



Goldstone



Goldstone Infratech Limited
17th Annual Report 2016-17

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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. M. Gopalakrishna
 Mr. S. Murali Krishna*
 Mrs. Mahita Caddell#

Nomination and Remuneration Committee:

Mr. M. Gopalakrishna
 Mr. B. Appa Rao
 Mr. S. Murali Krishna*
 Mrs. Mahita Caddell#

Corporate Social Responsibility Committee:

Mr. M. Gopalakrishna
 Mr. B. Appa Rao
 Mr. L.P. Sashikumar

Stakeholders Relationship Committee:

Mr. M. Gopalakrishna^
 Mr. B. Appa Rao
 Mr. L.P. Sashikumar
 Mr. S. Murali Krishna*

Key Managerial Personnel:

Mr. L.P. Sashikumar - Managing Director
 Mr. P. Syam Prasad - Chief Financial Officer
 Mr. P. Hanuman Prasad- Company Secretary & Compliance Officer

Management Team:

Mr. N. Nagasatyam (Vice President, Business Development)
 Mr. Anand Swaroop (Chief Operating Officer)
 Mr. N. Sudhakar Reddy (AVP, Operations)
 Mr. D.P.K. Udas (VP, Sales & Marketing)
 Mr. B. Kiran Kumar Reddy (GM, Technical)
 Mr. Anil Bhan - President (E-Bus Division)

Statutory Auditors:

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

Principal Bankers:

State Bank of India

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:

BSE 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, Phase II, IDA,
Cherlapally, Hyderabad – 500 051.
- 2) Plot No.8, IDA, Gaddapotharam,
Jinnaram Mandal, Medak Dist.,
Telangana

*Resigned w.e.f 01.07.2016

^Member w.e.f. 11.08.2016

#Member w.e.f. 11.08.2016



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Thursday, 28th day of September, 2017 at 3.30 P.M. at Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad - 500 051 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2017 and Statement of Profit and Loss for the year ended as on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Mahitha Caddell, (DIN:01436127) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint New 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 Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Chandra Babu Naidu & Co. (Firm Registration No. 016016S), be appointed as Statutory Auditors of the Company, in place of M/s. P. Murali & Company, Chartered Accountants (Firm Registration No. 007257S), to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 22nd AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

"RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and all other applicable provisions if any of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. EVS & Associates, Cost Accountants in practice, (Firm Registration No. 100175) appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2018, be paid the remuneration of ₹ 1,60,000/- (Rupees One Lakh Sixty Thousand only) exclusive of applicable taxes and out-of-pocket expenses."

"RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**BY ORDER OF THE BOARD
for GOLDSTONE INFRATECH LIMITED**

Sd/-
P. Hanuman Prasad
Company Secretary

Place: Secunderabad
Date: 21.08.2017



NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 4 of the Notice, is annexed hereto. The relevant details as required under regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of persons seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Transfer Books of the Company shall remain closed from 22nd September, 2017 to 28th September, 2017 (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 2017, ₹ 1,29,138.00 was unclaimed out of the dividend declared on 29th September, 2010 for the Financial Year 2009-10; ₹ 1,30,914.00 was unclaimed out of the dividend declared on 30th September, 2011 for the Financial Year 2010-11 and ₹ 1,08,788.00 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 124 (5) of the Companies Act, 2013 aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund on 30th October 2017, 31st October 2018 and 30th October 2019 respectively.

During the year as per the provisions of the Section 125 (5) of the Companies Act, 2013 the Company has transferred the amount of ₹ 2,19,639.00/- which was laying in unclaimed dividend Account for the year 2008-09 to the Investor Education and Protection Fund (IEPF).

10. The Annual Report of the Company for the year 2016-17 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 2016-17 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 the e-mail address through the following link; <http://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.

12. **E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system (e-voting) and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 17th Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members/List of Beneficial Owners as on 20th September, 2017 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on 25th September, 2017 (09:00 hrs) and will end on 27th September, 2017 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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

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

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

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

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders

for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant "Goldstone Infratech Limited" on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option 'YES' or 'NO' as desired. The option YES implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and

click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians :

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



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

B. In case of members receiving the physical copy of notice of 17th Annual General Meeting (for members whose e-mail IDs are not registered with the Company/Depositories):

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

C. General Instructions:

- (i) The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 20th September, 2017 (Cut-off date).
- (ii) Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, then voting done by such member will be treated as invalid.
- (iii) Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, M/s. Prathap Satla & Associates, CP No.11879, Practicing Company Secretary, having their office at H.No.6-3-1238/15/1, Flat No.301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad-500082 so as to reach on or before the conclusion of the 17th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form

by sending an e-mail to cs@goldstone.net by mentioning their Folio No. / DP ID and Client ID.

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

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

ITEM NO.4

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Cost Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company. Based on the recommendation of

the Audit Committee, the Board has, considered and approved the appointment of M/s EVS & Associates, Hyderabad, as the cost auditors for the Financial Year 2017-18 at a remuneration of ₹ 1,60,000/- Lakhs per annum plus applicable service tax and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2018.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested financially or otherwise, in the resolution except to the extent of their equity holdings in the Company.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

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

Sd/-
P. Hanuman Prasad
Company Secretary

Place: Secunderabad
Date: 21.08.2017

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

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

| | |
|---|---|
| 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 14 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 | Nil |

Directors' Report

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended 31st March 2017.

Financial Results:

The summarized Financial Results (Standalone) of the Company for the year ended 31st March, 2017 as compared to the preceding year are as under:

(₹ in Lakhs)

| Particulars | 2016-17 | 2015-16 |
|--|------------------|-----------|
| Gross Sales | 11,406.64 | 10,142.09 |
| Net Sales | 10,488.45 | 9,295.92 |
| Other Income | 120.37 | 170.57 |
| Total Income | 10,608.82 | 9,466.49 |
| Total Expenditure | 8,471.58 | 7,454.43 |
| Operating Profit (PBIDT) | 2,137.24 | 2,012.06 |
| Interest | 536.98 | 574.28 |
| Depreciation and Write Offs | 539.27 | 546.81 |
| Profit before Tax | 1,060.99 | 890.97 |
| Provision for taxation | | |
| – Current | 425.00 | 300.00 |
| – Deferred | (66.05) | (61.02) |
| Extra-Ordinary Items | (100.95) | 72.36 |
| Net Profit after tax | 601.08 | 579.63 |
| Surplus brought forward from previous year | 1,425.21 | 845.58 |
| Less : Depreciation adjustment | - | - |
| Balance available for appropriation | 2,026.29 | 1,425.21 |
| • Proposed Dividend on Equity Shares | - | - |
| • Provision for Dividend Tax | - | - |
| • Transfer to General Reserves | - | - |
| • Others | - | - |
| Surplus carried forward to Balance Sheet | 2,026.29 | 1,425.21 |
| Equity Share Capital (3,60,80,737 Shares of ₹ 4/- each) | 1,443.23 | 1,443.23 |
| E.P.S. (After Prior Period Items) (₹) | 1.67 | 1.61 |
| Net Worth | 9,220.98 | 8,619.90 |
| Book Value in Rupees (Face Value of ₹ 4/- each) | 25.56 | 23.89 |



Goldstone

Review of Operations:

During the year under review, your Company has achieved a gross turnover of ₹ 11,406,.64 Lakhs as against ₹ 10142.09 Lakhs for the previous Financial Year. The Net Profit for the year ended 31st March, 2017 was ₹ 601.08 Lakhs as against ₹ 579.63 Lakhs for the year ended 31st March 2016. The turnover of the Company in the year under review is mainly from Polymer Insulators Business.

The Company has started operations in Electric Bus Division. The Company has received orders from BEST, Mumbai and HRTC and is in discussions with several other potential customers.

Dividend:

In order to conserve resources for future requirements and development of export markets the Board has decided to retain the profits generated and consequently your Board has not recommend any dividend for the Financial Year 2016-17.

Share Capital:

The Paid-up capital as on 31st March 2017 was ₹ 14,43,22,948 (having 3,60,80,737 Equity Shares @ ₹ 4/- each). During the year under review the Company has not issued any shares either to the public or to the promoters. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity shares. As on 31st March, 2017, none of the Directors of the Company hold shares or convertible instruments of the Company except Mr. L.P. Sashikumar, Managing Director of the Company.

Finance:

Cash and Cash equivalents as at 31st March, 2017 was ₹ 1,131.50 Lakhs. The Company continues to focus on judicious management of its working capital, receivables, inventories and

other working capital parameters were kept under strict check through continuous monitoring.

Fixed deposits:

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

Directors:

Mrs. Mahitha Caddell, Director, who retires by rotation at the 17th Annual General Meeting and being eligible, offers herself for re-appointment.

During the year under review, Mr. S. Muralikrishna, Independent Director of the Company, tendered his resignation w.e.f. 01.07.2016 from the position of Director in the Company.

Mr. M. Gopalakrishna, Mr. B.Appa Rao, were appointed as Independent Directors of the Company for a term of 5 (Five) years from 27th September, 2014 to 26th September, 2019 are not liable or retire by rotation.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and as per the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy:

The Board had, on the recommendation of

the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings:

During the year, Nine (9) Board Meetings, Four (4) Audit Committee & Stakeholders Relationship Committee Meetings and Two (2) Nomination and Remuneration Committee Meetings were convened and held; the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings were within the limits prescribed under the Companies Act, 2013.

Corporate Social Responsibility:

For the year ended 31st March, 2017 the provisions of Section 135 of the Companies Act, 2013 are applicable to the Company as the net profit of the Company for the year 2015-16 was more than ₹ 5.00 Crores. The details pertaining to the utilization of the Profits towards the CSR Activities, CSR policy and the Corporate Social Responsibility Committee are given in the Corporate Social Responsibility Report annexed as **"Annexure-6"** to this report.

Meeting of Independent Directors:

The details on the separate meeting of Independent Directors is reported in the Corporate Governance Report.

Familiarization Programme for Independent Directors:

The details on the familiarization programme for Independent Directors is reported in the Corporate Governance Report.

Board Diversity:

The Policy on Board diversity of the Company

devised by the Nomination and Remuneration Committee and approved by the Board is disseminated at the website of the Company at www.goldstonepower.com.

Director's Responsibility Statement:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Consolidated Financial Statements:

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary.



Goldstone

In accordance with Section 129 (3) of the Companies Act, 2013 and applicable Accounting Standards, we have prepared consolidated financial statements of the Company and its subsidiaries which will form part of the Annual Report. Further a statement containing the salient features of the financial statements of our subsidiary in the prescribed format AOC-1 is appended as Annexure to the Boards' Reports.

In accordance with Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on website of the Company www.goldstonepower.com. These documents will also be available for inspection during the business hours at the registered office of the Company.

Subsidiaries and Associates:

As on 31st March 2017, the Company is having one wholly owned subsidiary namely M/s. TF Solarpower Private Limited. The Company does not have any other Associates or Joint Ventures. Further as per the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company has framed a Policy on Material Subsidiaries as approved by the Board and the same has been uploaded on the Company's website www.goldstonepower.com

Till date the Subsidiary Company (M/s. TF Solarpower Private Limited) has no business operations.

During the year no further investment was made by the Company in subsidiary.

Statement containing salient features of financial statements of subsidiaries:

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature

of the financial statement of a Company's subsidiary or subsidiaries, associate Company or companies and joint venture or ventures in the prescribed format AOC-1 are appended as **"Annexure-1"** to the Boards' Report.

Report on the performance of Subsidiaries, Joint Ventures and Associates:

Till date the Subsidiary Company (M/s. TF Solarpower Private Limited) has no business operations and the Company does not have any Associates as well as Joint Ventures.

Internal control systems and their adequacy:

The Company has an Internal Audit and Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Insurance:

All the properties of your Company including its building, plant & machinery and stocks have been adequately insured.

Statutory Auditors:

M/s. P. Murali & Company (FRN: 0072575), Chartered Accountants, Hyderabad, Statutory Auditors of the Company hold office in accordance with the provisions of the Companies

Act, 2013 up to the conclusion of forth-coming Annual General Meeting. Pursuant to the provisions of the Section 139(2) and other applicable provisions of the Companies Act, 2013 they have completed two terms of Five Consecutive years (i.e from 2006 to 2017) and hence Company shall appoint new auditors in the place of M/s. P. Murali & Company. Based on recommendations of the Audit Committee, Board of Directors of the Company in their meeting held on 21st August, 2017 have appointed M/s. Chandra Babu Naidu & Co., Chartered Accountants as Statutory Auditors of the Company for a period of 5 (Five) years i.e from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 22nd AGM of the Company. M/s. Chandra Babu Naidu & Co., have furnished their Consent letter and a certificate stating that their 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:

As per the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 our Company come under the ambit of the industry which is subject to maintenance of Cost Records and Cost Audit. Since the Company's turnover for the FY 2016-17 has exceeded the threshold limits, therefore appointment of Cost Auditor

and conducting of cost audit on cost records is mandatory to the Company for the Financial Year 2017-18.

Hence based on recommendations of the Audit Committee M/s. EVS & Associates, Cost Accountants have been appointed as the Cost Auditors of the Company for the Financial Year 2017-18 by the Board of Directors, at their meeting held on 21st August, 2017. The Board has fixed remuneration of ₹ 1,60,000/- (Rupees One Lakh Sixty Thousand only) exclusive of applicable taxes and out-of-pocket expenses.

In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Particulars of Loans, Guarantees or Investments:

During the year under review the Company has given Guarantees under Sec 186 of Companies Act, 2013 as provided in the notes to the financial statements.

Related Party Transactions:

There are no Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board was uploaded on the Company's website www.goldstonepower.com none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of contracts or arrangements with related parties made by the Company during the year 2016-17 is enclosed in Form AOC-2 as "**Annexure-2**" to the Board Report.



Goldstone

Secretarial Audit:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Prathap Satla and Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **"Annexure-3"** to the Board Report.

Risk Management Policy:

In terms of the requirement Section 134 (3) (n) and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with relevant provisions of the Companies Act 2013, the Company has developed and implemented the Risk Management Policy and constituted the Risk Management Committee and the Committee reviews the same periodically. The details of the Policy are reported in the Report on Corporate Governance which forms part of the Directors' Report.

The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards' Report.

Code of conduct:

All the Independent Directors and Senior Management confirmed the compliance of code of conduct. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviors of any form and the Board has laid down the directives to counter such acts. The Code laid down by the Board is known as "Code of Business Conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.goldstonepower.com.

Prevention of Insider Trading:

In Pursuance of SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has framed and adopted the following policies for regulating, monitoring and reporting of trading by Insiders and uploaded in website of the Company.

- i) Code of Internal Procedures and Conduct for Regulating, Monitoring And Reporting of trading by insiders;
- ii) Code of Practices & Procedures for Fair Disclosure of unpublished price sensitive information.

The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

Policies under SEBI (LODR) Regulations 2015:

The Board has adopted the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into force on 2nd December, 2015.

Further, pursuant to the said regulations, the Company adopted the following policies

1. Archival Policy
2. Determination of Materiality of Events
3. Preservation of Documents Policy

All the above policies are hosted on the website of the Company www.goldstonepower.com

Vigil Mechanism / Whistle Blower Policy:

As per the provisions of the Section 177 (9) & (10) of the Companies Act 2013, read with Clause 49 of the erstwhile Listing Agreement

the Board 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 provides adequate safeguards against victimization of employees who avail of 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 website: www.goldstonepower.com

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace:

Your Company strongly supports the rights of all its employees to work in an environment free from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint on sexual harassment during the year.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "**Annexure-4**" to the Board Report.

Stock Exchange Listing:

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the BSE 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 2017-18.

Corporate Governance and Management Discussion & Analysis Reports:

As per the Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance.

Managing Director and CFO Certification:

As required under the SEBI Guidelines, the Managing Director and the CFO Certification is attached to Corporate Governance Report.

Material changes and commitments affecting the financial position of the Company which have occurred before the end of the Financial Year i.e.31.3.2017, to which financial statements relate and the date of the Boards' Report: **NIL**

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

Information required to be furnished as per the Rule 8 (3) of Companies (Accounts) Rules 2014 is furnished below:



1. CONSERVATION OF ENERGY

a. Energy Conservation measures taken or under implementation

During the period, the Company had:

- 1) Improved the production process to minimize the rework & rejections.
- 2) Implemented Preventive Maintenance schedules as planned to keep the machines in good health.

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.

d. Consumption of Energy Particulars.

| Electricity | 2016-17 | 2015-16 |
|---|--------------------|-------------|
| A. Purchased | | |
| Units – KWH | 36,42,620 | 25,58,487 |
| Total Amount – in ₹ | 2,71,78,440 | 2,01,34,463 |
| Rate/Unit – in ₹ | 7.46 | 7.87 |
| B. Own Generation through Diesel Generator | | |
| Units – KWH | 93,056 | 76,402 |
| Total Amount – in ₹ | 18,55,396 | 14,87,496 |
| Rate/Unit – in ₹ | 18.35 | 19.47 |

2. TECHNOLOGY ABSORPTION:

Research and Development:

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

The Company has been continuing its Research and Development activities to optimize the productivity and performance. The designs of Insulators have been optimized for improvement in quality, standardization and value engineering.

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

The Company has reduced cost and wastages in production of the insulators.

c. Future Plan of Action:

The Company plans to improve the existing process and continue with value engineering.

4. FOREIGN EXCHANGE EARNINGS AND OUT GO:

(₹ in Lakhs)

| Particulars | 2016-17 | 2015-16 |
|--|-----------------|----------|
| a) Value of Imports on CIF Basis | | |
| • Raw Materials | 3,484.17 | 2,077.06 |
| • Capital Goods | 277.79 | 31.63 |
| b) Expenditure in Foreign Currency | | |
| • Travelling Expenses | 6.39 | 4.16 |
| • Others | 0.75 | 1.71 |
| c) Earnings in Foreign Currency (on receipt basis) | | |
| • Export of Goods (FOB Basis) | 5.27 | 15.39 |
| • Deemed Exports | 3,161.83 | 2,402.78 |

Details of significant and material orders passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future;

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Particulars of employees:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with notification dated 30.06.2016 in respect of employees of the Company, is enclosed as "Annexure-5" to the Board's Report.

Personnel:

Personnel relations have remained very cordial during the period.

Certificates and Awards:

During the period under review your Company's insulator division has bagged the award "Winner" in insulator category by PGCIL and Appreciation award for critical project supplies.

Acknowledgements:

Your Directors convey their sincere thanks to State Bank of India, for their support, guidance and assistance.

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

for and on behalf of the Board

Sd/-
L.P. Sashikumar
Managing Director
(DIN: 00016679)

Sd/-
B. Appa Rao
Director
(DIN: 00004309)

Place: Secunderabad
Date : 21.08.2017

Form AOC-I

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of Subsidiaries
Associate Companies/ Joint Ventures**

Part "A": Subsidiaries

| S. No. | Name of the subsidiary | TF Solarpower Private Limited. |
|---------------|--|---------------------------------------|
| 1. | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | -Not applicable – |
| 2. | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | -Not applicable – |
| 3. | Share capital | ₹ 6,01,00,000 |
| 4. | Reserves & Surplus | NIL |
| 5. | Total Assets | ₹ 9,92,36,723 |
| 6. | Total Liabilities | ₹ 3,91,36,723 |
| 7. | Investments | NIL |
| 8. | Turnover | NIL |
| 9. | Profit before taxation | NIL |
| 10. | Provision for taxation | NIL |
| 11. | Profit after taxation | NIL |
| 12. | Proposed Dividend | NIL |
| 13. | % of shareholding | 100% |

Part "B": Associates and Joint Ventures: Not Applicable

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto :

- | | | |
|---|---|-----|
| 1. Details of contracts or arrangements or transactions not at arm's length basis | : | NIL |
| (a) Name(s) of the related party and nature of relationship | : | NA |
| (b) Nature of contracts/arrangements/transactions | : | NA |
| (c) Duration of the contracts/arrangements/transactions | : | NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | : | NA |
| (e) Justification for entering into such contracts or arrangements or transactions | | |
| (f) date(s) of approval by the Board | : | NA |
| (g) Amount paid as advances, if any | : | NA |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | : | NA |
| 2. Details of material contracts or arrangement or transactions at arm's length basis | : | NIL |

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE Financial Year ENDED 31ST MARCH, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
GOLDSTONE INFRATECH LIMITED
Secunderabad

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. **GoldstoneInfratech Limited** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 ("Audit Period") according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made there-under;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
- vi) Factories Act, 1948;
- vii) Payment of Wages Act, 1936, and rules made thereunder;
- viii) The Minimum Wages Act, 1948, and rules made thereunder;
- ix) Employees State Insurance Wages Act, 1948, and rules made thereunder;
- x) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder;
- xi) The Payment of Bonus Act, 1965, and rules made thereunder;
- xii) Payment of Gratuity Act, 1972, and rules made thereunder;
- xiii) The Water (Prevention & Control of Pollution Act, 1974, read with Water (Prevention & Control of Pollution Rules, 1975;
- xiv) The Listing Agreements entered into by the Company with Stock Exchange(s).

We report that during the period under review the Company has complied with provisions of the Act, Rules, Regulations, Guidelines etc., mentioned above.

4. We, further report that:
 - (a) The Company has complied with the clauses of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
 - (b) The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.
5. We, further report that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
 - (b) Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
 - (c) All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
 - (d) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
6. We, further report that the Company has complied with other laws applicable to the Company as per the representations made by the Management.

**For PRATHAP SATLA & ASSOCIATES
COMPANY SECRETARIES**

Sd/-
PRATHAP SATLA
Proprietor
ACS No. 25595
CP No. 11879

Place: Hyderabad
Date: 21.08.2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2017 of

GOLDSTONE INFRATECH LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L64203TG2000PLC035451
- ii) Registration Date : 11th October, 2000
- iii) Name of the Company : GOLDSTONE INFRATECH LIMITED
- iv) Category/Sub-Category of the Company : Public Limited/Limited by Shares
- v) Address of the Registered Office and contact details :
 Registered Office : 9-1-83 & 84, Amarchand Sharma Complex,
 S D Road, Secunderabad 500 003,
 Phone Nos : 040 27807640/0742
 Fax No : 040 39120023
 Email Id : info@goldstone.net
 Website : www. goldstonepower.com
- vi) Whether listed Company : Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), : Aarthi Consultants Private Limited,
 1-2-285, Domalaguda,
 Hyderabad 500 029.
 Phone No-040-27638111/4445
 Fax: 040-27632184
 E-mail id : info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated;

| S.No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the Company |
|-------|--|---------------------------------|------------------------------------|
| 1. | Power Insulators | 2610 Electrical Insulators | 98.87% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ subsidiary/ associate | % of shares held | Applicable Section |
|--------|--|----------------------------|--------------------------------|------------------|--------------------|
| 1. | TF Solarpower Private Limited Address : 9-1- 83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad 500003 | U40106TG2007 PTC 055617 | Subsidiary | 100% | 2 (87) (ii) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of total Equity)

| Category of shareholders | No. of shares held at the beginning of the year 01.04.2016 | | | | No. of shares held at the end of the year 31.03.2017 | | | | % change during the year |
|---|--|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a. Individual/HUF | 5,71,350 | 0 | 5,71,350 | 1.58 | 5,71,350 | 0 | 5,71,350 | 1.58 | 0 |
| b. Central Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. State Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. Bodies Corp. | 1,77,76,165 | 0 | 1,77,76,165 | 49.27 | 1,77,76,165 | 0 | 1,77,76,165 | 49.27 | 0 |
| e. Banks /FI | 0 | 0 | 0 | 0 | | | | | |
| f. Any others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) | 1,83,47,515 | 0 | 1,83,47,515 | 50.85 | 1,83,47,515 | 0 | 1,83,47,515 | 50.85 | 0 |
| 2. Foreign | | | | | | | | | |
| a. NRIs Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Other individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. Banks/Fil's | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. Any Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 1,83,47,515 | 0 | 1,83,47,515 | 50.85 | 1,83,47,515 | 0 | 1,83,47,515 | 50.85 | 0 |
| Public Shareholding | | | | | | | | | |
| Institutions | | | | | | | | | |
| a. Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Banks/Financial Institutions | 1,00,459 | 0 | 1,00,459 | 0.28 | 1,00,459 | 0 | 1,00,459 | 0.28 | 0 |
| c. Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f. Insurance companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g. FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h. Foreign Ventures Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Category of shareholders | No. of shares held at the beginning of the year 01.04.2016 | | | | No. of shares held at the end of the year 31.03.2017 | | | | % change during the year |
|--|--|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| i. Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total B (1) | 1,00,459 | 0 | 1,00,459 | 0.28 | 1,00,459 | 0 | 1,00,459 | 0.28 | 0 |
| 2. Non-Institutions B(2) | | | | | | | | | |
| a. Bodies Corporate | | | | | | | | | |
| i. Indian | 26,21,694 | 0 | 26,21,694 | 7.27 | 18,08,020 | 0 | 18,08,020 | 5.01 | (2.26) |
| ii. Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Individuals | | | | | | | | | |
| i. Individual shareholding nominal share Capital upto ₹ 1 lakh | 50,61,470 | 2,34,754 | 52,96,224 | 14.68 | 64,64,813 | 2,33,754 | 66,98,567 | 18.57 | 3.89 |
| ii. Individual shareholding nominal share Capital excess of ₹ 1 lakh | 94,62,836 | 0 | 94,62,836 | 26.23 | 81,87,561 | 0 | 81,87,561 | 22.69 | (3.54) |
| c. others (specify) | | | | | | | | | |
| Foreign Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Non Resident Indian | 1,49,298 | 0 | 1,49,298 | 0.41 | 2,09,343 | 0 | 2,09,343 | 0.58 | 0.17 |
| ii) Clearing members | 1,02,711 | 0 | 1,02,711 | 0.28 | 5,79,272 | 0 | 5,79,272 | 1.60 | 1.33 |
| iii) Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| iv) NBFCs registered with RBI | 0 | 0 | 0 | 0 | 1,50,000 | 0 | 1,50,000 | 0.42 | 0.42 |
| SUB-TOTAL B(2) | 1,73,98,009 | 2,34,754 | 1,76,32,763 | 48.87 | 1,73,99,009 | 2,33,754 | 1,76,32,763 | 48.87 | 7.09 |
| TOTAL PUBLIC SHAREHOLDING (B)=B(1)+B(2) | 1,74,98,468 | 2,34,754 | 1,77,33,222 | 49.15 | 1,74,99,468 | 2,33,754 | 18,63,735 | 49.15 | 7.09 |
| C. Share held by Custodian For GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 3,58,45,983 | 2,34,754 | 3,60,80,737 | 100.00 | 3,58,46,983 | 2,33,754 | 3,60,80,737 | 100.00 | 0 |

ii) Shareholding of Promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2016 | | | Share holding at the end of the Year 31.03.2017 | | | % change In share Holding During the year |
|--------|-----------------------------------|--|----------------------------------|---|---|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | |
| 1 | M/s Trinity Infraventures Limited | 1,77,76,165 | 49.27 | 0 | 1,77,76,165 | 49.27 | 0 | 0 |
| 2 | Mr. L.P. Sashikumar | 5,34,350 | 1.48 | 0 | 5,34,350 | 1.48 | 0 | 0 |
| 3 | Mr. P.S. Parthasarathy | 37,000 | 0.10 | 0 | 37,000 | 0.10 | 0 | 0 |

iii) Change in Promoters' Shareholding: Not Applicable

| S. No | Name of the Promoter | Change in % |
|-------|------------------------------------|-------------|
| 1. | M/s. Trinity Infraventures Limited | Nil |
| 2. | Mr. L.P. Sashikumar | Nil |
| 3. | Mr. P.S. Parthasarathy | Nil |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name of the Shareholder | Shareholder at the beginning of the year as on 1-4-2016/ 31-03-2016 | | Shareholder at the end of the year as on 31-3-2017 | | Changing in shareholding during the year | |
|--------|-----------------------------------|--|----------------------------------|--|----------------------------------|--|----------------------------------|
| | | No of Shares | % of total shares of the Company | No of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1 | Malav Jayant Shah | 13,96,850 | 3.87 | 13,96,850 | 3.87 | 0 | 0 |
| 2 | Jayant Hiralal Shah | 13,80,000 | 3.82 | 13,80,000 | 3.82 | 0 | 0 |
| 3 | Heena Jayant Shah | 10,87,370 | 3.01 | 10,87,370 | 3.01 | 0 | 0 |
| 4 | Prachi Malav Shah | 10,55,188 | 2.92 | 10,55,188 | 2.92 | 0 | 0 |
| 5 | Aggarwal Rakesh | 4,36,525 | 1.21 | 4,36,525 | 1.21 | 0 | 0 |
| 6 | Kantilal M Vardhan(HUF) | 3,05,677 | 0.85 | 3,05,677 | 0.85 | 0 | 0 |
| 7 | Globe Capital Market Ltd | 3,53,273 | 0.97 | 2,44,345 | 0.67 | (1,08,928) | (0.29) |
| 8 | ^Kunal Rakesh Aggarwal | 0 | 0.00 | 2,40,137 | 0.67 | 2,40,137 | 0.67 |
| 9 | Sai Pavan Estates Pvt Ltd | 2,05,900 | 0.57 | 2,05,900 | 0.57 | 0 | 0 |
| 10 | ^Jayasri Agencies Pvt Ltd | 1,56,865 | 0.43 | 1,56,865 | 0.43 | 0 | 0 |
| 11 | *Ishvam Portfolio Private Limited | 2,18,532 | 0.60 | 0 | 0 | (2,18,532) | (0.60) |
| 12 | *Janak D Jesrani | 2,02,000 | 0.56 | 0 | 0 | (2,02,000) | (0.56) |

^ Not in the List of Top 10 Shareholders as on 01.04.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

* Ceased to be in the List of Top 10 shareholders as on 31.03.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

**(v) Shareholding of Directors and Key Managerial Personnel:**

The details of the shareholding of **Directors and Key Managerial Personnel** of the Company are as under:

| S. No. | For each of the Directors & Key Managerial Personnel | Shareholding at the beginning of the year | | Date | Increase/ Decrease | Reason | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|----------------------|--------------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| A | DIRECTORS | | | | | | | |
| 1. | Mr. L.P.Sashikumar | 5,34,350 | 1.48 | 01-04-16 to 31-03-17 | Nil | NA | 5,34,350 | 1.48 |
| 2. | Mrs. Mahita Caddell | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |
| 3. | Mr. S. Murali Krishna* | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |
| 4. | Mr. M. Gopalakrishna | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |
| 5. | Mr. B. Appa Rao | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |
| B. | KEY MANAGERIAL PERSONNEL (KMP) | | | | | | | |
| 1. | Mr. P. Syam Prasad (Chief Financial Officer) | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |
| 2. | Mr. P. HanumanPrasad (Company Secretary) | Nil | NA | 01-04-16 to 31-03-17 | Nil | NA | Nil | NA |

*Resigned w.e.f.01.07.2016

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| i) Principal Amount | 21,95,51,409 | - | - | 21,95,51,409 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i + ii + iii) | | | | |
| Change in Indebtedness during the Financial Year | | | | |
| • Addition | 14,70,86,060 | | | 14,70,86,060 |
| • Reduction | 63,61,814 | | | 63,61,814 |
| Net (Increase)/Decrease | 14,07,24,246 | | | 14,07,24,246 |
| Indebtedness at the end of the Financial Year | | | | |
| i) Principal Amount | 36,00,69,167 | | | 36,00,69,167 |
| ii) Interest due but not paid | 2,06,488 | | | 2,06,488 |
| iii) Interest accrued but not due | - | | | - |
| Total (i + ii + iii) | 36,02,75,655 | | | 36,02,75,655 |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

| S. No. | Particulars of Remuneration | Name of MD/ Mr. L.P. Sashikumar | Total Amount |
|--------|---|------------------------------------|--------------|
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 31.92 | 31.92 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NA | NA |
| | (c) Profits in lieu of salary under | NA | NA |
| 2. | Stock Option | NA | NA |
| 3. | Sweat Equity | NA | NA |
| 4. | Commission | | |
| | - as % of profit | -- | -- |
| | - others, specify... | -- | -- |
| 5. | Others, please specify | -- | -- |
| | Total (A) | 31.92 | 31.92 |
| | Ceiling as per the Act | NA | NA |



B. Remuneration to other directors:

(₹ in Lakhs)

| S. No. | Particulars of Remuneration | Name of the Independent Director | | | Name of the Non Executive & Non Independent Director | Total Amount |
|--------|---|----------------------------------|-----------------|------------------------|--|--------------|
| 1 | Directors | Mr. M. Gopala krishna | Mr. B. Appa Rao | Mr. S. Murali Krishna* | Mrs. Mahita Caddell | |
| | • Fee for attending board/ committee meetings | 2.40 | 2.40 | 0.45 | Nil | 5.25 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total | 2.40 | 2.40 | 0.45 | Nil | 5.25 |
| | Overall Ceiling as per the Act | NA | NA | NA | -- | NA |

*Resigned w.e.f 01.07.2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|-------------------|--------------|--------------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 12.40 | 18.72 | 30.76 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 0.50 | 2.20 | 2.70 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - |
| 5 | Others, please specify Employer Contribution to PF | - | - | - | - |
| | | - | 0.22 | 0.22 | 0.44 |
| | Total Remuneration | | 12.76 | 21.14 | 33.90 |

X. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | - | NIL | - | - | - |
| Punishment | - | NIL | - | - | - |
| Compounding | - | NIL | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | NIL | - | - | - |
| Punishment | - | NIL | - | - | - |
| Compounding | - | NIL | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | NIL | - | - | - |
| Punishment | - | NIL | - | - | - |
| Compounding | - | NIL | - | - | - |

Annexure-5

Information as required under Section 197 of the Act read with Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

a) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

| Non-Executive Director | Ratio to Median Remuneration |
|-------------------------------|-------------------------------------|
| Mr. M. Gopalakrishna | Not Applicable |
| Mr. B. Appa Rao | Not Applicable |
| Mr. S. Muralikrishna* | Not Applicable |
| Mrs. Mahita Caddell | Not Applicable |
| Executive Director | |
| Mr. L.P. Sashikumar | 8.76:1 |

Non-Executive Directors do not have any specific remuneration other than receiving sitting fees for attending the Board Meetings.

*Resigned w.e.f. 01.07.2016

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year;

| Name of the Person | Percentage of increase in remuneration |
|---|---|
| Mr. L.P. Sashikumar | 13.88 |
| Mr. P. Syam Prasad (CFO) | 8.00 |
| Mr. P. Hanuman Prasad (Company Secretary) | 14.35 |

Percentage in brackets represents negative percentage.

c) The percentage increase in the median remuneration of employees in the Financial Year: 17.70%

d) The number of permanent employees on the rolls of Company: 173

e) average percentile increase already made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in salaries of employees other than managerial personnel in 2016-17 was 14.54%. Average percentage increase in the managerial remuneration for the year was 12.09%.

f) affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the performance of the individual employees and the Company. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company. The nomination and remuneration committee continuously reviews the compensation of our Managing Director and senior executives to align both the short-term business objective of the Company and to link compensation with the achievement of measurable performance goals.

Management Discussion Analysis and Business Outlook (Insulator Division)

A. Industry Overview

Demand for electricity has been increasing rapidly due to economic growth. Therefore demand for electrical equipment and those requiring in electricity transmission has been increasing every year.

There has been addition of generating Capacity to the tune of 88.54 GW during 12th Plan (2012-17).

There is target of 100 GW for 13th Plan. This addition of generation capacity will require matching investment for evacuation. In view of this, there will be good demand for your Company products of Insulators.

The Electrical Industry has witnessed growth of 4.25% in the year 2016-17 over the previous year.

Insulators have witnessed growth of 3.5%.

Exports in power sector have been growing at about 10% CAGR, while imports have been declining at a rate of about 4% per year in last 5 years. However, in case of Polymer Insulators imports from China have been rampant and country imported insulators worth ₹ 250 Crores last year.

The Indian power sector has an investment potential of ₹ 15 trillion (US \$ 225 billion) in next 5 years thereby providing immense opportunity to power equipment market.

B. Opportunities & Threats

Goldstone Infratech Limited is pioneer in Indian Composite Insulators Business. Our proactive approach for design, development and manufacturing composite insulators meeting dynamic requirements of customers and marketing expertise had always provided us competitive advantage.

Opportunities

The unified tax structure across the country shall contribute to ease of doing business. The movement of goods within country shall become easy due to single permit.

Further the Government policy of promoting make in India is opening up more opportunities for domestic manufacturers.

Threats

There has been poor off-take from utilities than expected due to delays in implementation of various schemes. There is also growing trend to award contracts on turnkey basis and EPC contractors are facing numerous issues about right of way etc.

There has been considerable capacity addition by existing players and also entry of new players.

The current global trade environment is such that imports are dominant due to competitive pricing, subsidies available to overseas manufacturers, trade agreements, ICB biddings etc.

C. Segment or Product wise Performance

Keeping in view the industry overview and threats, the performance of the Company's product is reasonably good. During the year under review, inspite of entry of new players, 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 ₹ 11,406.64 Lakhs as against ₹ 10142.09 Lakhs for the previous financial year.

D. Outlook

Government policies are encouraging more participation of Private Sector in transmission projects. Green energy corridors to transfer power from renewable energy sources are being developed in the form of inter-state/intra state transmission schemes and upcoming national grid comprising 53,150 MW of inter-regional capacity



Goldstone

that would increase to 72,250 MW by the end of 13th plan period would create good requirement of Company products

Indian Insulator Industry is continuously keeping pace with technological advancement that is occurring globally. The domestic industry manufactures various types of insulators in all ranges for LT, HT and EHT. Vision 2022 is to make India the country of choice for the production of electrical equipment and reach an output of US\$100 billion by balancing exports and imports. Goldstone has augmented its capacity to cater to growing market. We also intend to add more products as per customer requirement.

E. Risks and Concerns

The revenues of Indian manufactures of composite insulators have been eroded by the cheaper imports from China in spite of growth in overall transmission line network.

F. Discussion on Financial Performance with respect to operational performance

During the year, the Company has achieved a gross turnover of ₹ 114.07 Crores as against ₹ 101.42 Crores during the previous Financial Year. Considering the average industry growth of 3.5% the financial/ operational performance of the Company was good.

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK (E-bus Division)

Industry Overview

The Indian automobile industry is one of the fastest growing globally. Growth in transportation sector, has resulted in higher greenhouse emissions, noise pollution and oil imports. To promote eco-friendly vehicles, the Government of India (GOI) has launched the FAME (Faster Adoption and Manufacturing of Electric Vehicles) India scheme offering incentives on electric vehicles. According to the National Electric Mobility Mission Plan 2020 (NEMMP 2020), by 2020 the annual demand for passenger vehicles, commercial vehicles and two-wheelers in India will be 10 million, 2.7 million and 34 million units, respectively, making India the third largest vehicle market in the world. The rapid increase in private vehicle ownership is mainly

due to lack of good public transport facility. There is need to increase the supply of buses in Indian cities to develop sustainable public transport with reduced CO₂ emissions.

As India is heavily dependent on crude oil imports for transport fuels, the price volatility poses a severe threat to India's energy security, it is right time that public transport vehicles shift their source of power from diesel to electricity.

Opportunities

To promote the sustainable and healthy development of the new energy automobile industry, the Government is proactively promoting cleaner public transport with favorable regulations. The Government of India (GOI) has launched the FAME (Faster Adoption and Manufacturing of Electric Vehicles) India scheme offering incentives on electric vehicles. EV Technology is already proven, tested and in operations in many countries that have similar climatic and driving conditions like India. Therefore huge business opportunity is available for new entrants to enter in Electric Vehicles segment.

Challenges

- ❖ There is competition from existing manufacturers of Diesel vehicles and there is high possibility that many new companies may enter in electric bus segment.
- ❖ Dependence on foreign companies for technology.
- ❖ Development of ecosystem including charger network and vehicle after sales support network.

Cautionary 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.

**Report on Corporate Social Responsibility (CSR) Policy and Activities as per
Rule 8 of Companies
(Corporate Social Responsibility Policy) Rules, 2014**

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken/proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
 - Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation and making available safe drinking water;
 - Promotion of education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
 - Promoting gender equality and empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizen & measures for reducing inequalities faced by socially & economically backwards groups: Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines ;
 - Promoting accident help centers and providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
 - Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water:
 - employment enhancing vocational skills;
 - Imparting familiarization programmes for upgrading the professional skills and knowledge;
 - Protection of national heritage, art & culture including restoration of building & sites of historical importance & works of arts; setting up public libraries; promotion & development of traditional arts & handicrafts;
 - Measures for the benefits of armed forces veterans, war widows & their dependents;
 - Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the women;
 - Contribution or funds provided to technology incubators located within academic institution, which are approved by the Central Government;
 - Contribution to Rural development projects, etc and Slum area development
2. Average Net Profit for the preceding three Financial Years for the purpose of computation of CSR: ₹ 427.79 Lakhs
3. Prescribed CSR expenditure (2% of Average Net Profit) : ₹ 8,55,593/-
4. Details of CSR spend for the Financial Year
 - a. Total amount spent during the Financial Year 2015-16 : ₹ 8,02,000/-

- b. Amount unspent, if any : ₹ 53,593.00/-
- c. Reasons for unspent amount : The Company is endeavored to ensure full utilization of the allocated CSR budget. The amount which remained unspent due to unavoidable circumstances, added to the CSR budget for the Financial Year 2016-17 and we oblige to spend the full unspent Amount for the year 2015-16 and as well the CSR budgeted amount for year 2016-17.
- d. Manner in which the amount spent by during the Financial Year is detailed below:

| S. No. | CSR project or Activity identified | Sector in which activity is covered | Projects of programmes (1) Local Areas or other (2) Specify the state and district where projects or programme was taken | Amount in Lakhs outlay (budget) project or programs wise | Amount in lakhs spent on the projects or programs sub-heads: (1) Direct Expenditure on the projects or programs (2) Over heads | Cumulative expenditure up to reporting period | Amount spent: Direct or through implementing agency |
|--------|------------------------------------|--|--|--|--|---|---|
| 1 | Medical Camps | Promoting Health care through Medical check-up | Hyderabad | 0.52 | 0.52 | 0.52 | Agency : All India Services Pensioners Association |
| 2 | Social Service | Donation to Home of the Disabled | Hyderabad | 8.03 | 7.50 | 7.50 | Directly to Home for the Disabled, Hyderabad |

Place : Secunderabad
Date : 21.08.2017

Sd/-
(M. Gopalakrishna)
Chairman CSR Committee
(DIN:00088454)

Sd/-
(L.P. Sashikumar)
Managing Director
(DIN:00016679)

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 Four Directors as on 11th August, 2016 out of which one Director is Executive Director and the remaining Directors are Non-Executive Directors. Out of the three Non-Executive Directors, two 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 Nine meetings during the period ended 31st March, 2017, i.e. on (i) 04th May, 2016 (ii) 26th May, 2016 (iii) 11th August, 2016 (iv) 30th August 2016, (v) 31st October 2016 (vi) 10th November, 2016 (vii) 11th January, 2017 (viii) 11th February, 2017 and (ix) 30th March, 2017.

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 by Director out of the Total meetings held during the F.Y 2016-17 | Last AGM attendance (YES/NO) |
|------------------------|----------------------------------|--|------------------------------|
| Mr. L.P. Sashikumar | Promoter, Managing Director | 9/9 | Yes |
| Mrs. Mahita Caddell | Promoter, Non-Executive Director | 1/9 | No |
| Mr. M. Gopalakrishna | Independent Director | 9/9 | Yes |
| Mr. B. Appa Rao | Independent Director | 9/9 | Yes |
| Mr. S. Murali Krishna* | Independent Director | 1/2 | NA |

*Resigned w.e.f. 01.07.2016

The letter(s) of appointment(s) to the above Independent Directors and the details of the familiarization programmes imparted to the Independent Director are disclosed on the website of the Company i.e., www.goldstonepower.com

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 | 6 | 1 | Nil |
| Mr. B. Appa Rao | Nil | 3 | Nil | Nil |
| Mr. S. Murali Krishna* | Nil | 3 | Nil | Nil |
| Mrs. Mahita Caddell | 1 | 1 | Nil | Nil |
| Mr. M. Gopalakrishna | 8 | 2 | 4 | 1 |

* resigned w.e.f 01.07.2016

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

* Only Indian Companies are considered.

There are no Inter-Se relationships between the Board Members.

The Non-Executive Directors do not hold any shares in the Company.

The details of the Familiarization Programmes imparted to independent directors are disclosed on the website of the Company www.goldstonepower.com

3. Audit Committee

The terms of reference stipulated by the Board of Directors to the Audit Committee as contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 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 (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - 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 judgment 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. review and monitor the auditor's independence and performance, and
- m. effectiveness of audit process;
- n. examination of the financial statement and the auditors' report thereon;
- o. approval or any subsequent modification of transactions of the Company with related parties;
- p. scrutiny of inter-corporate loans and investments;
- q. valuation of undertakings or assets of the Company, wherever it is necessary;
- r. evaluation of internal financial controls and risk management systems;
- s. monitoring the end use of funds raised through public offers and related matters.
- t. Examine the reasons for substantial defaults in the payment to the depositors, Members (in case of non-payment of declared dividends) and creditors.
- u. Reviewing the functioning of whistle blower mechanism, in case the same exists.
- v. 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.
- w. 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 |
| Mrs. Mahita Caddell | Member | Non-Executive Non-Independent Director |

*resigned w.e.f 01.07.2016

The Committee held Four meetings during the period ended 31st March, 2017, i.e. on (i) 26th May, 2016, (ii) 11th August, 2016, (iii) 10th November, 2016 and (iv) 11th February, 2017.



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

| Name of the Director | Category | No. of meetings attended by Members out the total meetings held during the F.Y 2016-17 |
|-----------------------|--|--|
| Mr. B. Appa Rao | Independent Director | 4/4 |
| Mr. M. Gopalakrishna | Independent Director | 4/4 |
| Mr. S Murali Krishna* | Independent Director | 1/1 |
| Mrs. Mahita Caddell^ | Non-Executive Non-Independent Director | 0/2 |

*resigned w.e.f 01.07.2016

^member w.e.f 11.08.2016

4. Nomination and Remuneration Committee:

The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee as contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 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.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- 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.
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

• Composition, Name of Members and Chairman

| Name of the Director | Designation | Category |
|-----------------------|-------------|------------------------|
| Mr. M. Gopalakrishna | Chairman | Independent Director |
| Mr. S Murali Krishna* | Member | Independent Director |
| Mr. B. Appa Rao | Member | Independent Director |
| Mrs. Mahita Caddell^ | Member | Non-Executive Director |

*resigned w.e.f 01.07.2016

^member w.e.f 11.08.2016

• Meetings and Attendance during the Year

During the year under review, the Committee held two meetings during the period ended 31st March, 2017, i.e. on (i) 26th May, 2016 and (ii) 11th August, 2016.

Attendance at the meetings of the Nomination and Remuneration Committee was as follows:

| Name of the Director | Category | No. of meetings attended by member out of the total meetings held during the F.Y. 2016-17 |
|------------------------|------------------------|---|
| Mr. B. Appa Rao | Independent Director | 2/2 |
| Mr. M. Gopalakrishna | Independent Director | 2/2 |
| Mr. S. Murali Krishna* | Independent Director | 1/1 |
| Mrs. Mahita Caddell^ | Non-Executive Director | 0/0 |

*resigned w.e.f 01.07.2016

^member w.e.f 11.08.2016

Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, culture, execution and performance of specific duties, obligations and safeguarding the interests of the Company etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

i) Separate Meeting of Independent Directors:

The Independent Directors of the Company at its meeting held on 30.03.2017 (a) reviewed the performance of the non-independent directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. Two Independent Directors attended the meeting.

The Members of the Committee evaluated

all the directors. The Independent Directors decided that since the performance of the Non-Independent Directors is good, the term of their appointment be continued.

The Independent Directors after reviewing the performance of the Chairman decided that the Chairman has good experience, knowledge and understanding of the Boards' functioning and his performance is good. The Independent Directors decided that the information flow between the Company's Management and the Board is good.

ii) Evaluation by Board:

The Board carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Boards' functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate Governance structure to fulfill its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is good.

All Independent Directors have furnished a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

iii) Familiarization Programme for Independent Directors:

The Independent Directors of Company are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors have been appointed as per the applicable provisions of the Companies Act, 2013 and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, after considering their management expertise and wide range of experience. To all Independent Directors who are in the Board have been given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters, business operations, their roles, rights, responsibilities in the Company, Code for the Independent Directors and the Board Members, updates on business model, nature of industry, operations and financial performance of the Company along with the significant developments in the Company, policies of the Company on Corporate Social Responsibility, Remuneration Criteria, Vigil Mechanism, Related Party Transactions, Risk Management etc, updates on significant amendments in corporate and other laws and its impact on the Company. All Independent Directors were also requested to access the necessary documents / brochures, Code of Conducts, Letter of Appointments, Annual Reports and internal policies available at our website www.goldstonepower.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors such as:

- Companies Act 2013 viz. Related Party Transactions and its impact on the Company's Operations etc.
- SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. Applicability of the Indian Accounting Standards (Ind-AS) etc.
- Companies (Investor Education & Protection Funds) viz., Transfer of unclaimed Shares to IEPF account maintained by IEPF authority and related circulars thereon.

iv) Board Diversity:

Pursuant to the relevant provisions of the Companies Act, 2013 and regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has framed a policy on Board diversity, pursuant to that policy, the Company is having optimum combination of Directors from the different areas / fields like Production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. Further, Board also consists of a woman director, two independent directors having vast experience in different areas including finance.

5. Remuneration of Directors :

Policy for selection and appointment of Directors/KMPs and their Remuneration;

The Nomination and Remuneration Committee has adopted a policy namely Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director & KMP's, evaluation of their performance and their remuneration. The policy is hosted on the website of the Company www.goldstonepower.com

Criteria of selection of Non- Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Nomination and Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:-

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings. Commission may be paid within monitoring limit approved by the shareholders subject to the limit not exceeding 1% of the profits of

the Company computed as per applicable provisions of the Act.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

Apart from receiving the Sitting Fees from the Company, the Non-Executive Directors do not have any pecuniary relationship or transactions with the Company.

CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid as may be recommended by the Nomination and Remuneration Committee and such remuneration as may be mutually agreed between the Company and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company (if necessary) in General Meeting.

The remuneration of the CEO & Managing

Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiree benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Nomination and Remuneration Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

Details of remuneration paid to Directors during the Financial Year 2016-17:

(₹ in Lakhs)

| Name of the Director | Category | Sitting fee | Salary | Benefits | Total |
|-----------------------------|----------------------------------|--------------------|---------------|-----------------|--------------|
| Mr. L.P. Sashikumar | Promoter, Managing Director | 0 | 27.36 | 4.56 | 31.92 |
| Mr. B. Appa Rao | Independent Director | 2.40 | 0 | 0 | 2.40 |
| Mr. S. Murali Krishna* | Independent Director | 0.45 | 0 | 0 | 0.45 |
| Mrs. Mahita Caddell | Promoter, Non-Executive Director | 0 | 0 | 0 | 0 |
| Mr. M. Gopalakrishna | Independent Director | 2.40 | 0 | 0 | 2.40 |

*Resigned w.e.f 01.07.2016

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, 2017.

6. Stakeholders Relationship Committee

The role of Stakeholders Relationship Committee is to perform all the functions relating to handling of all sorts of shareholders' 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 | Managing Director |
| Mr. M. Gopalakrishna^ | Chairman | Independent Director |

* resigned w.e.f 01.07.2016

^ member w.e.f 11.08.2016

The Committee held Four meetings during the period ended 31st March, 2017, i.e. on (i) 26th May, 2016 (ii) 11th August, 2016 (iii) 10th November, 2016 and (iv) 11th February, 2017.

• **Attendance at the meetings of the Committee was as follows:**

| Name of the Director | Category | No. of Meetings attended by the member out of Total no. of meetings held during the Financial Year 2016-17 |
|------------------------|----------------------|--|
| Mr. B Appa Rao | Independent Director | 4/4 |
| Mr. L.P. Sashikumar | Managing Director | 4/4 |
| Mr. S. Murali Krishna* | Independent Director | 1/2 |
| Mr. M. Gopalakrishna^ | Independent Director | 2/2 |

*resigned w.e.f 01.07.2016

^Chairman w.e.f 11.08.2016

Number of shareholder complaints received, number solved and number of pending complaints as on 31st March, 2017:

| Opening Balance as on 01.04.2016 | Received during the period 01.04.2016 to 31.03.2017 | Resolved during the period 01.04.2016 to 31.03.2017 | Closing Balance as on 31.03.2017 |
|----------------------------------|---|---|----------------------------------|
| Nil | Nil | Nil | Nil |

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

7. Corporate Social Responsibility Committee

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-6 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Composition, Name of Members and Chairman

| | | |
|----------------------|----------|----------------------|
| Mr. M. Gopalakrishna | Chairman | Independent Director |
| Mr. L.P. Sashikumar | Member | Managing Director |
| Mr. B. Appa Rao | Member | Independent Director |

The Committee held One meeting during the period ended 31st March, 2017, i.e. on 31.10.2016

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

| Name of the Director | Category | No. of Meetings attended by the members out of the total no. of meetings held during the F.Y. 2016-17 |
|----------------------|----------------------|---|
| Mr. B. Appa Rao | Independent Director | 1/1 |
| Mr. L.P. Sashikumar | Managing Director | 1/1 |
| Mr. M. Gopalakrishna | Independent Director | 1/1 |

The Corporate Social Responsibility Policy of the Company is hosted on the website of the Company www.goldstonepower.com

8. The Company has formed a business risk evaluation/ management committee consisting of the following members.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

| Name of the Member | Category |
|-----------------------|----------------------|
| Mr. B. Appa Rao | Independent Director |
| Mr. L.P. Sashikumar | Managing Director |
| Mr. N. Sudhakar Reddy | AVP (Operations) |

The objectives and scope of the Risk Management Committee broadly comprise of

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

9. General Body Meetings

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

| Year | Location | Date | Time |
|------|--|------------|-----------|
| 2016 | Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad – 500 051. | 30.09.2016 | 04.00 P.M |
| 2015 | Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad – 500 051. | 29.09.2015 | 04.00 P.M |
| 2014 | Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad – 500 051. | 27.09.2014 | 03.30 P.M |

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

| AGM | Special Resolution |
|------|--|
| 2016 | (1) Re-appointment of Mr. L.P. Sashikumar as the Managing Director of the Company. |

- iii) Resolutions passed last year through Postal Ballot: NIL

10. Means of Communication

- In compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 Nava Telangana (Regional newspaper). This information will also be uploaded on the Company's website www.goldstonepower.com.
- Management Discussion & Analysis Report forms part of Report of Directors.

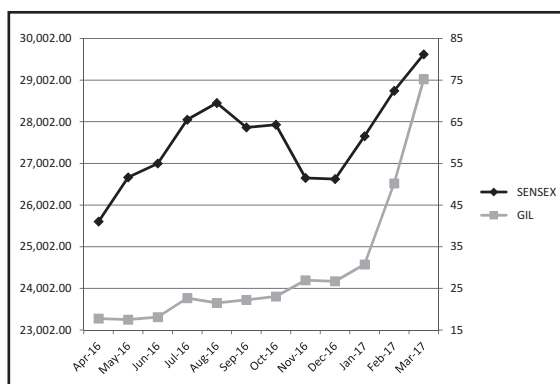
11. General Information for Shareholders

- Annual General Meeting will be held on 28th September, 2017 & at 3.30 P.M. at Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad – 500 051.
- Financial Year (F.Y) of the Company is 1st April to 31st March.
- Financial Reporting for the quarter ending 30th September, 2017, 31st December, 2017, and 30th June, 2018 will be within forty five days from the closure of the quarter. For the quarter and year ended 31st March, 2018 the Financial reporting will be within 60 days from the closure of the quarter and year end.
- Dates of Book Closure will be from 22nd September, 2017 to 28th September, 2017 (both days inclusive).
- Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited. The Company has paid the Listing Fees for the period 1st April, 2017 to 31st March, 2018.
- Stock Code of the Company's scrip is 532439 in BSE and GOLDINFRA in NSE
- ISIN Code is INE260D01016
- 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 BSE Limited and National Stock Exchange of India Limited

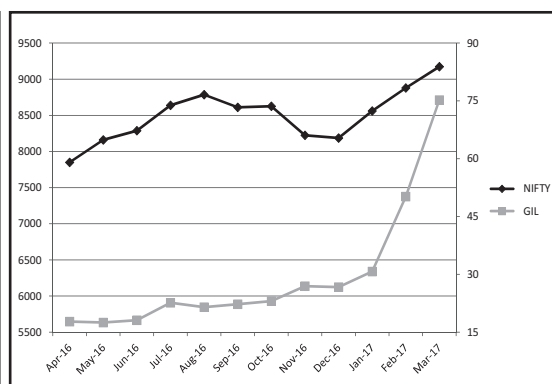
| 2016-17 | BSE | | | NSE | | |
|---------|-------|-------|---------------|-------|-------|---------------|
| Month | High | Low | Volume (Nos.) | High | Low | Volume (Nos.) |
| Apr,16 | 18.45 | 16.90 | 1,07,436 | 18.80 | 16.35 | 1,60,954 |
| May,16 | 18.95 | 17.10 | 52,611 | 18.90 | 17.10 | 1,40,273 |
| June,16 | 19.00 | 17.30 | 1,07,416 | 18.60 | 17.30 | 2,44,983 |
| July,16 | 23.60 | 18.00 | 3,24,219 | 24.00 | 18.00 | 8,35,269 |
| Aug,16 | 24.90 | 20.75 | 1,69,891 | 24.80 | 20.55 | 2,44,012 |
| Sep,16 | 24.40 | 20.70 | 1,73,881 | 24.40 | 19.00 | 3,39,172 |
| Oct,16 | 23.90 | 21.25 | 1,07,648 | 23.95 | 21.40 | 2,08,667 |
| Nov,16 | 33.00 | 22.00 | 6,54,110 | 33.00 | 22.00 | 18,24,018 |
| Dec,16 | 30.00 | 25.00 | 3,02,759 | 30.65 | 24.10 | 6,89,089 |
| Jan,17 | 34.00 | 26.60 | 6,95,479 | 34.35 | 26.10 | 11,07,392 |
| Feb,17 | 51.50 | 30.90 | 23,16,715 | 51.70 | 30.55 | 81,41,986 |
| Mar 17 | 78.50 | 51.80 | 24,89,662 | 78.90 | 51.00 | 25,24,384 |

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

GIL Share price performance against Sensex



GIL Share price performance against Nifty



x) **Registrar & Share Transfer Agents** of the Company is M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Ph. No. 040-27638111; 27634445; Fax. No. 040-27632184; Mail: info@arthiconsultants.com.

xi) **Share Transfer System:** The Registrar and Share Transfer Agents, Aarthi Consultants Private Limited, handle share transfers under the overall supervision of the Investors' Grievance & Share Transfer Committee.

xii) **Shareholding as on 31st March 31, 2017.**

a) Category of Shareholders

| Category | No. of shares | % to share capital |
|-------------------------------|----------------------|---------------------------|
| Promoters | 1,83,47,515 | 50.85 |
| Mutual Funds and UTI | 0 | 0 |
| Insurance Companies | 0 | 0 |
| Financial Institutions/ Banks | 1,00,459 | 0.28 |
| FIs | 1,50,000 | 0.42 |
| Private Corporate Bodies | 18,08,020 | 5.01 |
| Indian Public | 1,48,86,128 | 41.26 |
| NRIs / OCBs | 2,09,343 | 0.58 |
| Trust | 0 | 0 |
| Clearing Members | 5,79,272 | 1.61 |
| Grand Total | 3,60,80,737 | 100.00 |

b) Distribution of Shareholding

| Category | No. of Shareholders | | No. of Shares | |
|------------------|----------------------------|------------|----------------------|------------|
| | Total | % | Total | % |
| 1 – 5000 | 8,079 | 88.11 | 20,76,873 | 5.76 |
| 5001 – 10000 | 474 | 5.17 | 8,82,466 | 2.45 |
| 10001 – 20000 | 266 | 2.9 | 9,88,319 | 2.74 |
| 20001 – 30000 | 99 | 1.08 | 6,12,845 | 1.7 |
| 30001 – 40000 | 74 | 0.81 | 6,87,771 | 1.91 |
| 40001 – 50000 | 25 | 0.27 | 2,76,988 | 0.77 |
| 50001 – 100000 | 65 | 0.71 | 11,93,528 | 3.31 |
| 100001 and above | 87 | 0.95 | 2,93,61,947 | 81.38 |
| TOTAL | 9,169 | 100 | 3,60,80,737 | 100 |

xiii) Dematerialized shares: 3,58,46,983 i.e. 99.35% of the Paid-up Capital is dematerialized.

xiv) The Company has not issued any GDR, ADR, Warrants or any convertible instruments during the year ended 31st March, 2017

xv) Plant Location:

Unit-1: Plot No.1 &9, Phase II, IDA, Cherlapally, Hyderabad 500 051.

Unit-2: Plot No.8, IDA, Gaddapotharam, Jinnaram Mandal, Medak District, Telangana.

xvi) Address for correspondence:

Goldstone Infratech Limited

9-1-83 & 84, Amarchand Sharma Complex,

Sarojini Devi Road, Secunderabad 500 003

Tel No. 040 27807640/0742/1910

Email ID: cs@goldstone.net

Website:www.goldstonepower.com



12. Other Disclosures

- i. As required by the Accounting Standards, issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Schedule 38 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 the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board 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 of 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- v. The policy on determination of material subsidiaries is displayed on the website of the Company i.e. www.goldstonepower.com
- vi. The policy on dealing with related party transactions is displayed on the website of the Company i.e. www.goldstonepower.com
- vii. **Share Capital Audit:** A firm of qualified Company Secretaries is conducting the Share Capital 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.

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 officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website www.goldstonepower.com. In addition to the above as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Schedule IV of the Companies Act, 2013 duties of the Independent Directors and code of Independent Directors have been placed on the website of the Company www.goldstonepower.com

- viii. 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.

- ix. **Compliance:** At every Board meeting, a statement of Compliance with all laws and regulations as certified by the Managing Director and Chief Financial Officer 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.

- x. **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.
- xi. **Preferential Issue Proceeds:** The Company did not raise any funds during the year under preferential issue mode.
- xii. **CEO & CFO Certificate:** The Certificate as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 was given by Managing Director and Chief Financial Officer 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, 2017.
- xiii. **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 is measured through the annual appraisal process. There was no Employee Stock Option Scheme during the Financial Year ended 31st March, 2017.

13. Compliance

In compliance with the terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a certificate from a Practicing Chartered Accountant regarding compliance of the provisions of Corporate Governance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, is annexed to this Report.

14. Non-Mandatory Requirements

The Board has taken cognizance of the non-mandatory requirements of Regulation 27 of the Listing Regulations and shall consider adopting the same at an appropriate time.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (m) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

for and on behalf of the Board

Sd/-
L.P. Sashikumar
 Managing Director
 (DIN: 00016679)

Sd/-
B. Appa Rao
 Director
 (DIN: 00004309)

Place: Secunderabad
 Date : 21.08.2017



ANNUAL DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015.

As the Managing Director of Goldstone Infratech Limited and as required by Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 2016-17.

For **Goldstone Infratech Limited**

Sd/-

L.P. Sashikumar

Managing Director
(DIN: 00016679)

Place : Secunderabad

Date : 21.08.2017

Certificate on Compliance of Corporate Governance

To
The Members of
Goldstone Infratech Limited

1. We have examined the compliance of conditions of Corporate Governance by GOLDSTONE INFRATECH LIMITED ("the Company"), for the year ended on 31st March, 2017, as stipulated in:
 - Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period 01st April, 2016 to March 31, 2017.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2017.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P. Murali & Co.

Chartered Accountants
FRN: 007257S

Sd/-

P. Murali Mohana Rao

Partner

Membership No. 023412

Place : Hyderabad
Date : 19.08.2017



Goldstone

Certificate from the Managing Director & Chief Financial Officer

We, L.P. Sashikumar, Managing Director and P.Syam Prasad, Chief Financial Officer 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, 2017 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 together present a true and fair view of the Company's affairs and are in compliance with the existing 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
(DIN:00016679)

Sd/-

P. Syam Prasad
CFO

Place : Secunderabad

Date : 27.05.2017

INDEPENDENT AUDITOR'S REPORT

To the Members of
Goldstone Infratech Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Goldstone Infratech Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner



Goldstone

so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2017.
 - iv. The Company has provided requisite disclosures in its Financial Statements (Note No. 40) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

For **P. Murali & CO.,**
Chartered Accountants
Firm Registration No : 007257S

Sd/-

P. Murali Mohana Rao

Partner

Place: Hyderabad

Date : 27.05.2017

M.No. 023412

ANNEXURE A TO THE AUDITORS REPORT

Annexure referred to in Independent Auditors Report to the Members of Goldstone Infratech Limited on the standalone financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records maintained by the Company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examinations of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2017 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax,

Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.

- viii. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with

the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For **P. Murali & CO.,**
Chartered Accountants
Firm Registration No : 007257S

Sd/-
P. Murali Mohana Rao

Place: Hyderabad
Date : 27.05.2017

Partner
M.No. 023412

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Goldstone Infratech Limited ('the Company') as of 31st march 2017 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the

extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of



Goldstone

the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the

degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **P. Murali & CO.,**
Chartered Accountants
Firm Registration No : 007257S

Sd/-
P. Murali Mohana Rao

Place: Hyderabad
Date : 27.05.2017

Partner
M.No. 023412

BALANCE SHEET AS AT MARCH 31, 2017

| Particulars | Note No. | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|----------|--------------------------|--------------------------|
| 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 | 77,77,75,494 | 71,76,67,245 |
| (c) Money received against share warrants | | - | - |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 29,69,93,994 | 27,47,60,306 |
| (b) Deferred tax liabilities (Net) | 4 | 4,60,97,069 | 5,27,01,624 |
| (c) Other Long term liabilities | 5 | 4,92,66,107 | 5,17,17,959 |
| (d) Long term provisions | 6 | 2,10,61,607 | 1,57,77,172 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 39,73,33,982 | 22,33,02,970 |
| (b) Trade payables | 8 | 12,92,12,607 | 15,75,20,366 |
| (c) Other current liabilities | 9 | 29,62,668 | 5,90,519 |
| (d) Short-term provisions | 10 | 7,76,93,037 | 6,29,53,533 |
| Total | | 1,94,27,19,513 | 1,70,13,14,642 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11&12 | 73,44,03,780 | 75,72,81,931 |
| (ii) Intangible assets | | 13,60,489 | 13,60,489 |
| (iii) Capital work-in-progress | | 10,90,59,744 | 8,89,28,280 |
| (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 | 9,94,48,024 | 1,57,14,045 |
| (d) Other non-current assets | 15 | - | - |
| (2) Current assets | | | |
| (a) Inventories | 16 | 32,07,13,781 | 16,66,57,799 |
| (b) Trade receivables | 17 | 42,73,92,215 | 44,51,15,234 |
| (c) Cash and cash equivalents | 18 | 11,31,50,209 | 9,48,96,946 |
| (d) Short-term loans and advances | 19 | 89,24,440 | 3,77,98,370 |
| (e) Other current assets | 20 | 6,81,66,831 | 3,34,61,548 |
| Total | | 1,94,27,19,513 | 1,70,13,14,642 |

Summary of Significant Accounting Policies

Notes on Financial Statement

1 to 48

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the board

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Secunderabad

Date : 27.05.2017

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Syam Prasad

CFO

Sd/-

P. Hanuman Prasad

Company Secretary

**Goldstone****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars | Note No. | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|----------|------------------------------------|------------------------------------|
| I. Revenue from operations | 21 | 1,04,88,44,893 | 92,95,92,375 |
| II. Other Income | 22 | 1,20,37,153 | 1,70,56,958 |
| III. Total Revenue (I + II) | | 1,06,08,82,046 | 94,66,49,333 |
| IV. Expenses: | | | |
| Cost of materials consumed | 23 | 66,80,13,483 | 56,07,67,445 |
| Purchase of Stock-in-Trade | 24 | - | - |
| Changes in inventories of Finished, WIP and Stock-in-Trade | 25 | (89,27,261) | 1,01,79,131 |
| Employee benefit expense | 26 | 10,12,14,511 | 9,15,45,724 |
| Other operating expenses | 27 | 4,85,11,442 | 3,55,71,945 |
| Administrative Expenses | 28 | 3,83,45,767 | 4,73,78,585 |
| Financial costs | 29 | 5,36,98,237 | 5,74,28,038 |
| Depreciation and amortization expense | 11&12 | 5,39,26,853 | 5,46,80,815 |
| Other expenses | 30 | - | - |
| Total Expenses | | 95,47,83,032 | 85,75,51,683 |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | 10,60,99,014 | 8,90,97,650 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 10,60,99,014 | 8,90,97,650 |
| VIII. Prior Period adjustments & Extraordinary Items | | (1,00,95,320) | (72,36,496) |
| IX. Profit before tax (VII - VIII) | | 9,60,03,694 | 8,18,61,154 |
| X. Tax expense: | | | |
| (1) Current tax | | 4,25,00,000 | 3,00,00,000 |
| (2) Deferred tax | | (66,04,555) | (61,01,740) |
| XI. Profit after tax | | 6,01,08,249 | 5,79,62,894 |
| XII. Profit/(Loss) for the period | | 6,01,08,249 | 5,79,62,894 |
| XIII. Earning per equity share: (Refer Note No. 38) | | | |
| (1) Basic | | 1.67 | 1.61 |
| (2) Diluted | | 1.67 | 1.61 |

Summary of Significant Accounting Policies

Notes on Financial Statement

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 : 27.05.2017

1 to 48

For and on behalf of the board

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

P. Syam Prasad

CFO

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Hanuman Prasad

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

a) Preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost conversion on accrual basis, except certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006 as amended) and the relevant provisions of the Companies Act, 2013 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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.

During the year the Company has provided Depreciation on Fixed Assets based on the Useful life in the manner prescribed in Schedule II Part C to the Companies Act, 2013.

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 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

- i) Depreciation on Fixed Assets is provided on straight-line method.
- ii) Effective from 1st April 2014, the Company depreciates its fixed assets over the useful life as prescribed in Schedule II of the Act 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

l) Foreign Currency Transaction

Foreign currency transactions, being in the nature of integral operations, are accounted for at the rates of exchange prevailing as on the date of transaction. Gains and losses

resulting from settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Exchange differences relating to fixed assets are adjusted to the cost of the asset.

m) Government Grants / Incentives

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

n) Impairment of assets

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

o) Income and Deferred Tax

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

p) Contingent Liabilities and Contingent Assets

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

q) Claims

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

NOTES TO BALANCE SHEET AS AT MARCH 31, 2017

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--|---------------------------|--------------------------|
| 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% |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 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 | 14,25,21,405 | 8,45,58,511 |
| Add: Transfer from Profit & Loss Account | 6,01,08,249 | 5,79,62,894 |
| Less: Transfer To General Reserve | - | - |
| Less: Dividend and Dividend Tax | - | - |
| Less: Bonus shares | - | - |
| Less: Prior period taxes | - | - |
| Less: Depreciation Adjustments | - | - |
| | 20,26,29,654 | 14,25,21,405 |
| Total Reserves and Surplus | 77,77,75,494 | 71,76,67,245 |
| NOTE NO. 3 : LONG TERM BORROWINGS | | |
| Long Term borrowings | | |
| a) Term loans: | | |
| From banks: Refer Note No. 31 (b) | | |
| Secured - State Bank of Hyderabad and others | 58,64,053 | 10,32,750 |
| Unsecured | - | - |
| From other parties: | | |
| Secured - | - | - |
| Unsecured - Others | 29,11,29,941 | 27,37,27,556 |
| Notes : | | |
| Securities and Personal Guarantees details given in the Note to Financial Statement | | |
| Total long term borrowings | 29,69,93,994 | 27,47,60,306 |
| | | |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| NOTE NO. 4 : DEFERRED TAX LIABILITY (NET) | | |
| I Opening Deferred tax Liability | 5,27,01,624 | 5,88,03,364 |
| Add: | | |
| Deferred Tax Liability for the year (Due to SLM and WDV Difference) | (66,04,555) | (61,01,740) |
| Gross Deferred tax Liability | 4,60,97,069 | 5,27,01,624 |
| Opening Deferred tax Asset | - | - |
| Deferred Tax Assets for the year | - | - |
| Gross Deferred tax Asset | - | - |
| Deferred Tax Liability/(Asset) - Net | 4,60,97,069 | 5,27,01,624 |
| NOTE NO. 5 : OTHER LONG TERM LIABILITIES | | |
| a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32) | 4,92,66,107 | 5,17,17,959 |
| Total other long term liabilities | 4,92,66,107 | 5,17,17,959 |
| NOTE NO. 6 : LONG TERM PROVISIONS | | |
| a) Provisions for employee benefits (Refer Note No. 35) | | |
| - Provision for Gratuity | 1,38,63,107 | 1,11,78,064 |
| - Provision for Leave Encashment | 49,75,708 | 36,59,358 |
| b) Others - Bonus | 22,22,792 | 9,39,750 |
| Total Long Term Provisions | 2,10,61,607 | 1,57,77,172 |
| NOTE NO. 7 : SHORT TERM BORROWINGS | | |
| Short term borrowings | | |
| a) Working Capital from banks [Refer note No. 31 (a)] | | |
| Secured - State Bank of Hyderabad | 38,82,54,078 | 21,36,00,107 |
| b) Term Loans repayable with in 12months: | | |
| From banks | | |
| Secured | 90,79,904 | 97,02,863 |
| Unsecured | - | - |
| From other parties | | |
| Secured | - | - |
| Unsecured | - | - |
| c) Loans and advances from other parties | | |
| Secured | - | - |
| Unsecured | - | - |
| Total short term borrowings | 39,73,33,982 | 22,33,02,970 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--|--------------------------|--------------------------|
| NOTE NO. 8 : TRADE PAYABLES | | |
| a) Trade Payables | 10,02,13,969 | 13,98,50,136 |
| b) Liabilities to Transporters | 95,29,383 | 44,13,037 |
| c) Liabilities to Consultants and individuals | 16,68,083 | 22,55,783 |
| d) Liabilities to Capital purchases | 13,94,335 | 15,50,598 |
| e) Liabilities to Miscellaneous Creditors | 1,64,06,837 | 94,50,812 |
| Total Trade Payables | 12,92,12,607 | 15,75,20,366 |
| NOTE NO. 9 : OTHER CURRENT LIABILITIES | | |
| a) Interest accrued but not due on borrowings | 2,06,488 | - |
| b) Advances received from Customers. | 27,56,180 | 5,90,519 |
| Total other current liabilities | 29,62,668 | 5,90,519 |
| NOTE NO. 10 : SHORT TERM PROVISIONS | | |
| a) Provisions for employee benefits | | |
| PF Payable | 6,73,314 | 5,87,499 |
| ESI Payable | 1,98,700 | 64,054 |
| Salaries, exgratia Payable | 47,11,945 | 36,00,249 |
| b) Others | | |
| Statutory Liabilities | 54,19,591 | 44,62,484 |
| Provision for Expenses | 75,60,068 | 76,09,829 |
| Provision for Late Delivery Charges | 1,66,29,419 | 1,66,29,418 |
| Provision for income tax | 4,25,00,000 | 3,00,00,000 |
| Total short term provisions | 7,76,93,037 | 6,29,53,533 |
| NOTE NO. 13 : NON- CURRENT INVESTMENTS | | |
| Non- Current Assets | | |
| I 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

| Particulars | Gross Block | | | Depreciation/Amortization | | | | | Net Block as on 31.03.2017 | Net Block as on 31.03.2016 |
|--------------------------|-----------------------|---------------------------|----------------------------------|---------------------------|-------------------------------|------------------------|-------------------------------------|--|----------------------------|----------------------------|
| | As on 01.04.2016 | Additions during the year | Sale / Deletions during the year | As on 31.03.2017 | Depreciation as on 01.04.2016 | Adjustment to Reserves | Depreciation for the year 2016-2017 | Depreciation Reserve on Deletions & Adj. | Total Depreciation | |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| LAND & LAND DEVELOPMENT | 42,75,05,488 | - | - | 42,75,05,488 | - | - | - | - | - | 42,75,05,488 |
| BUILDING | 7,74,81,554 | 47,70,870 | - | 8,22,52,424 | 2,19,28,243 | - | 22,17,556 | - | 2,41,45,799 | 5,55,53,311 |
| PLANT & MACHINERY | 43,09,23,159 | 2,37,87,599 | - | 45,47,10,758 | 18,12,74,033 | - | 4,67,41,106 | - | 22,80,15,139 | 24,96,49,126 |
| ELECTRICAL EQUIPMENT | 1,02,34,402 | 66,666 | - | 1,03,01,068 | 48,58,098 | - | 11,78,027 | - | 60,36,125 | 53,76,304 |
| LABORATORY EQUIPMENT | 1,94,49,209 | 3,97,783 | - | 1,98,46,992 | 73,08,454 | - | 19,22,438 | - | 92,30,892 | 1,21,40,755 |
| OFFICE EQUIPMENT | 21,44,650 | 1,86,136 | - | 23,30,786 | 18,24,311 | - | 1,27,751 | - | 19,52,062 | 3,20,339 |
| COMPUTERS | 1,44,47,825 | 9,22,878 | - | 1,53,70,703 | 1,37,97,792 | - | 4,39,839 | - | 1,42,37,631 | 6,50,033 |
| FURNITURE | 45,63,636 | 1,08,608 | - | 46,72,244 | 41,62,804 | - | 1,06,902 | - | 42,69,706 | 4,00,832 |
| VEHICLES | 1,56,01,671 | 8,08,162 | - | 1,64,09,833 | 1,28,51,503 | - | 4,82,523 | - | 1,33,34,026 | 27,50,168 |
| GENERATOR | 78,64,549 | - | - | 78,64,549 | 53,72,083 | - | 6,08,848 | - | 59,80,931 | 24,92,466 |
| LEASEHOLD IMPROVEMENTS | 5,75,290 | - | - | 5,75,290 | 4,49,312 | - | 47,921 | - | 4,97,233 | 1,25,978 |
| AIR CONDITIONERS | 4,23,755 | - | - | 4,23,755 | 2,32,058 | - | 44,073 | - | 2,76,131 | 1,91,697 |
| TOOLS AND SPARES | 1,51,608 | - | - | 1,51,608 | 26,174 | - | 9,869 | - | 36,043 | 1,25,434 |
| INTANGIBLE FIXED ASSETS | 13,60,489 | - | - | 13,60,489 | - | - | - | - | - | 13,60,489 |
| CAPITAL WORK IN PROGRESS | 8,89,28,280 | 2,01,31,464 | - | 10,90,59,744 | - | - | - | - | - | 8,89,28,280 |
| TOTAL | 1,10,16,55,565 | 5,11,80,166 | - | 1,15,28,35,731 | 25,40,84,865 | - | 5,39,26,853 | - | 30,80,11,718 | 84,75,70,700 |
| Previous Year | 1,07,85,52,075 | 2,38,87,890 | 7,84,400 | 1,10,16,55,565 | 20,04,82,825 | - | 5,46,80,815 | 10,78,775 | 25,40,84,865 | 87,80,69,250 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| NOTE NO. 14 : LONG TERM LOANS AND ADVANCES | | |
| Long - term loans and advances: | | |
| a) Capital advance | | |
| Secured | 9,45,05,845 | 1,13,60,261 |
| Unsecured | - | - |
| Doubtful | - | - |
| b) Security Deposit | | |
| Secured | 49,42,179 | 43,53,784 |
| Unsecured | - | - |
| Doubtful | - | - |
| Total Long term loans & advances | 9,94,48,024 | 1,57,14,045 |
| Less : Provision for Doubtfull Debts | - | - |
| Total Long term loans & advances (net) | 9,94,48,024 | 1,57,14,045 |
| 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 | | |
| - Chemicals & Rubber | 1,91,81,235 | 2,01,12,236 |
| - Hardware items | 1,46,10,315 | 1,17,82,746 |
| - FRP materials | 38,91,649 | 79,87,052 |
| - Others | 17,12,39,588 | 2,39,12,032 |
| Sub-Total | 20,89,22,787 | 6,37,94,066 |
| b) Work-in-progress | | |
| - Insulators | 11,17,90,994 | 10,28,63,733 |
| Sub-Total | 11,17,90,994 | 10,28,63,733 |
| Total Inventories | 32,07,13,781 | 16,66,57,799 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 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 | 7,17,23,688 | 32,00,986 |
| Doubtful | - | |
| | 7,17,23,688 | 32,00,986 |
| II Other Receivables: | | |
| Secured, Considered Good | - | |
| Unsecured, Considered Good | 35,56,68,527 | 44,19,14,248 |
| Doubtful | - | |
| | 35,56,68,527 | 44,19,14,248 |
| Total trade recivable | 42,73,92,215 | 44,51,15,234 |
| Less : Allowance for bad & doubtful debts | - | |
| Total Trade Receivables (net) | 42,73,92,215 | 44,51,15,234 |
| NOTE NO. 18 : CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents : | | |
| a) Balances with banks : | | |
| 1) On Current Accounts | 54,17,656 | 29,04,088 |
| 2) Bank Deposits against BG & LC with less than 12 months maturity | 10,38,57,857 | 8,87,14,504 |
| 3) Bank deposits against BG & LC with more than 12 months maturity | - | - |
| 4) Interest accrued on Fixed Deposits | 36,29,298 | 32,03,574 |
| b) Cheques, Draft on hand | - | - |
| c) Cash on hand | 2,45,398 | 74,780 |
| Total Cash and Cash Equivalents | 11,31,50,209 | 9,48,96,946 |
| NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES | | |
| Short - term loans and advances: | | |
| a) Other loans And advances | | |
| Unsecured: | | |
| - for Staff Advances | 5,41,271 | 3,49,991 |
| - for Suppliers | 66,71,862 | 49,42,312 |
| - for Others | 17,11,307 | 3,25,06,067 |
| Total short term loans & advances | 89,24,440 | 3,77,98,370 |
| Less : Provision for Doubtfull Debts | - | - |
| Total short term loans & advances (net) | 89,24,440 | 3,77,98,370 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--|--------------------------|--------------------------|
| NOTE NO.20 : OTHER CURRENT ASSETS | | |
| TDS Receivable & Advance Taxes | 1,48,70,510 | 1,37,40,607 |
| Prepaid Expenses | 1,32,95,766 | 70,44,153 |
| Balances with Government Departments | 4,00,00,555 | 1,26,76,788 |
| | 6,81,66,831 | 3,34,61,548 |

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 21 : REVENUE FROM OPERATIONS | | |
| Revenue from operations | | |
| (a) Sale of Products | 1,14,06,63,720 | 1,01,42,09,094 |
| Less: Excise Duties | 9,18,18,827 | 8,46,16,719 |
| Total Revenue from Operations | 1,04,88,44,893 | 92,95,92,375 |
| NOTE NO. 22 : OTHER INCOME | | |
| (a) Interest income | 64,06,074 | 62,39,387 |
| (b) Other non-operating income | 56,31,079 | 1,08,17,571 |
| Total Other Income | 1,20,37,153 | 1,70,56,958 |
| NOTE NO. 23 : COST OF MATERIALS CONSUMED | | |
| Material - Chemicals, Rubber | 29,71,24,673 | 22,32,25,031 |
| Material - Hardware items | 19,71,04,060 | 15,21,58,019 |
| Material - FRP materials | 8,97,33,577 | 6,81,55,177 |
| Other Material | 8,40,51,173 | 11,72,29,218 |
| Total Cost Of Material Consumed | 66,80,13,483 | 56,07,67,445 |
| NOTE NO. 24 : PURCHASE OF STOCK IN TRADE | | |
| Materials - Insulators | - | - |
| Total Trade Purchases | - | - |
| NOTE NO. 25 : CHANGE IN INVENTORIES & WIP. | | |
| Work in Progress | | |
| Work in progress at the beginning of the year | 10,28,63,733 | 11,30,42,864 |
| Less : work in progress at the end of the year | 11,17,90,994 | 10,28,63,733 |
| (Increase) / Decrease in Inventories | (89,27,261) | 1,01,79,131 |
| NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES | | |
| (a) Salaries & Wages | 9,55,16,027 | 8,60,78,298 |
| (b) Contribution to Provident & Other Funds | 35,27,288 | 32,68,343 |
| (c) Staff Welfare Expenses | 21,71,196 | 21,99,083 |
| Total Employee Benefit Expenses | 10,12,14,511 | 9,15,45,724 |

| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 27 : OTHER OPERATING EXPENSES | | |
| (a) Consumption of Stores & Spares | 40,76,854 | 36,61,307 |
| (b) Power & Fuel | 2,90,33,836 | 2,16,21,959 |
| (c) Repairs to Building | 5,97,725 | 1,77,549 |
| (d) Repairs to Machinery | 44,90,113 | 18,57,264 |
| (e) Insurance | 17,03,705 | 10,17,863 |
| (f) Testing and Inspection charges | 86,09,209 | 72,36,003 |
| Total Other operating Expenses | 4,85,11,442 | 3,55,71,945 |
| NOTE NO. 28 : ADMINISTRATIVE EXPENSES | | |
| (a) Telephone, Postage and Others | 14,98,474 | 15,80,712 |
| (b) Business Promotion Expenses | 16,98,499 | 14,95,179 |
| (c) Conveyance | 10,34,155 | 10,00,868 |
| (d) Office Maintenance | 14,82,523 | 11,89,348 |
| (e) Printing & Stationery Expenses | 12,11,117 | 10,05,594 |
| (f) Security Charges | 22,51,080 | 20,95,754 |
| (g) Rates & Taxes (excluding Income Tax) | 13,68,498 | 12,63,337 |
| (h) Managerial Remuneration | 32,61,000 | 30,00,000 |
| (i) Consultancy Charges | 22,44,929 | 56,90,605 |
| (j) Rent | 30,04,445 | 32,31,040 |
| (k) Office Electricity charges | 5,09,142 | 5,43,120 |
| (l) Travelling expenses | 33,91,314 | 53,16,468 |
| (m) Vehicle Maintenance | 18,29,742 | 19,02,843 |
| (n) Advertisement expenses | 2,16,534 | 1,46,188 |
| (o) Commission Paid | 10,48,975 | 17,38,224 |
| (p) Exhibition Expenses | 5,66,000 | 5,59,038 |
| (q) Ocean Freight & Charges | 11,86,989 | 31,81,174 |
| (r) Legal Fees | 12,500 | 1,50,700 |
| (s) Listing Fees | 4,00,000 | 3,20,000 |
| (t) Gifts and Donations | 95,000 | 75,000 |
| (u) Liquidated Damage Charges | - | 8,13,049 |
| (v) Miscellaneous Expenses | 45,68,385 | 63,98,589 |
| (w) Loss on Sale of investments/Assets | - | - |
| (x) Repairs and Maintenance Others | 35,48,188 | 31,17,155 |
| (y) Auditors Remuneration | 9,00,000 | 3,00,000 |
| (z) Insurance Charges | 10,18,278 | 12,64,600 |
| Total Administrative Expenses | 3,83,45,767 | 4,73,78,585 |



| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 29 : FINANCE COST | | |
| (a) Interest Expenses : | | |
| - Interest on Cash Credit | 3,11,93,248 | 3,01,98,405 |
| - Interest on Term Loan | 6,76,903 | 29,27,200 |
| - Bank charges, Commission & Financial charges | 2,18,28,086 | 2,43,02,433 |
| Total Finance Cost | 5,36,98,237 | 5,74,28,038 |
| NOTE NO. 30 : OTHER EXPENSES | | |
| Miscellaneous expenditure written off during the year | - | - |
| Total Other expenses | - | - |
| | | |

**NOTES TO FINANCIAL STATEMENT:****31. Long Term & Short Term Borrowings**

- a) 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 Infra ventures Limited & M/s. Goldstone Technologies Limited for above loan.
 - iv) Personal guarantee of a promoter director of the Company.
- b) 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: ₹ NIL/-). During this Financial Year the Company has repaid an amount of ₹ **48,19,078/-** (Previous year : ₹ 76,42,042/-)

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 Solarpower Private 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 AS15. The details are as follows:

| Particulars | 31.03.2017 ₹ | 31.03.2016 ₹ |
|------------------|------------------|-----------------|
| Gratuity | 31,01,471 | 19,23,282 |
| Leave Encashment | 16,76,566 | 30,47,581 |
| Bonus | 22,22,792 | 9,39,750 |

Defined contribution plan

During year ended March 31, 2017, the Company contributed ₹ **29,56,078/-** (Previous year ₹ 27,43,682/-) to Provident fund & Pension Fund .



Goldstone

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2017 are as follows:

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

(Amount in ₹)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|--------------------|-------------------|
| Present value of funded obligation | - | - |
| Fair value of plan assets | - | - |
| Present value of Unfunded obligations | 1,38,63,107 | 1,11,78,064 |
| Unrecognized Past Service cost | - | - |
| Amount not Recognized as an asset [limit in Para 59(b)] | - | - |
| Net liability | 1,38,63,107 | 1,11,78,064 |
| Amounts in Balance Sheet | | |
| Liability – Current | 26,06,302 | 20,50,065 |
| Liability – Non Current | 1,12,56,805 | 91,27,999 |
| Asset | - | - |
| Net Liability | 1,38,63,107 | 1,11,78,064 |

The amounts recognized in the profit and loss account for the year ended March 31, 2017 are as follows:

| Particulars | March 31, 2017 ₹ | March 31, 2016 ₹ |
|---|------------------------|------------------------|
| Current service cost | 10,85,054 | 10,05,662 |
| Interest on Defined Benefit Obligation | 8,99,047 | 7,51,878 |
| Expected return on plan assets | | - |
| Net Actuarial Losses/(Gains) Recognized in Year | 11,17,370 | 1,65,742 |
| Past Service Cost | - | - |
| Losses/(Gains) on "Curtailments & Settlements" | - | - |
| Losses/(Gains) on "Acquisition/Divestiture" | - | - |
| Effects of the limit in Para 59 (b) | | |
| Total, included in "Employee Benefit Expense" | 31,01,471 | 19,23,282 |
| Actual Return on Plan Assets | - | - |

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

| Particulars | March 31, 2017 | March 31, 2016 |
|--------------------------------|----------------|----------------|
| Discount Rate | 7.40% | 8.00% |
| 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 lakhs)

| SL No. | Name of the Party | Nature of Transaction | 2016-17 | 2015-16 |
|--------|---------------------|---------------------------------------|--------------|---------|
| 1 | Mr. L.P. Sashikumar | MD (Remuneration) and Other benefits. | 31.92 | 26.00 |

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

Calculation of EPS

| | 2016-17 | 2015-16 |
|---|--------------------|-------------|
| Profit after tax during the year (₹) | 6,01,08,249 | 5,79,62,894 |
| Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | 6,01,08,249 | 5,79,62,894 |
| 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 (₹) | 1.67 | 1.61 |
| - Diluted (₹) | 1.67 | 1.61 |
| Face Value of the Share (₹) | 4.00 | 4.00 |

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

In accordance with Accounting Standard 22 (AS22) 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 ₹ **66,04,555/-** towards deferred Income Tax Asset. (Previous year ₹ 61,01,740/- towards Deferred Tax Asset).

40. Details of specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016

| | SBNs | Other denomination notes | Total (₹) |
|--|------|--------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | - | 43,332 | 43,332 |
| (+) Permitted Receipts (cash withdrawals) | - | 4,66,000 | 4,66,000 |
| (+) Other Receipts (other than cash withdrawals) | - | 5,35,088 | 5,35,088 |
| (-) Permitted payments | - | 5,96,217 | 5,96,217 |
| (-) Amount deposited in Banks | - | 3,73,000 | 3,73,000 |
| Closing cash in hand as on 30.12.2016 | - | 75,203 | 75,203 |

41. Remuneration:**Managing Director**

(₹ in lakhs)

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---------------------------|--------------------------|--------------------------|
| Salary | 27.36 | 26.00 |
| Reimbursements and others | 4.56 | - |
| Total | 31.92 | 26.00 |

Auditors Remuneration

(₹ In lakhs)

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---------------------|--------------------------|--------------------------|
| Statutory Audit Fee | 2.50 | 2.50 |
| Tax Audit Fee | 0.50 | 0.50 |
| Total | 3.00 | 3.00 |

42. During the year Company has made an additional provision of ₹ NIL (Previous Year ₹ 8.13 lakhs) for late delivery charges.

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

Prior period adjustment of (₹ **1,00,95,320/-**) [Previous year (₹ **72,36,496/-**)] 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.



44. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 5 OF SCHEDULE III TO THE COMPANIES ACT, 2013:

| Particulars | 2016-17 | | 2015-16 | |
|---|------------------------|-----------------------|------------------------|---------------------|
| 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.) | 2,81,908 | | 2,23,810 | |
| d. Net Sales | | | | |
| - Polymer Insulators | 2,81,751 | 1,02,19,05,677 | 2,23,703 | 91,62,47,538 |
| - Others | | 2,69,39,217 | | 1,33,44,837 |
| Total | | 1,04,88,44,894 | | 92,95,92,375 |
| e. Material consumption | | | | |
| - Chemicals & Rubber | | 29,71,24,673 | | 22,32,25,031 |
| - FRP material | | 8,97,33,577 | | 6,81,55,177 |
| - Hardware items | | 19,71,04,060 | | 15,21,58,019 |
| - Others | | 8,40,51,173 | | 11,72,29,218 |
| | | 66,80,13,483 | | 56,07,67,445 |
| f. Break-up of material consumption (excluding trading material) | | | | |
| Indigenous | 49.70% | 33,20,20,949 | 52.92% | 29,67,83,393 |
| Imported | 50.30% | 33,59,92,534 | 47.08% | 26,39,84,052 |
| | 100.00% | 66,80,13,483 | 100.00% | 56,07,67,445 |
| g. Earnings in Foreign currency | | | | |
| Export of goods | | 5,26,894 | | 15,38,960 |
| Deemed Export of Goods | | 31,61,83,082 | | 24,02,77,831 |
| h. Value of imports on CIF Basis | | | | |
| - Materials including trading materials | | 34,84,17,098 | | 20,77,05,972 |
| - Capital Goods | | 2,77,79,101 | | 31,62,857 |
| - Tools and Spares | | 3,11,708 | | 0 |
| i. Expenditure in foreign currency | | | | |
| On travel | | 6,39,492 | | 4,16,490 |
| Others | | 74,887 | | 1,71,139 |



Goldstone

45. Contingent Liabilities not provided for

- a) Letter of credit – ₹ **829.35 lakhs** (Previous year: ₹ 712.45 lakhs)
- b) Bank Guarantees – ₹ **3,783.70** lakhs (Previous year: ₹ 3,521.31 lakhs)
- c) Commitments on capital contracts remaining to be executed ₹ **159.00** lakhs (Previous year: ₹ 62.00 lakhs)
- d) Un-claimed dividend amount for the years 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at Axis Bank for an amount of ₹ 1,29,138/-, ₹ 1,30,914/- and ₹ 1,08,438/- respectively. During the year Company has closed Dividend warrant account for the year 2008-2009 and DD bearing No.067540 taken for ₹ 2,19,639/- in favour of Pay & Accounts officer, Ministry of Corporate Affairs, New Delhi. on dt 05.11.2016.
- e) Collateral Security and Corporate Guarantee given for the credit facilities of ₹ 4.50 crores availed by M/s. Goldstone Technologies Limited, Secunderabad with Central Bank of India, Koti, Hyderabad Branch.

46. During the year Company has not made any provision for Intangible Assets – Goodwill.

47. Company has spent an amount of ₹ 24.15 crores towards Electric Bus Division till 31.03.2017.

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

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 : 27.05.2017

For and on behalf of the board

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

P. Syam Prasad

CFO

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Hanuman Prasad

Company Secretary

CASH FLOW STATEMENTS AS AT MARCH 31, 2017

(₹ in Lakhs)

| Particulars | | 31.03.2017 | 31.03.2016 |
|-------------|---|-------------------|-------------------|
| A. | Cash Flow from operating activity | | |
| | Net Profit before tax | 960.04 | 818.61 |
| | Adjustments for: | | |
| | Depreciation Adjustment | - | - |
| | Miscellaneous expenditure written off | - | - |
| | Provision for Gratuity & Earned Leave & others | 139.56 | 101.62 |
| | Loss on sale of Assets/Investments | - | - |
| | Other Income | (120.37) | (170.57) |
| | Operating Profit before working capital changes | 979.22 | 749.66 |
| | Adjustments for: | | |
| | Trade and other receivables | 177.23 | (992.15) |
| | Inventories | (1,540.56) | 14.03 |
| | Trade advances | (884.35) | (289.64) |
| | Trade Payable | (250.28) | (544.59) |
| | Cash generated from operations | (1,518.74) | (1,062.69) |
| | Direct Taxes paid (net) | (311.30) | (264.32) |
| | Gratuity, EL encashment & others Paid | (73.39) | (79.24) |
| | Cashflow before extraordinary items | (1,903.43) | (1,406.25) |
| | Net Cash flow from operating activity | (1,903.43) | (1,406.25) |
| B. | Cash Flow from Investing Activity | | |
| | Fixed assets | 228.78 | 304.99 |
| | Capital work in progress | (201.31) | - |
| | Investments | - | - |
| | Other income | 120.37 | 170.57 |
| | Loss on Sale of Assets/Investments | - | - |
| | Net Cash used for investing activity | 147.84 | 475.56 |
| C. | Cash Flow from financing activities | | |
| | Long term borrowings | 222.34 | 1,422.99 |
| | Short Term borrowings | 1,740.31 | (411.64) |
| | Deferred sales tax loan payment | (24.52) | (50.97) |
| | Dividend paid | - | - |
| | Net cash generated from financing activity | 1,938.13 | 960.38 |
| | Cash and cash equivalents (Opening Balance) | 948.97 | 919.28 |
| | Net increase in Cash & Cash equivalents (A+B+C) | 182.53 | 29.69 |
| | Cash and cash equivalents (Closing Balance) | 1,131.50 | 948.97 |

For and on behalf of the board

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

P. Murali Mohana Rao
Partner
M.No. 023412
Place : Secunderabad
Date : 27.05.2017

Sd/-
L.P. Sashikumar
Managing Director
(DIN: 00016679)

Sd/-
P. Syam Prasad
CFO

Sd/-
B. Appa Rao
Director
(DIN: 00004309)

Sd/-
P. Hanuman Prasad
Company Secretary



Goldstone

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of
Goldstone Infratech Limited

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Goldstone Infratech Limited** ("the Holding Company"), and its subsidiaries together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us,



the consolidated 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, of the consolidated state of the Company, as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books;
- c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the directors is disqualified as on March 31, 2017, from being appointed

as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements do not have any pending litigations which could have impact on its financial position.
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company and the subsidiary Company incorporated in India.
 - iv. The Company has provided requisite disclosures in its Financial Statements (Note No. 40) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books maintained by the Company.

For **P. Murali & CO.,**
Chartered Accountants
Firm Registration No : 007257S

Sd/-

P. Murali Mohana Rao

Partner

Place: Hyderabad

Date : 27.05.2017

M.No. 023412



Goldstone

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our Audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of GOLDSTONE INFRATECH LIMITED ('the Holding Company') and its subsidiary Company companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary Company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance

Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of

the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, The Holding Company and its Subsidiary Company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **P. Murali & CO.,**
Chartered Accountants
Firm Registration No : 007257S

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

Place: Hyderabad
Date : 27.05.2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

| Particulars | Note No. | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|----------|--------------------------|--------------------------|
| 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 | 77,77,75,494 | 71,76,67,245 |
| (c) Money received against share warrants | | - | - |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 29,69,93,994 | 27,47,60,306 |
| (b) Deferred tax liabilities (Net) | 4 | 4,60,97,069 | 5,27,01,624 |
| (c) Other Long term liabilities | 5 | 4,92,66,107 | 5,17,17,959 |
| (d) Long term provisions | 6 | 2,10,61,607 | 1,57,77,172 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 39,73,33,982 | 22,33,02,970 |
| (b) Trade payables | 8 | 16,39,01,235 | 19,21,83,394 |
| (c) Other current liabilities | 9 | 29,62,668 | 5,90,519 |
| (d) Short-term provisions | 10 | 8,12,50,407 | 6,65,10,903 |
| Total | | 1,98,09,65,511 | 1,73,95,35,040 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11&12 | 73,44,03,780 | 75,72,81,931 |
| (ii) Intangible assets | | 13,60,489 | 13,60,489 |
| (iii) Capital work-in-progress | | 20,83,40,988 | 18,81,83,924 |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 13 | - | - |
| (c) Long term loans and advances | 14 | 9,84,55,079 | 1,47,21,100 |
| (d) Other non-current assets | 15 | 21,268 | 21,268 |
| (2) Current assets | | | |
| (a) Inventories | 16 | 32,07,13,781 | 16,66,57,799 |
| (b) Trade receivables | 17 | 42,73,92,215 | 44,51,15,234 |
| (c) Cash and cash equivalents | 18 | 11,31,86,640 | 9,49,33,377 |
| (d) Short-term loans and advances | 19 | 89,24,440 | 3,77,98,370 |
| (e) Other current assets | 20 | 6,81,66,831 | 3,34,61,548 |
| Total | | 1,98,09,65,511 | 1,73,95,35,040 |

Summary of Significant Accounting Policies

Notes on Financial Statement

1 to 48

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the board

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Secunderabad

Date : 27.05.2017

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Syam Prasad

CFO

Sd/-

P. Hanuman Prasad

Company Secretary

**Goldstone****CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars | Note No. | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|----------|------------------------------------|------------------------------------|
| I. Revenue from operations | 21 | 1,04,88,44,893 | 92,95,92,375 |
| II. Other Income | 22 | 1,20,37,153 | 1,70,56,958 |
| III. Total Revenue (I + II) | | 1,06,08,82,046 | 94,66,49,333 |
| IV. Expenses: | | | |
| Cost of materials consumed | 23 | 66,80,13,483 | 56,07,67,445 |
| Purchase of Stock-in-Trade | 24 | - | - |
| Changes in inventories of Finished, WIP and Stock-in-Trade | 25 | (89,27,261) | 1,01,79,131 |
| Employee benefit expense | 26 | 10,12,14,511 | 9,15,45,724 |
| Other operating expenses | 27 | 4,85,11,442 | 3,55,71,945 |
| Administrative Expenses | 28 | 3,83,45,767 | 4,73,78,585 |
| Financial costs | 29 | 5,36,98,237 | 5,74,28,038 |
| Depreciation and amortization expense | 11 & 12 | 5,39,26,853 | 5,46,80,815 |
| Other expenses | 30 | - | - |
| Total Expenses | | 95,47,83,032 | 85,75,51,683 |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | 10,60,99,014 | 8,90,97,650 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 10,60,99,014 | 8,90,97,650 |
| VIII. Prior Period adjustments & Extraordinary Items | | (1,00,95,320) | (72,36,496) |
| IX. Profit before tax (VII - VIII) | | 9,60,03,694 | 8,18,61,154 |
| X. Tax expense: | | | |
| (1) Current tax | | 4,25,00,000 | 3,00,00,000 |
| (2) Deferred tax | | (66,04,555) | (61,01,740) |
| XI. Profit after tax | | 6,01,08,249 | 5,79,62,894 |
| XII. Profit/(Loss) for the period | | 6,01,08,249 | 5,79,62,894 |
| XIII. Earning per equity share: (Refer Note No. 38) | | | |
| (1) Basic | | 1.67 | 1.61 |
| (2) Diluted | | 1.67 | 1.61 |

Summary of Significant Accounting Policies

Notes on Financial Statement

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 : 27.05.2017

1 to 48

For and on behalf of the board

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

P. Syam Prasad

CFO

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Hanuman Prasad

Company Secretary

NOTES TO CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--|---------------------------|--------------------------|
| 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% |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 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 | 14,25,21,405 | 8,45,58,511 |
| Add: Transfer from Profit & Loss Account | 6,01,08,249 | 5,79,62,894 |
| Less: Transfer To General Reserve | - | - |
| Less: Dividend and Dividend Tax | - | - |
| Less: Bonus shares | - | - |
| Less: Prior period taxes | - | - |
| Less: Depreciation Adjustments | - | - |
| | 20,26,29,654 | 14,25,21,405 |
| Total Reserves and Surplus | 77,77,75,494 | 71,76,67,245 |
| NOTE NO. 3 : LONG TERM BORROWINGS | | |
| Long Term borrowings | | |
| a) Term loans: | | |
| From banks: Refer Note No. 31 (b) | | |
| Secured - State Bank of Hyderabad and others | 58,64,053 | 10,32,750 |
| Unsecured | - | - |
| From other parties: | | |
| Secured - | - | - |
| Unsecured - Others | 29,11,29,941 | 27,37,27,556 |
| Notes : | | |
| Securities and Personal Guarantees details given in the Note to Financial Statement | | |
| Total long term borrowings | 29,69,93,994 | 27,47,60,306 |
| | | |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| NOTE NO. 4 : DEFERRED TAX LIABILITY (NET) | | |
| I Opening Deferred tax Liability | 5,27,01,624 | 5,88,03,364 |
| Add: | | |
| Deferred Tax Liability for the year (Due to SLM and WDV Difference) | (66,04,555) | (61,01,740) |
| Less: Deferred tax adjustment on Depreciation | - | - |
| Gross Deferred tax Liability | 4,60,97,069 | 5,27,01,624 |
| Opening Deferred tax Asset | - | - |
| Deferred Tax Assets for the year | - | - |
| Gross Deferred tax Asset | - | - |
| Deferred Tax Liability/(Asset) - Net | 4,60,97,069 | 5,27,01,624 |
| NOTE NO. 5 : OTHER LONG TERM LIABILITIES | | |
| a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32) | 4,92,66,107 | 5,17,17,959 |
| Total other long term liabilities | 4,92,66,107 | 5,17,17,959 |
| NOTE NO. 6 : LONG TERM PROVISIONS | | |
| a) Provisions for employee benefits (Refer Note No. 35) | | |
| - Provision for Gratuity | 1,38,63,107 | 1,11,78,064 |
| - Provision for Leave Encashment | 49,75,708 | 36,59,358 |
| b) Others - Bonus | 22,22,792 | 9,39,750 |
| Total Long Term Provisions | 2,10,61,607 | 1,57,77,172 |
| NOTE NO. 7 : SHORT TERM BORROWINGS | | |
| Short term borrowings | | |
| a) Working Capital from banks [Refer note No. 31 (a)] | | |
| Secured - State Bank of Hyderabad | 38,82,54,078 | 21,36,00,107 |
| b) Term Loans repayable with in 12months: | | |
| From banks | | |
| Secured | 90,79,904 | 97,02,863 |
| Unsecured | - | - |
| From other parties | | |
| Secured | - | - |
| Unsecured | - | - |
| c) Loans and advances from other parties | | |
| Secured | - | - |
| Unsecured | - | - |
| Total short term borrowings | 39,73,33,982 | 22,33,02,970 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| NOTE NO. 8 : TRADE PAYABLES | | |
| a) Trade Payables | 10,02,13,969 | 13,98,50,136 |
| b) Liabilities to Transporters | 95,29,383 | 44,13,037 |
| c) Liabilities to Consultants and individuals | 16,68,083 | 22,55,783 |
| d) Liabilities to Capital purchases | 2,21,46,745 | 2,23,03,008 |
| e) Liabilities to Miscellaneous Creditors | 3,03,43,055 | 2,33,61,430 |
| Total Trade Payables | 16,39,01,235 | 19,21,83,394 |
| NOTE NO. 9 : OTHER CURRENT LIABILITIES | | |
| a) Interest accrued but not due on borrowings | 2,06,488 | - |
| b) Advances received from Customers. | 27,56,180 | 5,90,519 |
| Total other current liabilities | 29,62,668 | 5,90,519 |
| NOTE NO. 10 : SHORT TERM PROVISIONS | | |
| a) Provisions for employee benefits | | |
| PF Payable | 6,73,314 | 5,87,499 |
| ESI Payable | 1,98,700 | 64,054 |
| Salaries, exgratia Payable | 47,11,945 | 36,00,249 |
| b) Others | | |
| Statutory Liabilities | 89,76,961 | 80,19,854 |
| Provision for Expenses | 75,60,068 | 76,09,829 |
| Provision for Late Delivery Charges | 1,66,29,419 | 1,66,29,418 |
| Provision for income tax | 4,25,00,000 | 3,00,00,000 |
| Provision for Dividend | - | - |
| Total short term provisions | 8,12,50,407 | 6,65,10,903 |
| NOTE NO. 13 : NON- CURRENT INVESTMENTS | | |
| Non- Current Investments | - | - |
| Less: Provision for Diminution in Investments | - | - |
| Non - Current Assets (Net) | - | - |

NOTE NO. 11 & 12: FIXED ASSETS

| Particulars | Gross Block | | | Depreciation/Amortization | | | | | Net Block as on 31.03.2017 | Net Block as on 31.03.2016 |
|--------------------------|-----------------------|---------------------------|----------------------------------|---------------------------|-------------------------------|------------------------|-------------------------------------|--|----------------------------|----------------------------|
| | As on 01.04.2016 | Additions during the year | Sale / Deletions during the year | As on 31.03.2017 | Depreciation as on 01.04.2016 | Adjustment to Reserves | Depreciation for the year 2016-2017 | Depreciation Reserve on Deletions & Adj. | Total Depreciation | |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| LAND & LAND DEVELOPMENT | 42,75,05,488 | - | - | 42,75,05,488 | - | - | - | - | - | 42,75,05,488 |
| BUILDING | 7,74,81,554 | 47,70,870 | - | 8,22,52,424 | 2,19,28,243 | - | 22,17,556 | - | 2,41,45,799 | 5,55,53,311 |
| PLANT & MACHINERY | 43,09,23,159 | 2,37,87,599 | - | 45,47,10,758 | 18,12,74,033 | - | 4,67,41,106 | - | 22,80,15,139 | 22,66,95,619 |
| ELECTRICAL EQUIPMENT | 1,02,34,402 | 66,666 | - | 1,03,01,068 | 48,58,098 | - | 11,78,027 | - | 60,36,125 | 53,76,304 |
| LABORATORY EQUIPMENT | 1,94,49,209 | 3,97,783 | - | 1,98,46,992 | 73,08,454 | - | 19,22,438 | - | 92,30,892 | 1,06,16,100 |
| OFFICE EQUIPMENT | 21,73,670 | 1,86,136 | - | 23,59,806 | 18,53,331 | - | 1,27,751 | - | 19,81,082 | 3,20,339 |
| COMPUTERS | 1,47,81,231 | 9,22,878 | - | 1,57,04,109 | 1,41,31,198 | - | 4,39,839 | - | 1,45,71,037 | 6,50,033 |
| FURNITURE | 45,99,836 | 1,08,608 | - | 47,08,444 | 41,99,004 | - | 1,06,902 | - | 43,05,906 | 4,00,832 |
| VEHICLES | 1,69,97,967 | 8,08,162 | - | 1,78,06,129 | 1,42,47,799 | - | 4,82,523 | - | 1,47,30,322 | 30,75,807 |
| GENERATOR | 78,64,549 | - | - | 78,64,549 | 53,72,083 | - | 6,08,848 | - | 59,80,931 | 18,83,618 |
| LEASEHOLD IMPROVEMENTS | 5,75,290 | - | - | 5,75,290 | 4,49,312 | - | 47,921 | - | 4,97,233 | 78,057 |
| AIR CONDITIONERS | 5,10,768 | - | - | 5,10,768 | 3,19,071 | - | 44,073 | - | 3,63,144 | 1,91,697 |
| TOOLS AND SPARES | 1,51,608 | - | - | 1,51,608 | 2,61,74 | - | 9,869 | - | 36,043 | 1,15,565 |
| INTANGIBLE FIXED ASSETS | 13,60,489 | - | - | 13,60,489 | - | - | - | - | - | 13,60,489 |
| CAPITAL WORK IN PROGRESS | 18,81,83,924 | 2,01,57,064 | - | 20,83,40,988 | - | - | - | - | - | 20,83,40,988 |
| TOTAL | 1,20,27,93,144 | 5,12,05,766 | - | 1,25,39,98,910 | 25,59,66,800 | - | 5,39,26,853 | - | 30,98,93,653 | 94,41,05,257 |
| Previous Year | 1,17,93,79,544 | 2,41,98,000 | 7,84,400 | 1,20,27,93,144 | 20,21,06,270 | - | 5,49,39,305 | 10,76,775 | 25,59,66,800 | 94,68,26,344 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| NOTE NO. 14 : LONG TERM LOANS AND ADVANCES | | |
| Long - term loans and advances: | | |
| a) Capital advance | | |
| Secured | 9,35,12,900 | 1,03,67,316 |
| Unsecured | - | - |
| Doubtful | - | - |
| b) Security Deposit | | |
| Secured | 49,42,179 | 43,53,784 |
| Unsecured | - | - |
| Doubtful | - | - |
| Total Long term loans & advances | 9,84,55,079 | 1,47,21,100 |
| Less : Provision for Doubtfull Debts | - | - |
| Total Long term loans & advances (net) | 9,84,55,079 | 1,47,21,100 |
| 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 |
| NOTE NO. 16 : INVENTORIES | | |
| Inventories : | | |
| a) Raw materials | | |
| - Chemicals & Rubber | 1,91,81,235 | 2,01,12,236 |
| - Hardware items | 1,46,10,315 | 1,17,82,746 |
| - FRP materials | 38,91,649 | 79,87,052 |
| - Others | 17,12,39,588 | 2,39,12,032 |
| Sub-Total | 20,89,22,787 | 6,37,94,066 |
| b) Work - in - progress | | |
| - Insulators | 11,17,90,994 | 10,28,63,733 |
| Sub-Total | 11,17,90,994 | 10,28,63,733 |
| Total Inventories | 32,07,13,781 | 16,66,57,799 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|---|--------------------------|--------------------------|
| 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 | 7,17,23,688 | 32,00,986 |
| Doubtful | - | |
| | 7,17,23,688 | 32,00,986 |
| II Other Receivables: | | |
| Secured, Considered Good | - | |
| Unsecured, Considered Good | 35,56,68,527 | 44,19,14,248 |
| Doubtful | - | |
| | 35,56,68,527 | 44,19,14,248 |
| Total trade receivable | 42,73,92,215 | 44,51,15,234 |
| Less : Allowance for bad & doubtful debts | - | |
| Total Trade Receivables (net) | 42,73,92,215 | 44,51,15,234 |
| NOTE NO. 18 : CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents : | | |
| a) Balances with banks : | | |
| 1) On Current Accounts | 54,54,087 | 29,40,518 |
| 2) Bank Deposits against BG & LC with less than 12 months maturity | 10,38,57,857 | 8,87,14,504 |
| 3) Bank deposits against BG & LC with more than 12 months maturity | - | - |
| 4) Interest accrued on Fixed Deposits | 36,29,298 | 32,03,574 |
| b) Cheques, Draft on hand | - | - |
| c) Cash on hand | 2,45,398 | 74,780 |
| Total Cash and Cash Equivalents | 11,31,86,640 | 9,49,33,376 |
| NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES | | |
| Short - term loans and advances: | | |
| a) Other loans And advances | | |
| Unsecured: | | |
| - for Staff Advances | 5,41,271 | 3,49,991 |
| - for Suppliers | 66,71,862 | 49,42,312 |
| - for Others | 17,11,307 | 3,25,06,067 |
| Total short term loans & advances | 89,24,440 | 3,77,98,370 |
| Less : Provision for Doubtfull Debts | - | - |
| Total short term loans & advances (net) | 89,24,440 | 3,77,98,370 |

| Particulars | As at 31.03.2017 ₹ | As at 31.03.2016 ₹ |
|--|--------------------------|--------------------------|
| NOTE NO.20 : OTHER CURRENT ASSETS | | |
| TDS Receivable & Advance Taxes | 1,48,70,510 | 1,37,40,607 |
| Prepaid Expenses | 1,32,95,766 | 70,44,153 |
| Balances with Government Departments | 4,00,00,555 | 1,26,76,788 |
| | 6,81,66,831 | 3,34,61,548 |

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 21 : REVENUE FROM OPERATIONS | | |
| Revenue from operations | | |
| (a) Sale of Products | 1,14,06,63,720 | 1,01,42,09,094 |
| Less: Excise Duties | 9,18,18,827 | 8,46,16,719 |
| Total Revenue from Operations | 1,04,88,44,893 | 92,95,92,375 |
| NOTE NO. 22 : OTHER INCOME | | |
| (a) Interest income | 64,06,074 | 62,39,387 |
| (b) Other non-operating income | 56,31,079 | 1,08,17,571 |
| Total Other Income | 1,20,37,153 | 1,70,56,958 |
| NOTE NO. 23 : COST OF MATERIALS CONSUMED | | |
| Material - Chemicals, Rubber | 29,71,24,673 | 22,32,25,031 |
| Material - Hardware items | 19,71,04,060 | 15,21,58,019 |
| Material - FRP materials | 8,97,33,577 | 6,81,55,177 |
| Other Material | 8,40,51,173 | 11,72,29,218 |
| Total Cost Of Material Consumed | 66,80,13,483 | 56,07,67,445 |
| NOTE NO. 24 : PURCHASE OF STOCK IN TRADE | | |
| Materials - Insulators | - | - |
| Total Trade Purchases | - | - |
| NOTE NO. 25 : CHANGE IN INVENTORIES & WIP. | | |
| Work in Progress | | |
| Work in progress at the beginning of the year | 10,28,63,733 | 11,30,42,864 |
| Less : work in progress at the end of the year | 11,17,90,994 | 10,28,63,733 |
| (Increase) / Decrease in Inventories | (89,27,261) | 1,01,79,131 |
| NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES | | |
| (a) Salaries & Wages | 9,55,16,027 | 8,60,78,298 |
| (b) Contribution to Provident & Other Funds | 35,27,288 | 32,68,343 |
| (c) Staff Welfare Expenses | 21,71,196 | 21,99,083 |
| Total Employee Benefit Expenses | 10,12,14,511 | 9,15,45,724 |

| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 27 : OTHER OPERATING EXPENSES | | |
| (a) Consumption of Stores & Spares | 40,76,854 | 36,61,307 |
| (b) Power & Fuel | 2,90,33,836 | 2,16,21,959 |
| (c) Repairs to Building | 5,97,725 | 1,77,549 |
| (d) Repairs to Machinery | 44,90,113 | 18,57,264 |
| (e) Insurance | 17,03,705 | 10,17,863 |
| (f) Testing and Inspection charges | 86,09,209 | 72,36,003 |
| Total Other operating Expenses | 4,85,11,442 | 3,55,71,945 |
| NOTE NO. 28 : ADMINSTRATIVE EXPENSES | | |
| (a) Telephone, Postage and Others | 14,98,474 | 15,80,712 |
| (b) Business Promotion Expenses | 16,98,499 | 14,95,179 |
| (c) Conveyance | 10,34,155 | 10,00,868 |
| (d) Office Maintenance | 14,82,523 | 11,89,348 |
| (e) Printing & Stationery Expenses | 12,11,117 | 10,05,594 |
| (f) Security Charges | 22,51,080 | 20,95,754 |
| (g) Rates & Taxes (excluding Income Tax) | 13,68,498 | 12,63,337 |
| (h) Managerial Remuneration | 32,61,000 | 30,00,000 |
| (i) Consultancy Charges | 22,44,929 | 56,90,605 |
| (j) Rent | 30,04,445 | 32,31,040 |
| (k) Office Electricity charges | 5,09,142 | 5,43,120 |
| (l) Travelling expenses | 33,91,314 | 53,16,468 |
| (m) Vehicle Maintenance | 18,29,742 | 19,02,843 |
| (n) Advertisement expenses | 2,16,534 | 1,46,188 |
| (o) Commission Paid | 10,48,975 | 17,38,224 |
| (p) Exhibition Expenses | 5,66,000 | 5,59,038 |
| (q) Ocean Freight & Charges | 11,86,989 | 31,81,174 |
| (r) Legal Fees | 12,500 | 1,50,700 |
| (s) Listing Fees | 4,00,000 | 3,20,000 |
| (t) Gifts and Donations | 95,000 | 75,000 |
| (u) Liquidated Damage Charges | - | 8,13,049 |
| (v) Miscellaneous Expenses | 45,68,385 | 63,98,589 |
| (w) Loss on Sale of investments/Assets | - | - |
| (x) Repairs and Maintenance Others | 35,48,188 | 31,17,155 |
| (y) Auditors Remuneration | 9,00,000 | 3,00,000 |
| (z) Insurance Charges | 10,18,278 | 12,64,600 |
| Total Administrative Expenses | 3,83,45,767 | 4,73,78,585 |

| Particulars | For the year ended 31.03.2017 ₹ | For the year ended 31.03.2016 ₹ |
|---|---------------------------------------|---------------------------------------|
| NOTE NO. 29 : FINANCE COST | | |
| (a) Interest Expenses : | | |
| - Interest on Cash Credit | 3,11,93,248 | 3,01,98,405 |
| - Interest on Term Loan | 6,76,903 | 29,27,200 |
| - Bank charges, Commission & Financial charges | 2,18,28,086 | 2,43,02,433 |
| Total Finance Cost | 5,36,98,237 | 5,74,28,038 |
| NOTE NO. 30 : OTHER EXPENSES | | |
| Miscellaneous expenditure written off during the year | - | - |
| Total Other expenses | - | - |
| | | |

**NOTES TO FINANCIAL STATEMENT:****31: Long Term & Short Term Borrowings**

- a) 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 M/s Goldstone Technologies Limited.
 - Corporate Guarantee given by M/s Trinity Infra ventures Limited & M/s Goldstone Technologies Limited for above loan.
 - Personal guarantee of a promoter director of the Company.
- b) 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: ₹ NIL/-). During this Financial Year the Company has repaid an amount of ₹ **48,19,078/-** (Previous year : ₹ 76,42,042/-)

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 Solarpower Private Limited towards Equity Share Capital and allotted 60,10,000 shares @ ₹ 10/- each. Company incurred ₹ 9,92,81,244/- on capital work in progress till March 31, 2017.

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 AS15. The details are as follows:

| Particulars | 31.03.2017 ₹ | 31.03.2016 ₹ |
|------------------|------------------|-----------------|
| Gratuity | 31,01,471 | 19,23,282 |
| Leave Encashment | 16,76,566 | 30,47,581 |
| Bonus | 22,22,792 | 9,39,750 |

Defined contribution plan

During year ended March 31, 2017, the Company contributed ₹ 29,56,078/- (Previous year ₹ 27,43,682/-) to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2017 are as follows:

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

(Amount in ₹)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|--------------------|-------------------|
| Present value of funded obligation | - | - |
| Fair value of plan assets | - | - |
| Present value of Unfunded obligations | 1,38,63,107 | 1,11,78,064 |
| Unrecognized Past Service cost | - | - |
| Amount not Recognized as an asset [limit in Para 59 (b)] | - | - |
| Net liability | 1,38,63,107 | 1,11,78,064 |
| Amounts in Balance Sheet | | |
| Liability – Current | 26,06,302 | 20,50,065 |
| Liability – Non Current | 1,12,56,805 | 91,27,999 |
| Asset | - | - |
| Net Liability | 1,38,63,107 | 1,11,78,064 |

The amounts recognized in the profit and loss account for the year ended March 31, 2017 are as follows:

| Particulars | March 31, 2017 ₹ | March 31, 2016 ₹ |
|---|------------------------|------------------------|
| Current service cost | 10,85,054 | 10,05,662 |
| Interest on Defined Benefit Obligation | 8,99,047 | 7,51,878 |
| Expected return on plan assets | | - |
| Net Actuarial Losses/(Gains) Recognized in Year | 11,17,370 | 1,65,742 |
| Past Service Cost | - | - |
| Losses/(Gains) on "Curtailments & Settlements" | - | - |
| Losses/(Gains) on "Acquisition/Divestiture" | - | - |
| Effects of the limit in Para 59 (b) | | |
| Total, included in "Employee Benefit Expense" | 31,01,471 | 19,23,282 |
| Actual Return on Plan Assets | - | - |



Goldstone

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

| Particulars | March 31, 2017 | March 31, 2016 |
|--------------------------------|----------------|----------------|
| Discount Rate | 7.40% | 8.00% |
| 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 lakhs)

| SL No. | Name of the Party | Nature of Transaction | 2016-17 | 2015-16 |
|--------|-------------------|--------------------------------------|--------------|---------|
| 1 | L.P. Sashikumar | MD Remuneration, and Other benefits. | 31.92 | 26.00 |

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

Calculation of EPS

| | 2016-17 | 2015-16 |
|---|--------------------|-------------|
| Profit after tax during the year (₹) | 6,01,08,249 | 5,79,62,894 |
| Earnings available to Equity Shareholders for Basic & Diluted EPS (₹) | 6,01,08,249 | 5,79,62,894 |
| 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 (₹) | 1.67 | 1.61 |
| - Diluted (₹) | 1.67 | 1.61 |
| Face Value of the Share (₹) | 4.00 | 4.00 |

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

In accordance with Accounting Standard 22 (AS22) 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 ₹ **66,04,555/-** towards deferred Income Tax Asset. (Previous year ₹ 61,01,740/- towards Deferred Tax Asset).

40. Details of specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016

| | SBNs | Other denomination notes | Total (₹) |
|--|------|--------------------------|-----------|
| Closing cash in hand as on 08.11.2016 | - | 43,332 | 43,332 |
| (+) Permitted Receipts (cash withdrawals) | - | 4,66,000 | 4,66,000 |
| (+) Other Receipts (other than cash withdrawals) | - | 5,35,088 | 5,35,088 |
| (-) Permitted payments | - | 5,96,217 | 5,96,217 |
| (-) Amount deposited in Banks | - | 3,73,000 | 3,73,000 |
| Closing cash in hand as on 30.12.2016 | - | 75,203 | 75,203 |

41. Remuneration:

Managing Director

(₹ in lakhs)

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---------------------------|-----------------------|-----------------------|
| Salary | 27.36 | 26.00 |
| Reimbursements and others | 4.56 | - |
| Total | 31.92 | 26.00 |

Auditors Remuneration

(₹ in lakhs)

| | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---------------------|-----------------------|-----------------------|
| Statutory Audit Fee | 2.50 | 2.50 |
| Tax Audit Fee | 0.50 | 0.50 |
| Total | 3.00 | 3.00 |

42. During the year Company has made an additional provision of ₹ NIL (Previous Year ₹ 8.13 lakhs) for Late Delivery charges.

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

Prior period adjustment of (₹ **1,00,95,320/-**) (Previous year (₹ **72,36,496/-**) 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.



Goldstone

44. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 5 OF SCHEDULE III TO THE COMPANIES ACT, 2013:

| Particulars | 2016-17 | | 2015-16 | |
|--|------------------------|-----------------------|------------------------|---------------------|
| 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.) | 2,81,908 | | 2,23,810 | |
| d. Net Sales | | | | |
| - Polymer Insulators | 2,81,751 | 1,02,19,05,677 | 2,23,703 | 91,62,47,538 |
| - Others | | 2,69,39,217 | | 1,33,44,837 |
| Total | | 1,04,88,44,894 | | 92,95,92,375 |
| e. Material consumption | | | | |
| - Chemicals & Rubber | | 29,71,24,673 | | 22,32,25,031 |
| - FRP material | | 8,97,33,577 | | 6,81,55,177 |
| - Hardware items | | 19,71,04,060 | | 15,21,58,019 |
| - Others | | 8,40,51,173 | | 11,72,29,218 |
| | | 66,80,13,483 | | 56,07,67,445 |
| f. Break-up of material consumption (excluding trading material) | | | | |
| Indigenous | 49.70% | 33,20,20,949 | 52.92% | 29,67,83,393 |
| Imported | 50.30% | 33,59,92,534 | 47.08% | 26,39,84,052 |
| | 100.00% | 66,80,13,483 | 100.00% | 56,07,67,445 |
| g. Earnings in Foreign currency | | | | |
| Export of goods | | 5,26,894 | | 15,38,960 |
| Deemed Export of Goods | | 31,61,83,082 | | 24,02,77,831 |
| h. Value of imports on CIF Basis | | | | |
| - Materials including trading materials | | 34,84,17,098 | | 20,77,05,972 |
| - Capital Goods | | 2,77,79,101 | | 31,62,857 |
| - Tools and Spares | | 3,11,708 | | 0 |
| i. Expenditure in foreign currency | | | | |
| On travel | | 6,39,492 | | 4,16,490 |
| Others | | 74,887 | | 1,71,139 |

45. Contingent Liabilities not provided for

- a) Letter of credit – ₹ **829.35 lakhs** (Previous year: ₹ 712.45 lakhs)
- b) Bank Guarantees – ₹ **3,783.70** lakhs (Previous year: ₹ 3,521.31 lakhs)
- c) Commitments on capital contracts remaining to be executed ₹ **159.00** lakhs (Previous year: ₹ 62.00 lakhs)
- d) Un-claimed dividend amount for the years 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at Axis Bank for an amount of ₹ 1,29,138/-, ₹ 1,30,914/- and ₹ 1,08,438/- respectively. During the year Company has closed Dividend warrant account for the year 2008-2009 and DD bearing No. 067540 taken for ₹ 2,19,639/- in favour of Pay & Accounts officer, Ministry of Corporate Affairs, New Delhi. on dt 05.11.2016.
- e) Collateral Security and Corporate Guarantee given for the credit facilities of ₹ 4.50 crores availed by M/s. Goldstone Technologies Limited, Secunderabad with Central Bank of India, Koti, Hyderabad Branch.

46. During the year Company has not made any provision for Intangible Assets – Goodwill.

47. Company has spent an amount of ₹ 24.15 Crores towards Electric Bus Division till 31.03.2017.

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

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 : 27.05.2017

For and on behalf of the board

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

B. Appa Rao

Director

(DIN: 00004309)

Sd/-

P. Syam Prasad

CFO

Sd/-

P. Hanuman Prasad

Company Secretary

**Goldstone****CONSOLIDATED CASH FLOW STATEMENTS AS AT MARCH 31, 2017**

(₹ in Lakhs)

| Particulars | | 31.03.2017 | 31.03.2016 |
|-------------|---|-------------------|-------------------|
| A. | Cash Flow from operating activity | | |
| | Net Profit before tax | 960.04 | 818.61 |
| | Adjustments for: | | |
| | Depreciation Adjustment | - | - |
| | Miscellaneous expenditure written off | - | - |
| | Provision for Gratuity & Earned Leave & others | 139.56 | 101.62 |
| | Loss on sale of Assets/Investments | - | - |
| | Other Income | (120.37) | (170.57) |
| | Operating Profit before working capital changes | 979.22 | 749.66 |
| | Adjustments for: | | |
| | Trade and other receivables | 177.23 | (992.15) |
| | Inventories | (1,540.56) | 14.03 |
| | Trade advances | (884.35) | (289.64) |
| | Trade Payable | (249.67) | (544.59) |
| | Cash generated from operations | (1,518.13) | (1,062.69) |
| | Direct Taxes paid (net) | (311.30) | (264.32) |
| | Gratuity, EL encashment & others Paid | (73.39) | (79.24) |
| | Cashflow before extraordinary items | (1,902.82) | (1,406.25) |
| | Net Cash flow from operating activity | (1,902.82) | (1,406.25) |
| B. | Cash Flow from Investing Activity | | |
| | Fixed assets | 228.78 | 304.99 |
| | Capital work in progress | (201.57) | - |
| | Investments | - | - |
| | Other income | 120.37 | 170.57 |
| | Loss on Sale of Assets/Investments | - | - |
| | Net Cash used for investing activity | 147.58 | 475.56 |
| C. | Cash Flow from financing activities | | |
| | Long term borrowings | 222.34 | 1,422.99 |
| | Short Term borrowings | 1,740.31 | (411.64) |
| | Deferred sales tax loan payment | (24.52) | (50.97) |
| | Dividend paid | - | - |
| | Net cash generated from financing activity | 1,938.13 | 960.38 |
| | Cash and cash equivalents (Opening Balance) | 948.97 | 919.28 |
| | Net increase in Cash & Cash equivalents (A+B+C) | 182.89 | 29.69 |
| | Cash and cash equivalents (Closing Balance) | 1,131.86 | 948.97 |

For and on behalf of the board**For P. Murali & Co.,**

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Secunderabad

Date : 27.05.2017

Sd/-

L.P. Sashikumar

Managing Director

(DIN: 00016679)

Sd/-

P. Syam Prasad

CFO

Sd/-

B. Appa Rao

Director


(DIN: 00004309)

Sd/-

P. Hanuman Prasad

Company Secretary



| | |
|---|--|
|  Goldstone | <p align="center">GOLDSTONE INFRATECH LIMITED</p> <p align="center">CIN: L64203TG2000PLC035451 Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex S D Road, Secunderabad – 500 003, Phone No. 91-40-27807640 E-mail ID: info@goldstone.net , Website: www.goldstonepower.com</p> |
|---|--|

ATTENDANCE SLIP
(To be presented 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 17th Annual General Meeting to be held on Thursday, the 28th September, 2017 at 3.30 P.M. at Plot No. 1 & 9, Phase II, IDA, 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.



**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
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 Seventeenth Annual General Meeting of the Company to be held on Thursday, 28th September, 2017 at 3.30 P.M. Plot No. 1 & 9, Phase II, IDA, 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 Statement, 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 the Cost Auditor and fixing of their remuneration | | |

Signed this ----- day of -----2017.

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
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 Seventeenth Annual General Meeting of the Company to be held on Thursday, 28th September 2017 at 3.30 P.M. Plot No. 1 & 9, Phase II, IDA, Cherlapally, Hyderabad - 500 051 by recording my assent or dissent to the said resolutions in the following manner.

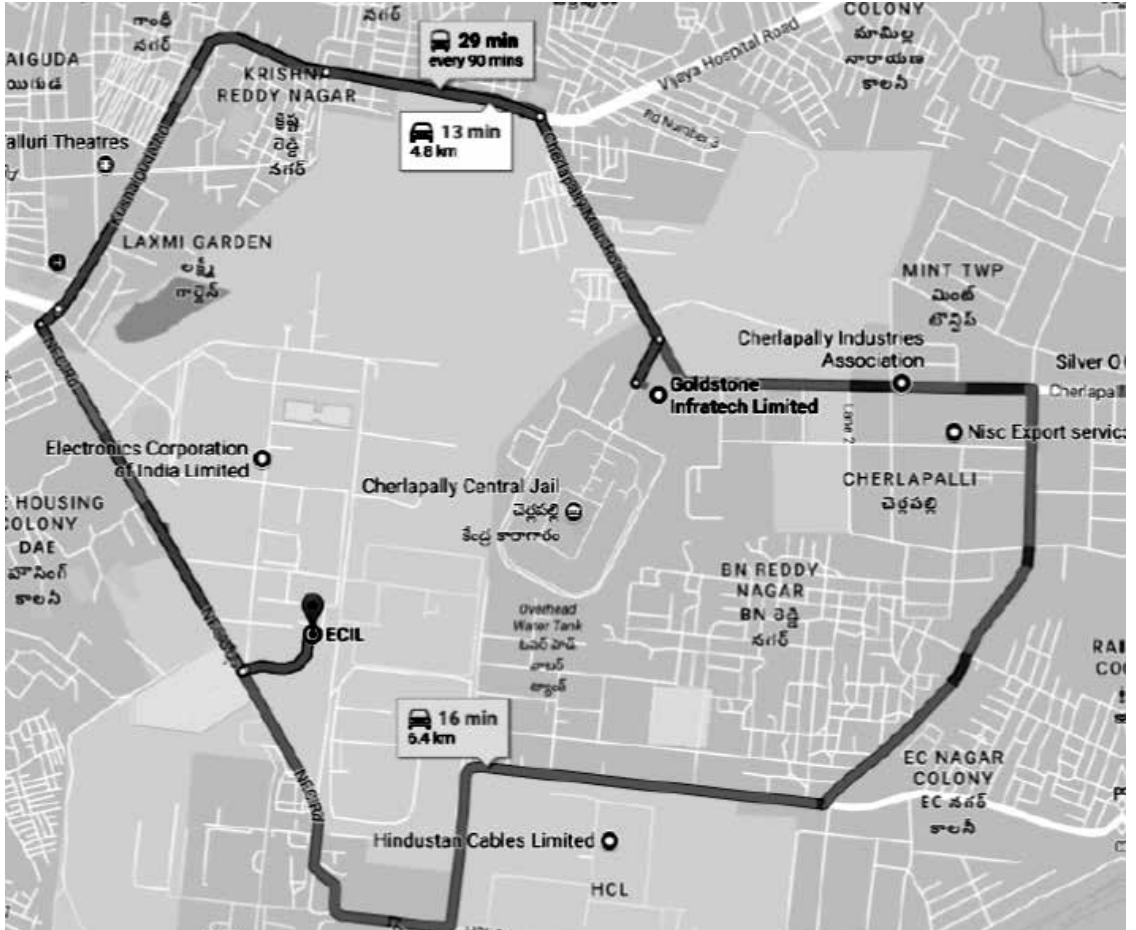
| No | Item No. | No. of Shares held by me | I Assent to the Resolution | I dissent to the Resolution |
|----|---|--------------------------|----------------------------|-----------------------------|
| 1. | Consider and Adopt Audited Financial Statement, Reports of the Board of Directors and Auditors. | | | |
| 2. | Re-Appointment of Mrs.Mahita Caddell who retires by rotation. | | | |
| 3. | Appointment of Auditors and fixing of their remuneration. | | | |
| 4. | Appointment of Cost Auditors and fixing of their remuneration. | | | |

Place :

Date :

(Signature of the shareholder)

AGM Venue Route Map





if undelivered please return to:



Goldstone Infratech Limited

Cin : L64203TG2000PLC035451

9-1-83 & 84 Amarchand Complex,
Sarojini Devi Road, Secunderabad - 500 003.

Ph. 040-27807640/0742

Email : info@goldstone.net

Website : www.goldstonepower.com

www.goldstoneebus.com

