	-	-
Net Liability	66,61,318	60,89,505

The amounts recognized in the profit and loss account for the year ended March 31, 2014 are as follows:

(Amount In ₹)

	31st March 2014	31st March 2013
Current service cost	6,28,539	7,37,349
Interest on Defined Benefit Obligation	4,80,424	5,44,175
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	(1,68,201)	(7,20,418)
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"	9,40,762	5,61,106
Actual Return on Plan Assets	-	-

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

	31st March, 2014	31st March, 2013
Discount Rate	9.35%	8.10%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	7.00%	7.00%

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 applicable.

37. Related Party Transactions (AS – 18)

(₹ In lacs)

SL No.	Name of the Party	Nature of Transaction	2013-14	2012-13
1	L P Sashikumar	MD Remuneration, and other benefits.	26.00	28.00

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

	2013-14	2012-13
Profit after tax during the year (₹)	2,11,82,951	2,00,59,808
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	2,11,82,951	2,00,59,808
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 (₹)	0.59	0.56
- Diluted (₹)	0.59	0.56
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 ₹ 69,52,226/-towards deferred Income Tax Liability. (Previous year ₹ 66,87,107/- towards Deferred Tax Liability)

40. Impairment of Assets (AS -28) Nil
41. Remuneration:
Managing Director

(₹ In lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
Salary	26.00	28.00
Reimburse- ments and others	-	-
Total	26.00	28.00

Auditors Remuneration

(₹ In lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
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 ₹ 44,09,922/- (Previous year ₹ 2,13,922/-) 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:

	2013-14		2012-13	
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.)	2,47,602	-	3,03,018	-
d. Net Sales				
- Polymer Insulators	2,47,368	74,60,60,075	3,02,875	52,92,91,998
Others		5,71,86,859		17,14,06,824
Total		80,32,46,934		70,06,98,822
e. Material consumption				
- Silicon Rubber&Chemicals		21,95,75,346		16,64,67,543
- Glass Fibre, Tex for FRP rods		4,05,36,345		3,16,87,366
- End Fittings		14,56,75,316		7,91,12,538
- Others		9,37,67,408		5,83,58,042
Total		49,95,54,415		33,56,25,489

f. Break-up of material consumption (excluding trading material)				
Indigenous	47.28%	23,62,16,401	61.93%	20,78,56,680
Imported	52.72%	26,33,38,014	38.07%	12,77,68,809
Total	100.00%	49,95,54,415	100.00%	33,56,25,489
g. Earnings in Foreign currency				
Export of goods		3,76,05,476		1,36,84,843
h. Value of imports on CIF Basis				
- Materials including trading materials		13,31,95,582		12,13,86,960
- Capital Goods		85,73,880		32,36,845
i. Expenditure in foreign currency				
On travel		3,78,847		1,20,725
Others		1,52,152		44,65,821

44. Contingent Liabilities not provided for

- Letter of credit – ₹ 802.53 lakhs (Previous year: ₹ 664.07 lakhs)
- Bank Guarantees – ₹ 2087.48 lakhs (Previous year: ₹ 1853.63 lakhs)
- Commitments on capital contracts remaining to be executed ₹ 170.00 lakhs (Previous year: ₹210.00 lakhs)
- Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09, 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at ,ICICI & Axis Bank for an amount of ₹ 2,07,646/-, ₹2,24,540/- ₹2,19,954/- ₹1,29,968/-, ₹1,31,419/- and ₹1,09,123/- 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.

As Per our Report attached

For **P. Murali and Co.**

Chartered Accountants

FRN : 007257S

Sd/-

P. Muralimohana Rao

Partner

M. No. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the Board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

P. Hanuman Prasad
Company Secretary

Consolidated Cash Flow Statement as at March 31, 2014

₹ In lakhs

Particulars	31.03.2014	31.03.2013
A Cash Flow from operating activity		
Net Profit before tax	306.35	302.47
Adjustments for:		
Depreciation	-	-
Miscellaneous expenditure written off	-	5.97
Provision for Gratuity & Earned Leave & others	73.30	52.46
Loss on sale of Assets/ Investments	-	6.28
Other Income	(69.77)	(235.97)
Operating Profit before working capital changes	309.88	131.21
Adjustments for:		
Trade and other receivables	(763.79)	73.04
Inventories	(61.79)	(420.06)
Trade advances	(26.75)	22.91
Trade Payable	250.50	60.89
Cash generated from operations	(291.94)	(132.01)
Direct Taxes paid (net)	(38.87)	(69.91)
Gratuity, EL encashment & others Paid	(52.41)	(49.49)
Cashflow before extraordinary items	(383.22)	(251.41)
Net Cash flow from operating activity	(383.22)	(251.41)
B. Cash Flow from Investing Activity		
Fixed assets	(177.20)	34.86
Capital work in progress	136.57	(87.09)
Investments	-	-
Miscellaneous Expenditure written off	-	-
Other income	69.77	235.97
Loss on Sale of Assets/ Investments	-	(6.28)
Net Cash used for investing activity	29.14	177.46
C. Cash Flow from financing activities		
Long term borrowings	321.54	(390.87)
Short Term borrowings	262.76	414.08
Deferred sales tax loan payment	(89.73)	(45.48)
Dividend paid	-	(72.15)
Net cash generated from financing activity	494.57	(94.42)
Cash and cash equivalents (Opening Balance)	455.10	623.48
Net increase in Cash & Cash equivalents (A+B+C)	140.49	(168.37)
Cash and cash equivalents (Closing Balance)	595.59	455.11

 For **P. Murali & Co.**

Chartered Accountants

FRN : 007257S

Sd/-

P. Murali Mohana Rao

Partner

M No. 023412

Place : Secunderabad

Date : 17-05-2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

P. Hanuman Prasad

Company Secretary

STATEMENT OF SUBSIDIARIES

Name of the Subsidiary: **TF Solar Power Pvt.Ltd.**

(Amount In ₹)

S.No	Particulars	Amount
1.	The financial Year for the Subsidiary Company ended on	31.03.2014
2.	Shares of the Subsidiary Company held by holding Company as on date above	
	(i) Number	60,10,000
	(ii) Extent of holding	100%
3.	Date from which it became a subsidiary	14.04.2010
4.	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 become 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 become Holding company's subsidiary	Nil
5.	Issued, Subscribed & Paid-up Capital	6,01,00,000
6.	Reserves & Surplus	-
7.	Liabilities	3,91,36,723
8.	Total Liabilities	9,92,36,723
9.	Total Assets	9,92,36,723
10.	Investment	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**

CIN: L64203TG2000PLC035451

Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex,
S D Road, Secunderabad – 500 003 Phone No. 91-40-27807640/0742/1910
E-mail ID: info@goldstone.net, website: www.goldstonepower.com

ATTENDANCE SLIP

(To be present at the entrance)

Regd. Folio : _____

Shares held: _____

Client ID/ DPID : _____

I hereby certify that I am registered shareholder/proxy/representatives of the registered shareholder (s) of Goldstone Infratech Limited.

I hereby record my presence at the 14th Annual General Meeting to be held on Saturday, the September 27th 2014 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.

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E-mail ID: info@goldstone.net, website: www.goldstonepower.com

FORM-No-MGT-11**Proxy Form**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):	
Registered Address:	
E-Mail Id:	
Folio No/Client Id:	
DP Id:	

I/We, being the member(s) of _____ Shares of the above named Company, hereby appoint

1.	Name	
	Address	
	Email Id or failing him	Signature
2.	Name	
	Address	
	Email Id or failing him	Signature
3.	Name	
	Address	
	Email Id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Saturday, September 27th, 2014 at 3.30 p.m. Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 and at any adjournment thereof in respect of such resolutions as are indicated below :

S.No	Resolutions	For	Against
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2.	Re-Appointment of Mrs.Mahita Caddell who retires by rotation.		
3.	Appointment of Auditors and fixing of their remuneration.		
4.	Appointment of Mr. S.Murali Krishna as an Independent Director.		
5.	Appointment of Mr. M.Gopala Krishna as an Independent Director.		
6.	Appointment of Mr. B.Appa Rao as an Independent Director.		

Signed this _____ day of _____ 2014.

Signature of shareholder; _____ Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before commencement of the Meeting.



GOLDSTONE INFRATECH LIMITED

CIN: L64203TG2000PLC035451

Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex,
S D Road, Secunderabad – 500 003 Phone No. 91-40-27807640/0742/1910
E-mail ID: info@goldstone.net, website: www.goldstonepower.com

FORM-No-MGT-12

Polling Paper

(Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014).

Name of the Company	GOLDSTONE INFRATECH LIMITED
Registered Address:	9-1-83 & 84, AMARCHAND SHARMA COMPLEX, S D ROAD, SECUNDERABAD – 500 003
BALLOT PAPER	
Name of the first named Shareholder :	
Postal Address:	
Folio No/Client Id & DP Id:	
Class of Share	

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated to be considered in fourteenth Annual General Meeting of the Company to be held on Saturday, September 27th 2014 at 3.30 p.m. Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 by recording my assent or dissent to the said resolutions in the following manner.

No	Item No.	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.			
2.	Re-Appointment of Mrs.Mahita Caddell who retires by rotation.			
3.	Appointment of Auditors and fixing of their remuneration.			
4.	Appointment of Mr. S.Murali Krishna as an Independent Director.			
5.	Appointment of Mr. M.Gopala Krishna as an Independent Director.			
6.	Appointment of Mr. B.Appa Rao as an Independent Director.			

Place :

Date :

(Signature of the shareholder)

BLANK

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 7640 / 0742 / 1910

E-mail ID : info@goldstone.net

Website : www.goldstonepower.com



IRQS
A DEPARTMENT OF
INDIAN REGISTER OF
SHIPPING



MGMT - SYS
RvA C 071

ISO 9001:2008 COMPANY