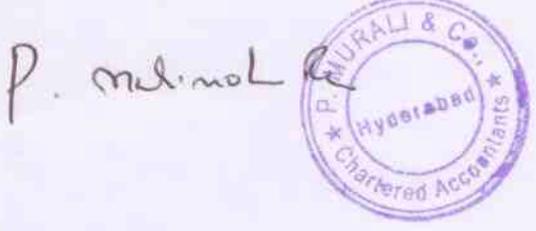
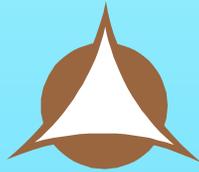


FORM-A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	GOLDSTONE INFRATECH LIMITED
2.	Annual Financial Statements for the year ended	March 31, 2013
3.	Type of Audit observation	NIL
4.	Frequency of observation	Not Applicable
5.	<i>To be Signed by</i>	
	L.P.Sashikumar Managing Director	
	S.Satyanarayana AGM (Accounts)	
	P. Murali Mohana Rao Partner Membership No : 023412 For P. Murali & Co., Chartered Accountants FRN: 007257S Statutory Auditors	
	B.Apparao Chairman of the Audit Committee	

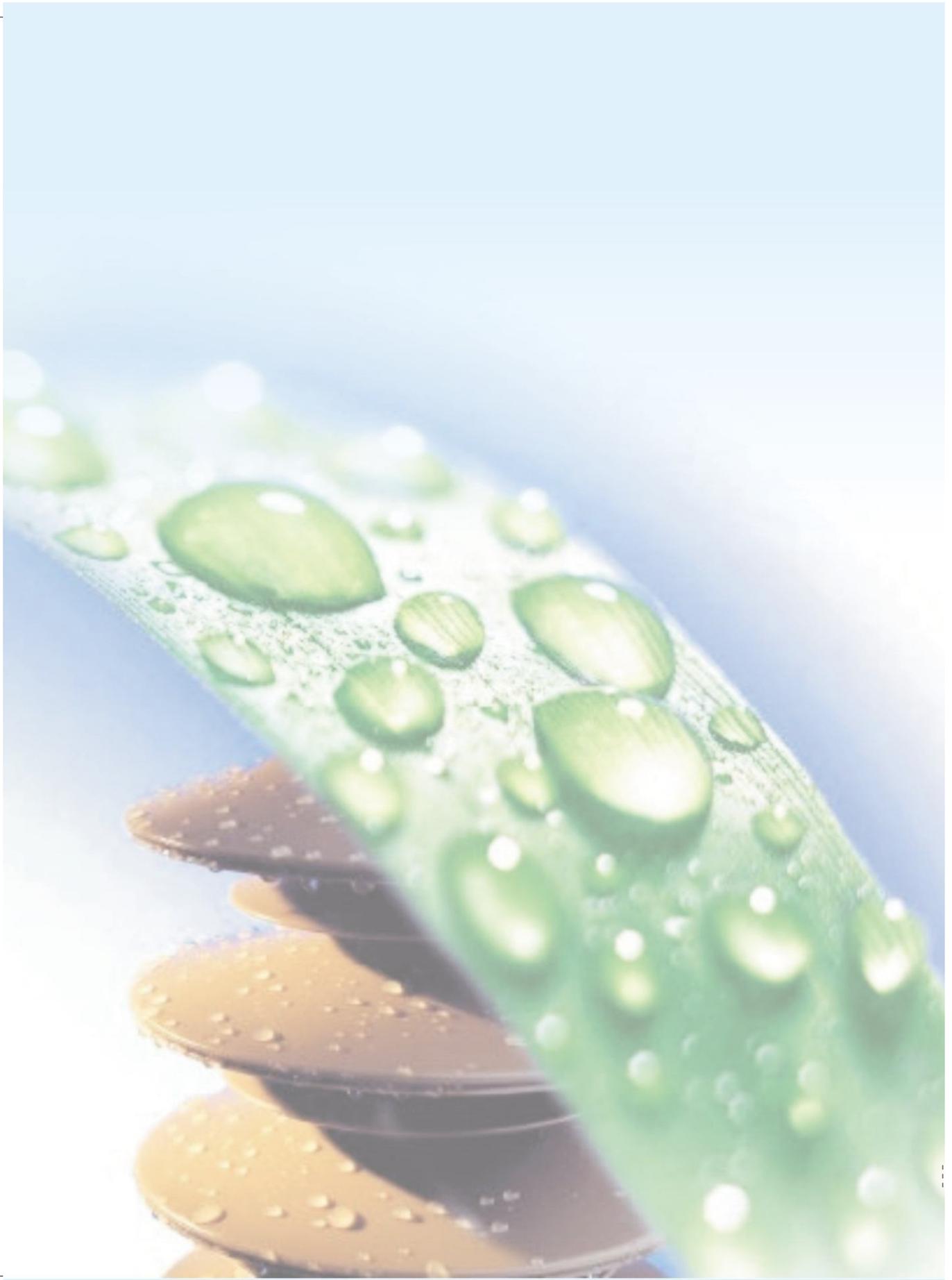


Goldstone



Goldstone Infratech Limited

13th Annual Report 2012-13



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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. S. Murali Krishna
Mr. M. Gopalakrishna

Shareholders/Investors' Grievance Committee:

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

Compensation cum Remuneration Committee:

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

Management Team:

Mr. N. Nagasatyam (Vice President)
Mr. Manoj Kumar Mishra (VP, Operations)
Mr. D P K Udas (VP, Marketing)
Mr. B. Kiran Kumar Reddy (AGM, Production)
Mr. P.Hanuman Prasad (Company Secretary & Compliance Officer)

Statutory Auditors:

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

Principal Bankers:

State Bank of Hyderabad
Syndicate Bank

Registrars & Share Transfer Agents:

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

Stock Exchanges where Company's Securities are listed:

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Registered Office:

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

Factory:

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Saturday, the 28th September, 2013 at 3.00 p.m. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

ORDINARY BUSINESS:

- 1.** To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended as on that date along with Directors' Report and Auditors' Report thereon.
- 2.** To appoint a Director in place of Mr. M.Gopalakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
- 3.** To appoint Statutory Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration as may be determined by the Board".

SPECIAL BUSINESS:

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

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

1. Salary

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

2. Perquisites

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

Category A

- 1.** Housing: Rent Free Accommodation or House Rent Allowance – Rs.28,000/-per month.(Rupees Twenty Eight Thousand only)
- 2.** Other allowances/reimbursements like Maintenance, LTA, Gardener, Servant, Conveyance, Subscription to Professional journals and Medical etc: not exceeding Rs.32,000/- per month. (Rupees Thirty Two Thousand only).

Category B

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



24,000/- (Rupees Twenty Four Thousand only) per annum. One month leave for every completed year of service or payment in lieu thereof.

Category C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company

3. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Mr.L.P.Sashikumar shall be paid salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. However contribution to provident fund/annuity fund/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule-XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto,

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

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

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

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

By order of the Board of Directors

Sd/-

P.Hanuman Prasad
Company Secretary

Place: Secunderabad
Date: 12th August, 2013

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Transfer Books of the Company shall remain closed from *23rd September, 2013 to 28th September, 2013 (both days inclusive)* for the purpose of ensuring Annual General Meeting.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
8. As on 31st March 2013, Rs.2,07,645.60 was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07; Rs. 2,25,260.00 was unclaimed out of the dividend declared on 30th September, 2008 for the financial year 2007-08; Rs. 2,20,673.55 was unclaimed out of the dividend declared on 30th September, 2009 for the financial year 2008-09; Rs. 1,30,928.00 was unclaimed out of the dividend declared on 29th September, 2010 for the financial year 2009-10; Rs. 1,31,779.00 was unclaimed out of the dividend declared on 30th September, 2011 for the financial year 2010-11 and Rs.1,09,323.00 was unclaimed out of the dividend declared on 29th September, 2012 for the financial year 2011-12. Members who have not claimed the dividend are advised to claim the same at the earliest. In accordance with the provisions of Section 205C of the Companies Act, 1956, aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund on 29th October 2014; 31st October, 2015 and 31st October, 2016, 30th October 2017, 31st October 2018 and 30th October 2019 respectively.
9. The Annual Report of the Company for the year 2012-13 circulated to the Members of the Company is available on the Company's website, viz. www.goldstonepower.com.



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

ITEM NO.4

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

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

Your Directors recommended the resolution for your approval.

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

ITEM NO.5

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

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

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

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

By order of the Board of Directors

Sd/-

P.Hanuman Prasad
Company Secretary

Place : Secunderabad

Date : 12th August, 2013

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. M.Gopalakrishna, IAS (Retd.)
Date of Birth	12 th January 1939
Date of Appointment	29 th October 2007
Qualifications	Graduate in Science & Law
Expertise in specific functional areas	Over 40 years of experience in Industry and Business Sectors
List of other companies in which directorship held	NSL Textiles Limited BGR Energy Systems Limited JOCIL Limited Pitti Laminations Limited Vijayshri Organics Limited Kernex Microsystems Limited Suven Life Sciences Limited Nuziveedu Seeds Private Limited Sentini Bio-Products Private Limited Avra Laboratories Private Limited Arani Power Systems Pvt Ltd NSL RenewableM Power Pvt Ltd
List of the Committees of other Companies in which chairmanship/ Membership held	1. Pitti Laminations Limited- Remuneration Committee Member. 2. Kernex Microsystems Limited- Audit Committee Member. 3. BGR Energy Systems Limited- Remuneration Committee- Chairman Audit Committee – Member Shareholders Grievance Committee-Chairman 4. Suven Life Sciences Limited Audit Committee – Member
Chairman/Member of the Committees of the Company	Audit Committee – Member Remuneration Committee-Chairman
Shareholding in the Company	NIL
Relationship between Directors Inter-Se	No

Name of Director	Mr. Lam Paul Sashikumar
Date of Birth	25 th October, 1950
Date of Appointment	11 th October, 2000
Qualifications	Graduate in Business Administration
Expertise in specific functional areas	Over 30 years of varied experience in the industry and business sectors.
List of other companies in which directorship held	<ol style="list-style-type: none"> 1. Goldstone Technologies Ltd. 2. Goldstone Granites Pvt Ltd. 3. Staytop Systems and Software Pvt Ltd. 4. SEPC Power Private Limited. 5. T F Solar Power Pvt. Ltd. 6. Goldstone Power Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/ Membership held	Member of Investors' Grievance & Share Transfer Committee of Goldstone Technologies Ltd.
Chairman/Member of the Committees of the Company	Member of Investors' Grievance & Share Transfer Committee.
Shareholding in the Company	534350
Relationship between Directors Inter-Se	Relative of Mrs. Mahita caddell

Name of Director	Mr. S.Murali Krishna
Date of Birth	25 th July 1969
Date of Appointment	13 th August, 2013
Qualifications	Master in Business Administration
Expertise in specific functional areas	Significant knowledge and experience in the field of Business Management & Administration.
List of other companies in which directorship held	<ol style="list-style-type: none"> 1. GEL Infrastructure Pvt Ltd. 2. SVE Castings Pvt. Ltd. 3. Sammuk Hotels Pvt Ltd.
List of the Committees of other Companies in which chairmanship/ Membership held	Nil
Chairman/Member of the Committees of the Company	Chairman of Investors' Grievance & Share Transfer Committee and Member of the Audit Committee & Remuneration Committee.
Shareholding in the Company	Nil
Relationship between Directors Inter-Se	No

Directors' Report

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Statements of Accounts of the company for the financial year ended 31st March 2013.

Financial Results:

The summarized financial results (Standalone) of the Company for the year ended 31st March, 2013 as compared to the preceding year are as under:

Particulars	₹ in Lakhs	
	2012-13	2011-12
Gross Sales	7628.98	6405.22
Net Sales	7006.99	5978.48
Other Income	235.97	119.75
Total Income	7242.96	6098.23
Total Expenditure	6060.58	5085.44
Operating Profit (PBIDT)	1182.38	1012.79
Interest	638.10	490.34
Depreciation and Write Offs	239.67	289.36
Profit before Tax	304.61	233.08
Provision for taxation		
- Current	35.00	50.00
- Deferred	66.87	(1.88)
Profit after Tax	202.74	184.96
Extra-Ordinary Items		
- Prior period adjustments	(2.14)	5.55
Net Profit	200.60	190.51
Surplus brought forward from previous year	117.60	2751.71
Balance available for appropriation Appropriations:	318.20	2942.22
· Proposed Dividend on Equity Shares	-	72.16
· Provision for Dividend Tax	-	11.71
· Transfer to General Reserves	-	19.05
· Others	108.47	2721.70
Surplus carried forward to Balance Sheet	209.72	117.60
Equity Share Capital (3,60,80,737 Shares of Rs 4/-each)	1443.23	1443.23
E.P.S (After Prior Period Items) (Rupees)	0.56	0.53
Net Worth	7404.41	7312.29
Book Value in rupees (face Value of Rs. 4/- each)	20.52	20.27



Review of Operations:

During the year under review, your Company achieved a gross turnover of Rs. 7628.98 lakhs as against Rs. 6405.22 Lakhs during the previous financial year. The Net Profit increased from Rs. 190.51 Lakhs during the year ended 31st March 2012 to Rs. 200.60 Lakhs for the Current Year. Though the turnover increased by 19% the increase in net profit was only by 5% and the main reasons for this were appreciation of US Dollar vis-à-vis Indian Rupee and increase in Manufacturing and Power costs.

During the year under review, the Company had successfully developed and type tested the Cross Arm Insulators for FSC platforms as Import Substitution for the first time in India and further the company had also developed Horizontal Line Post Insulators and became the first company in the country to develop this and got approval of power utilities. Further the Company had successfully produced 765KV Insulators for Transmission Lines.

Dividend:

In order to conserve resources for future requirements, the Board has decided to retain the profits generated and consequently, your Board did not recommend any dividend for the financial year 2012-13.

Consolidated Financial Statements:

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

Subsidiary Company:

TF Solar Power Private Limited is the wholly owned subsidiary of the Company. In accordance with the general circular issued by the Ministry of Corporate

Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

Fixed deposits:

The Company has not accepted any Fixed Deposits, falling within the purview of Section 58A of the Companies Act, 1956.

Insurance:

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

Management Discussion and Analysis:

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

Statutory Auditors:

M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of forth-coming Annual General Meeting and are eligible for re-

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

Cost Auditors:

The Board of Directors at their meeting held on 28th May, 2012 had appointed Sagar & Associates, Cost Accountants, as the Cost Auditor of the Company for the FY 2012-13. The Cost Auditors have submitted their Cost Audit Report and the Board has approved the said Report in the Board Meeting held on 12th August, 2013 and the due date for filing of this Cost Audit Report with the Central Government is 30th September 2013. For the financial year 2013-14, the Board at its meeting held on 27th May, 2013 had appointed Sagar & Associates, Cost Accountants, as the Cost Auditor of the Company.

Directors:

Mr. M.Gopalakrishna, Director, who retires by rotation at the 13th Annual General Meeting and being eligible, offer himself for re-appointment.

The Board of Directors in their Board Meeting held on 13th February 2013 have re-appointed subject to your approval, Mr.L.P.Sashikumar as Managing Director of the Company for three years with effect from 01st April 2013.

During the year under report, Mr. S.Murali Krishna has resigned from the Board on 01st April, 2013 and further he re-appointed as additional director with effect from 12th August 2013 and through the Notice of the 13th Annual General Meeting, the Management is

seeking the approval of the Members for his appointment as Director of the Company liable to retire by rotation.

Stock Exchange Listing:

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India (NSE) and the Bombay Stock Exchange Limited (BSE). The Company confirms that it has paid Annual Listing Fees due to all the Stock Exchanges where the Company's securities are listed for the year 2013-14.

Director's Responsibility Statement:

In accordance with the Section 217(2AA) of the Companies Act, 1956, the Directors of the Company, in respect of the financial year ended 31st March, 2013, confirm that:

- (a) in preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year;
- (c) They have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



(d) They have prepared the Annual Accounts on a going concern basis.

Corporate Governance:

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

Managing Director and Chief Financial Officer Certification:

As required under the SEBI Guidelines, the Managing Director and the Head of the Finance Function Certification is attached to this Report.

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

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

1. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken or under implementation

During the period the company had:

- 1) Improved the production process to reduce the cycle time;
- 2) Re-designed the product mix to reduce load on machines;

- 3) Re-designed the existing Chiller water lines to save the power consumption;
- 4) Reconditioned the existing Moulding Machines to save power consumption;
- 5) Reorganized the loads to run the entire plant on any one of the DG sets as per its connected load to save the diesel and power costs;
- 6) Ensured proper and timely maintenance of plant & equipment.

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

Additional/new measures will be initiated for further reduction in energy consumption based on technical evaluation and study of the measures already implemented.

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

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

d. Consumption of Energy Particulars.

Electricity	2012-2013	2011-2012
A. Purchased		
Units – KWH	19,48,032	18,29,058
Total Amount – In Rupees	1,41,97,116	97,53,702
Rate/Unit – In Rupees	7.29	5.33
B. Own Generation through Diesel Generator		
Units – KWH	4,14,736	1,84,653
Total Amount – In Rupees	64,66,351	31,63,665
Rate/Unit – In Rupees	15.59	17.13

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 process to optimize the productivity and performance. New simulation software has been procured to optimize and redesign the mechanical parts. The designs of Insulators have been optimized for improvement in quality, standardization and Value engineer.

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

- Optimized designs to be competitive in the market with world class quality products
- Developed Cross arm insulators for FSC platforms for the first time in India as Import

substitution and type testing also completed.

- Developed Horizontal Line insulators for the first time in India.
- Successfully produced 765 KV insulators for Transmission Lines.
- Reduction in wastages.
- Dependency on imports reduced.
- Achieved better quality control.

c. Future Plan of Action:

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

3. FOREIGN EXCHANGE EARNINGS AND OUT GO:

(₹ In lakhs)

Particulars	2012-13	2011-12
a) Value of Imports on CIF Basis		
➤ Raw Materials	1,213.87	1,500.32
➤ Capital Goods	32.37	10.90
b) Expenditure in Foreign Currency		
➤ Traveling Expenses	1.21	2.62
➤ Others	44.66	2.93
c) Earnings in Foreign Currency (on receipt basis)		
➤ Export of Goods (FOB Basis)	136.85	183.64

CERTIFICATE FROM THE MANAGING DIRECTOR & THE FINANCE HEAD

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference -
 - (i) there were no significant changes in the internal control and overall financial reporting;
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Sd/-

Sd/-

L P Sashikumar S. Satyanarayana
Managing Director AGM (Accounts)

Place: Secunderabad

Date: 27th May, 2013



MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

A. INDUSTRY OVERVIEW:

An Efficient power supply system is key ingredient for Economic Growth and quality of life. The Indian Electrical Equipment manufacturing industry comprises of two segments.

A. GENERATION EQUIPMENT: (Boilers, Turbines, generators) and Transmission & Distribution. (T&D)

B. ALLIED EQUIPMENT: like Transformers, cables, transmission lines, switchgears, capacitors, energy meters, instrument transformers, surge arrestors, stamping and lamination, insulators, insulating material etc.

The Generation Equipment sector accounts for 26% of the total Industry and T&D Equipment sector comprises of 74% of the Industry. The Indian electrical equipment industry has registered negative growth of 8% in 2012-13 (as compared to growth of 6.6% in 2011-12) for the first time in last 10 years due to sluggish demand in power sector, continuous rise in imports of Electrical Equipments and in the absence of level playing field that would equip the industry to fight imports.

According to the annual industry data released by the Indian Electrical and Electronics Manufacturers' Association (IEEMA) the worst hit were the transformers which registered a degrowth of 26 per cent in FY 12-13 compared to a growth of 25 per cent in FY 11-12 and capacitors makers, where the negative growth widened to a massive 24 per cent (YoY) all, except the transmission sector, decelerated in the last fiscal year.

Slackening demand in the power sector, continuous rise in imports of electrical equipment, especially from China and South

Korea and an absence of a level playing field is threatening the existence of the Indian players. The imports of electrical equipment have grown more than 20 per cent in the last fiscal, thus eating into the domestic manufacturer's pie.

B. OPPORTUNITIES & THREATS:

The generation capacity addition in XIIth plan is targeted at 1,03,000 MW. This requires matching transmission network to evacuate power from generating points to local center. The investment in XIIth plan for transmission lines is Rs. 2,40,000 crores. On rough estimate it will create demand for insulators worth Rs. 2,400 crores per annum. These figures are 3 times the present market. Moreover, entry of private sector in transmission lines has enhanced demand for insulators as more projects are under implementation. Strengthening of USD vis-à-vis Rupee has also made Indian exports competitive in foreign markets and also made imports more expensive benefitting domestic manufacturers.

Based on the projections of the government for capacity enhancement in power generation, transmission and distribution in the 10th, 11th and 12th Plans, the domestic electrical equipment manufacturing industry has made huge investments in doubling and, in some cases, even tripling its production capacity.

However, this built-up capacity currently stands under used across several products due to sluggish domestic demand on account of the slowdown in the power sector and a surge in imports of electrical equipment in recent years. This is significantly impacting the commercial viability of the domestic electrical equipment industry and impacting both the top line and bottom

line of the manufacturers. This can have severe long-term consequences.

In the last few years, the domestic manufacturing capacity of generation equipment is being ramped up and currently stands at 25,000 MW per annum against a requirement of about 16,000-17,000 per annum. With six-seven joint ventures coming up in India, the capacity will increase to 40,000 MW per annum by 2014-15. The additional power generation capacity target for the 12th Plan has also been scaled down to about 1,03,000 MW. As a result, even the generation equipment sector will soon be sitting on huge surplus capacity.

India's inability to meet targets for generation capacity addition is adversely impacting the downstream transmission and distribution sectors

The import-export data from 27 ports across the country indicate a sorry state of affairs given the significant rise in imports of 765 kV transformers (Power) and reactors, insulators, LV switchgears and HV cables. Imports of electrical equipment in the country have assumed very threatening proportions and now captured 43 per cent of the market for electrical equipment in India, whereas there is significant under use of installed domestic capacity. Absence of a level-playing field for the domestic industry to compete with imported electrical equipment — especially from China — is a clear threat.

The industry is reeling under the twin onslaught of the slowdown in the country's power sector, which has depressed domestic demand, and the rapidly escalating imports of electrical equipment. "Both of which have resulted in gross under-utilization of the manufacturing capacity for electrical equipment in the country," The delays in project and order finalization due to

precarious financial health of state distribution utilities, coupled with uncertainty and credit crunch and high borrowing costs for private sector buyers, has led to this grim situation. "Adding to this is the increasing equipment stock pile up due to non acceptance of the ordered material," said a IEEMA statement.

On the other hand, the delay in execution of projects by EPC companies due to tight liquidity situation; slowing down of off take of insulators due to site issues; excess capacity in lower kv insulators are some of threats that the industry is facing. In India the focus is largely on increasing the power generation capacity. There has been a continuous under-investment in the T&D sector. Appreciation of USD is increasing input costs of raw material. Increase in fuel costs has increased transportation costs of supplies and purchases. Power shortage is forcing increased use of costly power from captive diesel generators.

C. SEGMENT OR PRODUCT WISE PERFORMANCE:

Keeping in view the Industry Overview as discussed in (A) above, the performance of the Company's product is reasonably satisfactory. During the year under review, in spite of intense competition, dollar fluctuations, Increase in Imports, reduction in margins due to inflationary trends and slow pace of implementation of EPC contracts, the Company was able to record a gross turnover of Rs. 76.29 crores as against Rs. 64.05 crores in the previous year. During the year under review, the Company has sold 3,02,875 units of insulators as against 4,58,712 units of insulators in the previous year. The drop in quantity of insulators is due to focus on higher kV insulators than lower kV insulators.



D. OUTLOOK:

The industry hopes for a consistent growth in the insulator industry. Particularly when we see the XIIth Plan targeted capacity additions and the proposed investments target for transmission lines in the XIIth Plan, the outlook for the Indian Insulator Industry seems to be bright. As far as Goldstone is concerned, as the Company had successfully developed and type tested the Cross Arm Insulators for FSC platforms as Import Substitution for the first time in India and further the company had also developed Horizontal Line Post Insulators and became the first company in the country to develop this and got approval of power utilities. These are expected to increase exports in coming years.

Company has already got approval for its 765KV insulators for Transmission Lines the company expects new business from this product line in the coming years.

E. RISKS AND CONCERNS:

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

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing all transactions and its recording and timely reporting. Consequent to the Ministry of Corporate Affairs notification amending the Cost Audit Rules, the Company has appointed a Cost Auditor.

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

During the year, the Company has achieved a gross turnover of Rs. 76.29 Crores as compared to Rs. 64.05 Crores during the previous financial year. During the year under review, the Company has produced 3,03,018 Polymer Insulators as against 4,59,144 Polymer Insulators during the previous year. During the year the Company sold 3,02,875 Polymer Insulators as against 4,58,712 Polymer Insulators during the previous year. In the context of the Industry growth rate in India, it can be said that the financial as well as operational performance of the Company was satisfactory.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATIONSFRONT:

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

As on 31st March 2013 the Company has total strength of 181 employees.

CAUTIONERY STATEMENT:

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

CORPORATE GOVERNANCE

1. Company's Philosophy:

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

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

2. Board of Directors:

The Board comprised of five directors as on 12th August, 2013 out of which

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

The Board held five meetings during the period ended 31st March, 2013, i.e. on (i) 28th May, 2012, (ii) 14th August, 2012, (iii) 10th November, 2012, (iv) 22nd November, 2012, and (v) 13th February, 2013.

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

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

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

Name of the Director	No. of outside Directorships held		No. of other Board Committees he/she is a Member / Chairman of *	
	Public	Private	Member	Chairman
Mr. L P Sashikumar	1	5	1	Nil
Mr. B Appa Rao	Nil	2	Nil	Nil
Mr. S Murali Krishna	Nil	3	Nil	Nil
Mrs. Mahita Caddell	1	1	Nil	Nil
Mr. M Gopalakrishna	7	5	3	1

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

* Only Indian Companies are considered.

3. Audit Committee

- Brief description of Terms of Reference

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

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

- Composition, name of members and Chairman

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

- The Committee held Four meetings during the period ended 31st March, 2013, i.e. on (i) 28th May, 2012, (ii) 14th August, 2012, (iii) 10th November, 2012, and (iv) 13th February, 2013. All the Members of the Committee have attended all the Meetings, except Mr. S. Murali Krishna, who could attend only one meeting which was held on 14th August, 2012.

4. Compensation cum Remuneration Committee

- Brief description of terms of reference
- ★ To recommend compensation terms for Executive Directors
- Composition, name of members and Chairman

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

- **Meetings and Attendance during the Year**

The Committee held one meeting during the period ended 31st March, 2013, i.e. on (i) 13th February, 2013. All the Members of the Committee have attended the Meeting, except Mr. S. Murali Krishna, who had granted Leave of absence.

- **Remuneration policy**

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

5. Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2012-13:
(In Rupees)

Name of the Director	Category	Sittingfee	Salary	Benefits	Total
Mr. L P Sashikumar	Promoter, Managing Director	Nil	24,00,000	4,00,000	28,00,000
Mr. B Appa Rao	Independent Director	1,00,000	Nil	Nil	1,00,000
Mr. S Murali Krishna	Independent Director	30,000	Nil	Nil	30,000
Mrs. Mahita Caddell	Promoter, Non- Executive Director	20,000	Nil	Nil	20,000
Mr. M Gopalakrishna	Independent Director	1,00,000	Nil	Nil	1,00,000

Benefits include contribution to Provident Fund, Gratuity Fund, payment of Perquisites and Commission.

There was no Employee Stock Option Scheme during the financial year ended 31st March, 2013.

6. Shareholders/ Investors' Grievance Committee

Composition, name of members and Chairman

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

- The Committee held four meetings during the period ended 31st March, 2013, i.e. on (i) 28th May, 2012, (ii) 14th August, 2012, (iii) 10th November, 2012, and (iv) 13th February, 2013. All the Members of the Committee have attended all the Meetings, except Mr. S. Murali Krishna, who could attend only one meeting which was held on 14th August, 2012.

Number of shareholder complaints received, number solved and number of pending complaints as on 31st March, 2013:

Opening Balance as on 01.04.2012	Received during the period 01.04.2012 to 31.03.2013	Resolved during the period 01.04.2012 to 31.03.2013	Closing Balance as on 31.03.2013
Nil	3	3	Nil

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

7. General Body Meetings

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

Year	Location	Date	Time
2012	Plot No. 1 & 9, IDA, Phase IICherlapally, Hyderabad – 500 051.	29.09.2012	03.30 P.M.
2011	Plot No. 1 & 9, IDA, Phase IICherlapally, Hyderabad – 500 051.	30.09.2011	04.00 P.M.
2010	Plot No. 1 & 9, IDA, Phase IICherlapally, Hyderabad – 500 051.	29.09.2010	03.30 P.M.

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

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

iii) Resolutions passed last year through Postal Ballot: NIL

8. Management Discussion & Analysis Report

Management Discussion & Analysis is separately published in this Report.

9. Disclosures

- i. As required by the Accounting Standard-18, Issued by the Chartered Accountants of India, details of related-party transactions are at Schedule 37 of Notes to Financial Statements.
- 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. Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreement with the Stock Exchanges:

- a. The Company has set up a Remuneration Committee, details of which have been given earlier in this Report
- b. The Statutory financial statements of the Company are unqualified

iv. Secretarial Audit:

A firm of qualified Company Secretaries is conducting the Secretarial Audit on quarterly basis

to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CSDL) and the total issued and listed equity capital. The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

v. Code of conduct:

The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.goldstonepower.com.

vi. Compliance: At every Board meeting, a statement of Compliance with all laws and regulations as certified by the Managing Director is placed before the Board for its review. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

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

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

ix. CEO & CFO Certificate: The Certificate as per requirement of clause 49 of the listing agreement was given by Managing Director and Asst. General Manager (Accounts) of the company and the same was placed Before the Board for its noting in its meeting held for approval of the audited financial results for the year ended 31st March 2013.

10. Means of Communication

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

11. General Information for Shareholders

- i) **Annual General Meeting** will be held on 28th September, 2013 at 03.00 p.m. at Plot No. 1 & 9 IDA, Phase II, Cherlapally, Hyderabad – 500 051.
- ii) **Financial Year** of the Company is 1st April to 31st March.
- iii) **Financial Reporting** for the quarter ending 30th September, 2013, 31st December, 2013, 31st March, 2014 and 30th June, 2014 will be within forty five days from the closure of the quarter.
- iv) **Dates of Book Closure** will be from 23rd September, 2013 to 28th September, 2013 (both days inclusive).



- v) **Company's shares are listed** on the Bombay Stock Exchange and National Stock Exchange
- vi) **Stock Code** of the Company's scrip is 532439 in BSE and GOLDINFRA in NSE

- vii) **ISIN Code** is INE260D01016
- viii) **High & Low Market Price** during each month in the accounting year was as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2012	11.40	10.00	11.60	10.20
May 2012	11.19	10.00	11.45	9.95
June 2012	11.49	10.01	11.15	10.05
July 2012	13.49	10.50	13.60	10.05
August 2012	14.65	10.85	14.70	10.65
September 2012	17.50	14.00	17.35	14.40
October 2012	17.60	13.65	17.45	14.45
November 2012	15.55	13.63	16.90	13.35
December 2012	13.99	11.55	14.20	11.55
January 2013	11.95	10.25	11.95	10.05
February 2013	12.20	9.60	12.20	8.75
March 2013	10.85	9.31	10.25	9.30

- x) **Registrar & Share Transfer Agents** of the Company is Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Ph. No. 040-27638111; 27634445; Fax.No. 040-27632184 Mail: info@aarthiconsultants.com
- xi) **Share Transfer System:** The Registrar and Share Transfer Agents, Aarthi Consultants Private Limited, handle share transfers under the overall supervision of the Investors' Grievance & Share Transfer Committee.
- xii) **Distribution of Shareholding as of 31st March, 2013** was as follows:

Category	No. of shares	% to share capital
Promoters	18347515	50.85
Financial Institutions/Banks	100459	0.28
Private Corporate Bodies	7881839	21.85
Indian Public	9551963	26.47
NRIs / OCBs	192990	0.53
Trust	0	0.00
Clearing Members	5971	0.02
Grand Total	36080737	100.00

xiii) **Dematerialization of Shares & Liquidity:** To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are actively traded on the Bombay Stock Exchange Limited and National Stock Exchange Limited. As on 31st March, 2013, 99.25% shares were held in dematerialized form.

xiv) **Compliance Officer:**
Mr. P.Hanuman Prasad, Company Secretary.
Ph. 040 – 27807640, Fax No. 040-39120023/39100012.
e-mail: cs@goldstone.net

xv) **Plant Locations:**

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

xvi) **Address for correspondence:**
Goldstone Infratech Limited, Shares Department, 9-1-83 & 84, Amarchand Sharma Complex, S D

Road, Secunderabad – 500 003.
Tel.No. 040-27807640,
Fax No. 040-39120023, 39100012.
e-mail: cs@goldstone.net

xvii) **Investor Relations:** All the queries received from shareholders during the Financial year 2012-13 have been responded to. The Company generally replies to the queries within a week of their receipt.

xviii) **Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to contact the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029.

12. Compliance

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

For and on behalf of the Board

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

Place: Secunderabad
Date: 12th August, 2013



ANNUAL DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO CLAUSE 49 (I) (D) (ii) OF THE LISTING AGREEMENT

As the Managing Director of Goldstone Infratech Limited and as required by Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2012-13.

For Goldstone Infratech Limited

Sd/-

L P Sashikumar
Managing Director

Place: Secunderabad

Date: 12th August, 2013

Certificate on compliance of Corporate Governance

**To
The Members of
Goldstone Infratech Limited**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Goldstone Infratech Limited ("the Company") for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

Place: Hyderabad

Date: 12th August, 2013

P. Murali & Co.

Chartered Accountants

Sd/-

Mukund Vijayrao Joshi

Partner, Membership No. 024784



INDEPENDENT AUDITOR'S REPORT

The Members,
GOLDSTONE INFRA TECH LIMITED

We have audited the accompanying financial statements of GOLDSTONE INFRA TECH LIMITED which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required

by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss Statement of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this

Report are in agreement with the books of account

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Sd/-

P. Murali Mohana Rao
Partner
Membership No : 023412

Place : Hyderabad
Date : 27th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

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

- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV.** In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a)** In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI.** The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us, the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII.** In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII.** We have broadly verified the books of account and records maintained by the Company relating to the manufacture of Polymer Insulators, pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies act,1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX. (a)**The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess & other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X.** The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI.** According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI.** According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- XVII.** According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long term investment does not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the

applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.

XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.

XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.

XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

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

Sd/-
P. Murali Mohana Rao
Partner
Membership No : 023412

Place : Hyderabad
Date : 27th May, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
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	59,61,18,278	58,69,05,892
(c) Money received against share warrants			
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	5,81,36,390	9,72,22,965
(b) Defferred tax liabilities (Net)	4	6,00,01,899	5,33,14,792
(c) Other Long term liabilities	5	8,35,53,155	8,81,01,487
(d) Long term provisions	6	83,86,909	88,24,116
(3) Current Liabilities			
(a) Short-term borrowings	7	30,92,00,943	26,77,92,946
(b) Trade payables	8	14,47,65,349	13,26,50,720
(c) Other current liabilities	9	68,83,135	1,07,86,892
(d) Short-term provisions	10	3,13,48,926	3,56,56,851
Total		1,44,27,17,932	1,42,55,79,609
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	81,86,91,418	82,19,82,485
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		10,27,86,484	9,44,68,857
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	6,01,00,000	6,01,00,000
(c) Long term loans and advances	14	1,59,28,870	1,63,16,421
(d) Other non-current assets	15	-	6,52,045
(2) Current assets			
(a) Inventories	16	17,22,55,822	13,02,49,978
(b) Trade receivables	17	18,48,54,583	19,21,58,091
(c) Cash and cash equivalents	18	4,54,47,839	6,22,84,389
(d) Short-term loans and advances	19	94,39,578	74,41,587
(e) Other current assets	20	3,18,52,849	3,85,65,267
Total		1,44,27,17,932	1,42,55,79,609

Summary of Significant Accounting Policies
Notes on Financial Statement 1 to 47
As per our Report of even date

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

P.Murali Mohana Rao
Partner
M.No. 023412

Place : Secunderabad
Date : 27th May, 2013

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
P. Hanuman Prasad
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No	For the year ended	For the year ended
		31.03.2013	31.03.2012
		₹	₹
I. Revenue from operations	21	70,06,98,822	59,78,47,482
II. Other Income	22	2,35,97,011	1,19,74,799
III. Total Revenue (I +II)		72,42,95,833	60,98,22,281
IV. Expenses:			
Cost of materials consumed	23	33,56,25,489	33,16,12,499
Purchase of Stock-in-Trade	24	16,68,40,672	4,57,69,257
Changes in inventories of Finished, WIP and Stock-in-Trade	25	(4,20,68,966)	25,31,449
Employee benefit expense	26	6,38,43,925	6,03,74,538
Other operating expenses	27	3,35,25,003	2,30,82,461
Administrative Expenses	28	4,82,91,517	4,51,73,850
Financial costs	29	6,38,09,877	4,90,33,951
Depreciation and amortization expense	11&12	2,33,70,434	2,82,39,545
Other expenses	30	5,97,045	6,97,384
Total Expenses		69,38,34,996	58,65,14,934
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,04,60,837	2,33,07,347
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,04,60,837	2,33,07,347
VIII. Extraordinary Items		(2,13,922)	5,54,685
IX. Profit before tax (VII - VIII)		3,02,46,915	2,38,62,032
X. Tax expense:			
(1) Current tax		35,00,000	50,00,000
(2) Deferred tax		66,87,107	(1,88,368)
XI. Profit after tax		2,00,59,808	1,90,50,400
XII. Profit/(Loss) for the period		2,00,59,808	1,90,50,400
XIII. Earning per equity share: (Refer Note No. 38)			
(1) Basic		0.56	0.53
(2) Diluted		0.56	0.53

Summary of Significant Accounting Policies
Notes on Financial Statements 1 to 47
As per our report of even date

For **P.Murali & Co.,**
FRN: 007257S
Chartered Accountants
Sd/-
P.Murali Mohana Rao
Partner
M.No. 023412

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
P. Hanuman Prasad
Company Secretary

Place : Secunderabad
Date : 27th May, 2013

SIGNIFICANT ACCOUNTING POLICIES

a) Preparation of financial statements

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

b) Method of Accounting

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

c) Fixed Assets

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

d) Investments

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

e) Inventories

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

f) Intangible Assets

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

g) Research and Development

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

h) Revenue Recognition

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

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

i) Retirement Benefits

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

j) Borrowing Costs

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

k) Depreciation

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

l) Foreign Currency Transaction

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

m) Government Grants / Incentives

Amounts receivable from Government by way of Grants / Incentives are accounted for on receipt 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, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 1 : SHARE CAPITAL	₹	₹
I Equity Share Capital :		
(a) Authorised : 6,16,25,000 No. of Equity Shares @ ₹ 4/- each	24,65,00,000	24,65,00,000
(b) Issued : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each fully paid up	14,43,22,948	14,43,22,948
(c) Subscribed & fully paid up : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each.	14,43,22,948	14,43,22,948
(d) Subscribed & not fully paid up	-	-
(e) Par value per share ₹ 4/-		
Total Equity Share capital	14,43,22,948	14,43,22,948
II Preference shares at the beginning as per class of shares	-	-
Total Share capital (Equity and Preference)	14,43,22,948	14,43,22,948
III Calls unpaid :	-	-
IV Forfeited shares (amount originally paid up)	-	-
V A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	
Equity Shares of ₹ 4/- Each, Fully paid up :		
At the Beginning	3,60,80,737	3,60,80,737
Issued during the year	-	-
Forfeited / Bought Back during the year	-	-
At the end	3,60,80,737	3,60,80,737
VI Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
Equity Shares of ₹ 4/- each Held By		
Trinity Infraventures Limited - 1,77,76,165 Nos. (1,77,76,165 Nos.)	49.27%	49.27%
LSRD Global Holding Pvt Ltd - 26,68,999 Nos. (26,68,999 Nos.)	7.40%	7.40%

Particulars	As at 31.03.2013	As at 31.03.2012
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	14,67,27,306
Add: Additions during the year	-	19,05,040
Less: Utilised	-	-
	14,86,32,346	14,86,32,346
c) Surpluses :		
Opening Balance - Profit and Loss Account	1,17,60,052	27,51,71,008
Add: Transfer from Profit & Loss Account	2,00,59,808	1,90,50,400
Less: Transfer To General Reserve	-	19,05,040
Less: Dividend and Dividend Tax	-	83,86,786
Less: Bonus shares	-	-
Less: Prior period taxes	1,08,47,422	-
Less: Obsolete Machinery Write off	-	27,21,69,530
	2,09,72,438	1,17,60,052
Total Reserves and Surplus	59,61,18,278	58,69,05,892
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Term loans:		
From banks: (Refer Note No. 31 (a))		
Secured - State Bank of Hyderabad	5,81,36,390	8,79,32,700
Unsecured	-	-
From other parties: (Refer note No. 31 (b))		
Secured - Technology Development Board	-	92,90,265
Unsecured	-	-
Notes :		
Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	5,81,36,390	9,72,22,965

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)	₹	₹
Opening Deferred tax Liability	5,33,14,792	5,35,03,160
Add:		
Deferred Tax Liability for the year (Due to SLM and WDV Difference)	66,87,107	(1,88,368)
Gross Deferred tax Liability	6,00,01,899	5,33,14,792
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debt	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	6,00,01,899	5,33,14,792
NOTE NO. 5 : OTHER LONG TERM LIABILITES		
a) Others - Sales Tax Deferment Loan (interest free) (Refer Note No. 32)	8,35,53,155	8,81,01,487
Total other long term liabilites	8,35,53,155	8,81,01,487
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits (Refer Note No. 35)		
- Provision for Gratuity	60,89,505	64,07,610
- Provision for Leave Encashment	18,06,122	19,08,628
b) Others - Bonus	4,91,282	5,07,878
Total Long Term Provisions	83,86,909	88,24,116
NOTE NO. 7 : SHORT TERM BORROWINGS.		
Short term borrowings		
a) Working Capital from banks (Refer note No. 31 (c))		
Secured - State Bank of Hyderabad	16,91,42,466	16,23,01,926
b) Term Loans repayable with in 12months:		
From banks		
Secured	5,02,20,562	5,04,19,159
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	8,98,37,915	5,50,71,861
c) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total short term borrowings	30,92,00,943	26,77,92,946

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 8 : TRADE PAYABLES	₹	₹
a) Trade Payables	11,66,16,533	11,80,05,960
b) Liabilities to Transporters	74,46,889	40,37,980
c) Liabilities to Consultants and individuals	24,35,561	16,92,524
d) Liabilities to Capital purchases	90,21,011	22,67,515
e) Liabilities to Miscellaneous Creditors	92,45,355	66,46,741
Total Trade Payables	14,47,65,349	13,26,50,720
NOTE NO. 9 : OTHER CURRENT LIABILITES		
a) Interest accrued but not due on borrowings	16,14,565	18,97,045
b) Advances received from Customers.	52,68,570	88,89,847
Total other current liabilities	68,83,135	1,07,86,892
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	3,47,411	3,89,954
ESI Payable	76,324	82,157
Salaries Payable	36,43,039	28,60,669
b) Others		
Statutory Liabilities	74,74,575	47,12,488
Provision for Expenses	2,74,400	39,95,472
Provision for Bad Debts	87,95,651	91,62,438
Provision for Income tax	1,07,37,526	72,37,526
Provision for Dividend	-	72,16,147
Total short term provisions	3,13,48,926	3,56,56,851
NOTE NO. 13 : NON- CURRENT INVESTMENTS		
I Non- Current Assets		
1) Investment in Subsidiaries		
a) Equity Shares		
TF Solarpower Private Limited 100% holding	6,01,00,000	6,01,00,000
	6,01,00,000	6,01,00,000
Total Non Current Investments	6,01,00,000	6,01,00,000
Less: Provision for Diminution in Investments	-	-
Total Non - Current Assets (Net)	6,01,00,000	6,01,00,000
Notes :		
II Detailed note given in the Note No.34		

NOTE NO. 11 & 12 FIXED ASSETS AS AT MARCH 31, 2013

Particulars	Gross Block				Depreciation / Amortization					Net Block as at 31.03.2013	Net Block as at 31.03.2012
	As at 01.04.2012	Additions during the year	Sale / Deletions during the year	As at 31.03.2013	Depreciation as at 01.04.2012	Depreciation for the year 2012-2013	Depreciation Reserve on Deletions	Total Depreciation			
LAND & LAND DEVELOPMENT	₹ 42,73,01,003	-	-	₹ 42,73,01,003	-	-	-	₹ -	₹ -	₹ 42,73,01,003	₹ 42,73,01,003
BUILDING	5,56,21,683	-	-	5,56,21,683	1,35,57,330	18,57,764	-	1,54,15,094	4,02,06,589	4,20,64,353	4,20,64,353
PLANT & MACHINERY	36,46,93,144	2,10,33,699	-	38,57,26,843	3,92,56,909	178,10,151	-	5,70,67,060	32,86,59,783	32,54,36,235	32,54,36,235
ELECTRICAL EQUIPMENT	89,65,101	1,74,640	-	91,39,741	11,18,269	4,29,274	-	15,47,543	75,92,198	78,46,832	78,46,832
LABORATORY EQUIPMENT	1,12,03,086	88,502	22,85,664	90,05,924	23,02,034	5,03,594	7,07,037	20,98,591	69,07,333	89,01,052	89,01,052
OFFICE EQUIPMENT	16,75,824	35,050	-	17,10,874	7,74,614	80,208	-	8,54,822	8,56,052	9,01,210	9,01,210
COMPUTERS	1,35,35,993	-	-	1,35,35,993	1,27,99,709	7,22,180	-	1,35,21,889	14,104	7,36,284	7,36,284
FURNITURE	43,33,868	1,74,705	-	45,08,573	33,60,714	2,84,324	-	36,45,038	8,63,535	9,73,154	9,73,154
VEHICLES	1,33,68,398	-	-	1,33,68,398	1,08,34,741	12,69,998	-	1,21,04,739	12,63,659	25,33,657	25,33,657
GENERATOR	78,64,549	-	-	78,64,549	31,08,167	3,73,566	-	34,81,733	43,82,816	47,56,382	47,56,382
LEASEHOLD IMPROVEMENTS	5,75,290	-	-	5,75,290	3,14,908	19,215	-	3,34,123	2,41,167	2,60,382	2,60,382
AIR CONDITIONERS	3,22,255	1,01,500	-	4,23,755	62,469	17,513	-	79,982	3,43,773	2,59,786	2,59,786
TOOLS AND SPARES	14,175	49,898	-	64,073	2,020	2,647	-	4,667	59,406	12,155	12,155
TEMPORARY SHEDS	13,21,522	-	13,21,522	-	13,21,522	-	13,21,522	-	-	-	-
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	-	-	13,60,489	13,60,489
CAPITAL WORK IN PROGRESS	9,44,68,857	83,17,627	-	1,02,786,484	-	-	-	-	-	10,27,86,484	9,44,68,857
TOTAL	1,00,66,25,237	2,99,75,621	36,07,186	1,03,29,93,672	8,86,13,406	2,33,70,434	20,28,559	11,01,55,281	92,28,38,391	91,78,11,831	91,78,11,831
Previous Year	1,18,77,79,258	30,30,15,082	48,41,69,103	1,00,66,25,237	25,74,66,179	2,82,39,545	19,68,92,318	8,88,13,406	91,78,11,831	93,03,13,079	93,03,13,079

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 14 : LONG TERM LOANS AND ADVANCES	₹	₹
Long - term loans and advances:		
a) Capital advance		
Secured	1,59,28,870	1,63,16,421
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	-	-
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	1,59,28,870	1,63,16,421
Less : Provision for Doubtfull Debts	-	-
Total Long term loans & advances (net)	1,59,28,870	1,63,16,421
NOTE NO.15 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	-	5,97,045
Interest Accrued on Deposits	-	-
Insurance Claims	-	55,000
Total other non current assets	-	6,52,045
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets (net)	-	6,52,045
NOTE NO. 16 : INVENTORIES		
Inventories :		
a) Raw materials		
- Silicon Rubber	2,95,63,390	3,56,62,918
- End Fittings	2,63,69,706	1,29,90,042
- FRP materials	35,57,030	37,42,860
- Others	1,11,78,969	1,83,36,397
Sub Total	7,06,69,095	7,07,32,217
b) Work - in - progress		
- Railway Insulators	24,54,323	28,25,901
- Transmission & Distribution Insulators	9,91,32,404	5,66,91,860
Sub Total	10,15,86,727	5,95,17,761
Total Inventories	17,22,55,822	13,02,49,978

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 17 : TRADE RECEIVABLES	₹	₹
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	55,59,541	52,66,106
Unsecured, Considered Good	-	-
Doubtful	-	-
Sub Total	55,59,541	52,66,106
II Other Receivables:		
Secured, Considered Good	17,92,95,042	18,68,91,985
Unsecured, Considered Good	-	-
Doubtful	-	-
Sub Total	17,92,95,042	18,68,91,985
Total trade receivable	18,48,54,583	19,21,58,091
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	18,48,54,583	19,21,58,091
NOTE NO. 18 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	5,11,925	55,38,179
2) Margin Money	37,08,662	72,37,060
3) Bank deposits with more than 12 months maturity	4,04,68,443	3,59,79,500
4) Interest accrued on Fixed Deposits	3,39,308	16,67,383
b) Cheques, Draft on hand	3,90,760	1,18,20,659
c) Cash on hand	28,741	41,608
Total Cash and Cash Equivalents	4,54,47,839	6,22,84,389
NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES		
short - term loans and advances:		
a) Other loans And advances		
Secured:		
- for Staff Advances	3,91,384	1,97,533
- for Suppliers	51,30,608	15,92,138
- for Others	39,17,586	56,51,916
Total short term loans & advances	94,39,578	74,41,587
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances(net)	94,39,578	74,41,587
NOTE NO.20 : OTHER CURRENT ASSETS		
TDS Receivable & Advance Taxes	93,72,885	1,32,29,424
Prepaid Expenses	83,59,788	20,95,717
Balances with Government Departments	1,41,20,176	2,32,40,126
Total Other Current Assets	3,18,52,849	3,85,65,267

NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE NO. 21 : REVENUE FROM OPERATIONS	₹	₹
Revenue from operations		
(a) Sale of Products	76,28,98,066	64,05,21,295
Less: Excise Duties	6,21,99,244	4,26,73,813
Total Revenue from Operations	70,06,98,822	59,78,47,482
NOTE NO. 22 : OTHER INCOME		
(a) Interest income	17,87,005	20,43,174
(b) Other non-operating income	2,18,10,006	99,31,625
Total Other Income	2,35,97,011	1,19,74,799
NOTE NO. 23 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber & chemicals	16,64,67,543	18,34,70,061
Material - End Fittings	7,91,12,538	9,38,18,396
Material - FRP materials	3,16,87,366	3,31,13,845
Other Material	5,83,58,042	2,12,10,197
Total Cost of Material Consumed	33,56,25,489	33,16,12,499
NOTE NO. 24 : PURCHASE OF STOCK IN TRADE		
Materials - Insulators	16,68,40,672	4,57,69,257
Total Trade Purchases	16,68,40,672	4,57,69,257
NOTE NO. 25 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	5,95,17,761	6,20,49,210
Less : work in progress at the end of the year	10,15,86,727	5,95,17,761
(Increase) / Decrease in Inventories	(4,20,68,966)	25,31,449
NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	6,02,79,127	5,72,56,474
(b) Contribution to Provident & Other Funds	22,68,212	22,77,174
(c) Staff Welfare Expenses	12,96,586	8,40,890
Total Employee Benefit Expenses	6,38,43,925	6,03,74,538
NOTE NO. 27 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	43,92,241	16,57,814
(b) Power & Fuel	2,06,63,467	1,29,27,367
(d) Repairs to Building	80,000	2,50,744
(e) Repairs to Machinery	12,21,934	8,23,934
(f) Insurance	6,86,099	4,51,419
(h) Testing and Inspection charges	64,81,262	69,71,183
Total Other operating Expenses	3,35,25,003	2,30,82,461

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE NO. 28 : ADMINSTRATIVE EXPENSES	₹	₹
(a) Telephone, Postage and Others	15,40,013	20,08,835
(b) Business Promotion Expenses	19,74,338	13,51,505
(c) Conveyance	11,25,371	11,32,955
(d) Office Maintenance	9,14,469	8,21,275
(e) Printing & Stationery Expenses	4,43,406	7,73,164
(f) Security Charges	13,39,482	12,08,604
(g) Rates & Taxes (excluding Income Tax)	12,93,552	8,45,906
(h) Managerial Remuneration	26,50,000	26,90,000
(i) Consultancy Charges	47,92,850	23,03,011
(j) Rent	32,70,148	31,00,569
(k) Office Electricity charges	6,38,050	9,15,869
(l) Travelling expenses	37,64,593	30,41,225
(m) Vehicle Maintenance	26,85,556	14,69,807
(n) Advertisement expenses	1,29,881	2,69,722
(o) Commission Paid	12,37,339	10,77,558
(p) Exhibition Expenses	4,54,496	5,62,454
(q) Carriage Outward expenses	1,17,24,106	1,40,71,882
(r) Legal Fees	29,200	30,500
(s) Listing Fees	1,56,220	2,09,252
(t) Gifts and Donations	54,344	90,000
(u) Liquidated Damage Charges	-	-
(v) Miscellaneous Expenses	33,43,952	36,85,417
(w) Loss on Sale of investments/ Assets	6,28,627	60,070
(x) Repairs and Maintenance Others	23,10,629	17,41,351
(y) Auditors Remuneration	3,00,000	3,00,000
(z) Insurance Charges	14,90,895	14,12,919
Total Administrative Expenses	4,82,91,517	4,51,73,850
Note No. 29 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	2,68,48,760	1,70,83,255
- Interest on Term Loan	1,91,53,714	1,55,62,045
- Bank charges, Commission & Financial charges	1,60,54,587	1,35,01,011
- Loan processing Charges & Bank Charges	17,52,816	28,87,640
Total Finance Cost	6,38,09,877	4,90,33,951
NOTE NO. 30 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	5,97,045	6,97,384
Total Other expenses	5,97,045	6,97,384

NOTES TO FINANCIAL STATEMENT:

31: Long Term & Short Term Borrowings

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

- d) Vehicles loans availed are secured by hypothecation of vehicles acquired out of the said loans.

32. Other Long Term Liabilities:

The Company has availed Sales Tax deferment of ₹ 80,645/- during the year (Previous Year: ₹ 19,18,811/-) . During this financial year the company has repaid an amount of ₹ 46,28,977/- (Previous year : ₹ 20,00,020/-)

33. Confirmation of Balances with Sundry Debtors and Sundry Creditors

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

34. Investments:

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

35. Employee Benefits (AS – 15)

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

Particulars	31.03.2013	31.03.2012
	₹	₹
Gratuity	5,61,106	12,36,661
Leave	3,96,394	8,09,369
Encashment		
Bonus	4,91,282	5,07,878

Defined contribution plan

During year ended March 31, 2013, the Group contributed ₹ **16,39,370/-** to Provident fund & Pension Fund .

Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2013 are as follows:

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

(Amount in ₹)

	31st March 2013	31st March 2012
Present value of funded obligation	-	-
Fair value of plan assets	-	-
Present value of Unfunded obligations	60,89,505	64,07,610
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset (limit in Para59(b))	-	-
Net liability	60,89,505	64,07,610
Amounts in Balance Sheet		
Liability - Current	15,73,774	15,60,672
Liability – Non Current	45,15,731	48,46,938
Asset	-	-
Net Liability	60,89,505	64,07,610

The amounts recognized in the profit and loss account for the year ended March 31, 2013 are as follows:

(Amount in ₹)

	31st March 2013	31st March 2012
Current service cost	7,37,349	6,57,248
Interest on Defined Benefit Obligation	5,44,175	4,86,218
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	(7,20,418)	93,195
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"	5,61,106	12,36,661
Actual Return on Plan Assets	-	-

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

	31st March, 2013	31st March, 2012
Discount Rate	8.10%	8.55%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	10% for the first 2 years & 7% thereafter	10% for the first 2 years & 7% thereafter



Discount Rate:

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

Expected Rate of Return on Plan Assets:

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

Salary Escalation Rate:

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

36. Segment Reporting (AS – 17)

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

37. Related Party Transactions (AS – 18)

(₹ in lacs)

SL No.	Name of the Party	Nature of Transaction	2012-13	2011-12
1	LP Sashikumar	MD Remuneration, and other benefits.	28.00	33.66

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

	2012-13	2011-12
Profit after tax during the year (₹)	2,00,59,808	1,90,50,400
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	2,00,59,808	1,90,50,400
Weighted Average Number of Shares taken for computation of EPS		
- Basic	3,60,80,737	3,60,80,737
- Diluted	3,60,80,737	3,60,80,737
Earning per Share		
- Basic (₹)	0.56	0.53
- Diluted (₹)	0.56	0.53
Face Value of the Share (₹)	4.00	4.00

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

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the ₹ 66,87,107/-towards deferred Income Tax Liability. (Previous year ₹ 1,88,368/- towards Deferred Tax Asset)

**40. Impairment of Assets
(AS –28) Nil**

**41. Remuneration:
Managing Director
(₹ In lacs)**

	Year ended 31.03.2013	Year ended 31.03.2012
Salary	28.00	33.66
Reimburse- ments and others	-	-
Total	28.00	33.66

Auditors Remuneration

	Year ended 31.03.2013	Year ended 31.03.2012
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Total	3.00	3.00

42. Prior Period Adjustments: (AS - 4)

Prior period adjustment of ₹ 2,13,922/- (Previous year ₹ 5,54,685/-) shown in the Profit and Loss account is the net amount of the debits and credits pertaining to previous years, which were not provided during those periods.

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

	2012-13		2011-12	
a. Licenced Capacity	NA		NA	
b. Installed capacity - Polymer Insulators	Depends on product mix		Depends on product mix	
c. Production - Polymer Insulators (Nos.)	Quantity	Value (₹)	Quantity	Value (₹)
	3,03,018	-	4,59,144	-
d. Net Sales - Polymer Insulators Others	3,02,875	52,92,91,998 17,14,06,824	4,58,712	42,88,38,471 16,90,09,011
Total		70,06,98,822		59,78,47,482
e. Material consumption - Silicon Rubber & Chemicals - Glass Fibre, Tex for FRP rods - End Fittings - Others		16,64,67,543 3,16,87,366 7,91,12,538 5,83,58,042		18,34,70,061 3,31,13,845 9,38,18,396 2,12,10,197
Total		33,56,25,489		33,16,12,499
f. Break-up of material consumption (excluding trading material) Indigenous Imported	61.93% 38.07%	20,78,56,680 12,77,68,809	52.34% 47.66%	17,35,67,284 15,80,45,215
Total	100.00%	33,56,25,489	100.00%	33,16,12,499

g. Earnings in Foreign currency			
Export of goods		1,36,84,843	1,83,64,185
h. Value of imports on CIF Basis			
- Materials including trading materials		12,13,86,960	15,00,32,755
- Capital Goods		32,36,845	10,90,741
i. Expenditure in foreign currency			
On travel		1,20,725	2,62,813
Others		44,65,821	2,93,067

44. Contingent Liabilities not provided for

- Letter of credit – ₹ **664.07 lakhs** (Previous year: ₹ 789.76 lakhs)
- Bank Guarantees – ₹ **1,853.63 lakhs** (Previous year: ₹ 1,033.86 lakhs)
- Commitments on capital contracts remaining to be executed ₹ **210.00 lakhs** (Previous year: ₹ 170.00 lakhs)
- Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09, 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at, ICICI & Axis Bank for an amount of ₹ 2,07,645.60, ₹ 2,25,260.00, ₹ 2,20,673.55 ₹ 1,30,928.00, ₹ 1,31,779.00 and ₹ 1,09,323.00 respectively

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

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

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

As Per our Report attached

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

For and on behalf of the Board

Sd/-
P Muralimohana Rao
Partner
M. No. 23412

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

Place: Secunderabad
Date : 27th May, 2013

Sd/-
P.Hanuman Prasad
Company Secretary

Cash Flow Statement as on 31.03.2013

₹ In lakhs

	31.03.2013	31.03.2012
A Cash Flow from operating activity		
Net Profit before tax	302.47	233.07
Adjustments for:		
Depreciation	-	-
Miscellaneous expenditure written off	5.97	6.97
Provision for Gratuity & Earned Leave & others	52.46	60.64
Loss on sale of Assets/ Investments	6.28	-
Other Income	(235.97)	(119.75)
Operating Profit before working capital changes	131.21	180.93
Adjustments for:		
Trade and other receivables	73.04	1,604.53
Inventories	(420.06)	(254.09)
Trade advances	13.00	48.52
Trade Payable	68.85	539.20
Cash generated from operations	(133.96)	2,119.09
Direct Taxes paid (net)	(69.91)	(136.23)
Gratuity, EL encashment & others Paid	(49.49)	(62.54)
Cashflow before extraordinary items	(253.36)	1,920.32
Net Cash flow from operating activity	(253.36)	1,920.32
B. Cash Flow from Investing Activity		
Fixed assets	32.91	(2,740.05)
Capital work in progress	(83.18)	143.36
Investments	-	-
Miscellaneous Expenditure written off	-	-
Other income	235.97	119.75
Loss on Sale of Assets/ Investments	(6.28)	-
Net Cash used for investing activity	179.42	(2,476.94)
C. Cash Flow from financing activities		
Long term borrowings	(390.87)	489.78
Short Term borrowings	414.08	495.76
Deferred sales tax loan payment	(45.48)	(20.00)
Dividend paid	(72.16)	(83.87)
Net cash generated from financing activity	(94.43)	881.67
Cash and cash equivalents (Opening Balance)	622.84	297.79
Net increase in Cash & Cash equivalents (A+B+C)	(168.36)	325.05
Cash and cash equivalents (Closing Balance)	454.48	622.84

For **P. Murali & Co.**

For and on behalf of the Board

Chartered Accountants

FRN : 007257S

Sd/-

P. Murali Mohana Rao

Partner

M No. 23412

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

P. Hanuman Prasad

Company Secretary

Place: Secunderabad

Date : 27th May, 2013



Independent Auditors' Report on Consolidated Financials

We have audited the accompanying consolidated financial statements of **GOLDSTONE INFRATECH LIMITED** and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the consolidated Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-
P. Muralil Mohana Rao
Partner
Membership Number: 23412

Place: Hyderabad
Date : 27th May, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital	1	14,43,22,948	14,43,22,948
(b) Reserves and Surplus	2	59,61,18,278	58,69,68,707
(c) Money received against share warrants			
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	5,81,36,390	9,72,22,965
(b) Defferred tax liabilities (Net)	4	6,00,01,899	5,32,51,977
(c) Other Long term liabilities	5	8,35,53,155	8,81,01,487
(d) Long term provisions	6	83,86,909	88,24,116
(3) Current Liabilities			
(a) Short-term borrowings	7	32,28,85,694	28,14,76,480
(b) Trade payables	8	16,56,38,006	15,34,98,377
(c) Other current liabilities	9	68,83,135	1,07,86,892
(d) Short-term provisions	10	3,49,06,296	4,00,35,791
Total		1,48,08,32,710	1,46,44,89,740
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11&12	81,93,39,348	82,28,24,911
(ii) Intangible assets		13,60,489	13,60,489
(iii) Capital work-in-progress		20,12,60,235	19,25,51,393
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	-	-
(c) Long term loans and advances	14	1,49,38,425	1,63,16,421
(d) Other non-current assets	15	21,268	6,73,313
(2) Current assets			
(a) Inventories	16	17,22,55,822	13,02,49,978
(b) Trade receivables	17	18,48,54,583	19,21,58,091
(c) Cash and cash equivalents	18	4,55,10,113	6,23,48,290
(d) Short-term loans and advances	19	94,39,578	74,41,587
(e) Other current assets	20	3,18,52,849	3,85,65,267
Total		1,48,08,32,710	1,46,44,89,740

Summary of Significant Accounting Policies
Notes on Financial Statement 1 to 47
As per our Report of even date

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

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

Place : Secunderabad
Date : 27th May, 2013

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
P. Hanuman Prasad
Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No	For the year ended 31.03.2013	For the year ended 31.03.2012
		₹	₹
I. Revenue from operations	21	70,06,98,822	59,78,47,482
II. Other Income	22	2,35,97,011	1,19,74,799
III. Total Revenue (I + II)		72,42,95,833	60,98,22,281
IV. Expenses:			
Cost of materials consumed	23	33,56,25,489	33,16,12,499
Purchase of Stock-in-Trade	24	16,68,40,672	4,57,69,257
Changes in inventories of Finished, WIP and Stock-in-Trade	25	(4,20,68,966)	25,31,449
Employee benefit expense	26	6,38,43,925	6,03,74,538
Other operating expenses	27	3,35,25,003	2,30,82,461
Administrative Expenses	28	4,82,91,517	4,51,73,850
Financial costs	29	6,38,09,877	4,90,33,951
Depreciation and amortization expense	11&12	2,33,70,434	2,82,39,545
Other expenses	30	5,97,045	6,97,384
Total Expenses		69,38,34,996	58,65,14,934
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,04,60,837	2,33,07,347
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,04,60,837	2,33,07,347
VIII. Extraordinary Items		(2,13,922)	5,54,685
IX. Profit before tax (VII - VIII)		3,02,46,915	2,38,62,032
X. Tax expense:			
(1) Current tax		35,00,000	50,00,000
(2) Deferred tax		66,87,107	(1,88,368)
XI. Profit after tax		2,00,59,808	1,90,50,400
XII. Profit/(Loss) for the period		2,00,59,808	1,90,50,400
XIII. Earning per equity share: (Refer Note No. 38)			
(1) Basic		0.56	0.53
(2) Diluted		0.56	0.53

Summary of Significant Accounting Policies
Notes on Financial Statements 1 to 47
As per our report of even date

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

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

Place : Secunderabad
Date : 27th May, 2013

For and on behalf of the Board

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-

P.Hanuman Prasad
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED ACCOUNTS

a) Preparation of financial statements

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

b) Method of Accounting

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

c) Fixed Assets

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

d) Investments

Investments are classified into current and long-term investments. Current Investments are carried at lower of cost or fair market value. Any diminution in their value is recognized in the profit and loss account. Current & Non-Current

investments, including investment in subsidiaries, are carried at cost. Diminution of temporary nature in the value of such long-term investments is not provided for except when such diminution is determined to be of a permanent nature.

e) Inventories

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

f) Intangible Assets

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

g) Research and Development

Capital expenditure on Research and Development is included in the Schedule of Fixed Assets. Revenue expenditure relating to the Research phase is charged to the Profit and Loss account. Revenue Expenditure relating to the Development phase is amortized over the period in which the future economic benefits are expected to accrue to the Company,

but not exceeding a period of five years, and the amortization commences from the year in which the company realizes these benefits for the first time.

h) Revenue Recognition

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

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

i) Retirement Benefits

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

j) Borrowing Costs

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

k) Depreciation

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

l) Foreign Currency Transaction

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

m) Government Grants / Incentives

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

n) Impairment of assets

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

o) Income and Deferred Tax

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



p) Contingent Liabilities and Contingent Assets

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

q) Claims

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

II Principles of Consolidation.

A. The consolidated Financial statements relate to GOLDSTONE INFRATECH

LIMITED (the company) and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis.

a. The Financial statements of the Company and its Subsidiary companies are combined on a by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra -group balances and intra group transactions in accordance with Accounting Standard -21 on "Consolidated Financial Statements".

B. The subsidiary Companies considered in the Consolidated Financial statements are.

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

NOTES TO CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 1 : SHARE CAPITAL	₹	₹
I Equity Share Capital :		
(a) Authorised : 6,16,25,000 No. of Equity Shares @ ₹ 4/- each	24,65,00,000	24,65,00,000
(b) Issued : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each fully paid up	14,43,22,948	14,43,22,948
(c) Subscribed & fully paid up : 3,60,80,737 No. of Equity Shares @ ₹ 4/- each.	14,43,22,948	14,43,22,948
(d) Subscribed & not fully paid up	-	-
(e) Par value per share ₹ 4/-		
Total Equity Share capital	14,43,22,948	14,43,22,948
II Preference shares at the beginning as per class of shares	-	-
Total Share capital (Equity and Preference)	14,43,22,948	14,43,22,948
III Calls unpaid :	-	-
IV Forfeited shares (amount originally paid up)	-	-
V A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: Equity Shares of `4/- Each, Fully paid up :	Number of Shares	
At the Beginning	3,60,80,737	3,60,80,737
Issued during the year		-
Forfeited / Bought Back during the year		-
At the end	3,60,80,737	3,60,80,737
VI Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
Equity Shares of `4/- each Held By Trinity Infraventures Limited		
-1,77,76,165 Nos. (1,77,76,165 Nos.)	49.27%	49.27%
LSRD Global Holding Pvt Ltd - 26,68,999 Nos. (26,68,999 Nos.)	7.40%	7.40%

Particulars	As at 31.03.2013	As at 31.03.2012
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	14,67,27,306
Add: Additions during the year	-	19,05,040
Less: Utilised	-	-
	14,86,32,346	14,86,32,346
c) Surplus :		
Opening Balance - Profit and Loss Account	1,17,60,052	27,51,71,008
Add: Transfer from Profit & Loss Account	2,00,59,808	1,91,13,215
Less: Transfer To General Reserve	-	19,05,040
Less: Dividend and Dividend Tax	-	83,86,786
Less: Bonus shares	-	-
Less: Prior period taxes	1,08,47,422	-
Less: Obsolete Machinery Write off	-	27,21,69,530
	2,09,72,438	1,18,22,867
Total Reserves and Surplus	59,61,18,278	58,69,68,707
NOTE NO. 3 : LONG TERM BORROWINGS		
Long Term borrowings		
a) Term loans:		
From banks: (Refer Note No. 31 (a))		
Secured - State Bank of Hyderabad	5,81,36,390	8,79,32,700
Unsecured	-	-
From other parties: (Refer note No. 31 (b))		
Secured - Technology Development Board	-	92,90,265
Unsecured	-	-
Notes :		
Securities and Personal Guarantees details given in the Note to accounts.		
Total long term borrowings	5,81,36,390	9,72,22,965

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)	₹	₹
Opening Deferred tax Liability	5,33,14,792	5,35,03,160
Add:		
Deferred Tax Liability for the year		
(Due to SLM and WDV Difference)	66,87,107	(2,51,183)
Gross Deferred tax Liability	6,00,01,899	5,32,51,977
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated		
Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	6,00,01,899	5,32,51,977
NOTE NO. 5 : OTHER LONG TERM LIABILITES		
a) Others - Sales Tax Deferment Loan		
(interest free)		
(Refer Note No. 32)	8,35,53,155	8,81,01,487
Total other long term liabilities	8,35,53,155	8,81,01,487
NOTE NO. 6 : LONG TERM PROVISIONS		
a) Provisions for employee benefits		
(Refer Note No. 35)		
- Provision for Gratuity	60,89,505	64,07,610
- Provision for Leave Encashment	18,06,122	19,08,628
b) Others - Bonus	4,91,282	5,07,878
Total Long Term Provisions	83,86,909	88,24,116

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 7 : SHORT TERM BORROWINGS.	₹	₹
Short term borrowings		
a) Working Capital from banks (Refer note No. 31 (c)) Secured - State Bank of Hyderabad	16,91,42,466	16,23,01,926
b) Term Loans repayable with in 12months:		
From banks		
Secured	5,02,20,562	5,04,19,159
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	10,35,22,666	6,87,55,395
c) Loans and advances from other parties		
Secured	-	-
Unsecured	-	-
Total short term borrowings	32,28,85,694	28,14,76,480
NOTE NO. 8 : TRADE PAYABLES		
a) Trade Payables	11,66,16,533	11,80,05,960
b) Liabilities to Transporters	74,46,889	40,37,980
c) Liabilities to Consultants and individuals	24,35,561	17,87,771
d) Liabilities to Capital purchases	2,97,73,421	2,30,19,925
e) Liabilities to Miscellaneous Creditors	93,65,602	66,46,741
Total Trade Payables	16,56,38,006	15,34,98,377
NOTE NO. 9 : OTHER CURRENT LIABILITES		
a) Interest accrued but not due on borrowings	16,14,565	18,97,045
b) Advances received from Customers.	52,68,570	88,89,847
Total other current liabilities	68,83,135	1,07,86,892
NOTE NO. 10 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
PF Payable	3,47,411	3,89,954
ESI Payable	76,324	82,157
Salaries Payable	36,43,039	28,60,669
b) Others		
Statutory Liabilities	1,10,31,945	90,91,428
Provision for Expenses	2,74,400	39,95,472
Provision for Bad Debts	87,95,651	91,62,438
Provision for income tax	1,07,37,526	72,37,526
Provision for Dividend	-	72,16,147
Total short term provisions	3,49,06,296	4,00,35,791

NOTE NO. 11 & 12: CONSOLIDATED FIXED ASSETS AS AT MARCH 31, 2013

Particulars	Gross Block				Depreciation / Amortization				Net Block as on 31.03.2013	Net Block as on 31.03.2012
	As on 01.04.2012	Additions during the year	Sale / Deletions during the year	As at 31.03.2013	Depreciation as at 01.04.2012	Depreciation for the year 2012-2013	Depreciation Reserve on Deletions	Total Depreciation		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND & LAND DEVELOPMENT	42,73,01,003	-	-	42,73,01,003	-	-	-	-	-	42,73,01,003
BUILDING	5,56,21,683	-	-	5,56,21,683	1,35,57,330	18,57,764	-	1,54,15,094	4,02,06,589	4,20,64,353
PLANT & MACHINERY	36,46,93,144	2,10,33,699	-	38,57,26,843	3,92,56,909	1,78,10,151	-	5,70,67,060	32,86,59,783	32,54,36,235
ELECTRICAL EQUIPMENT	89,65,101	1,74,640	-	91,39,741	11,18,269	4,29,274	-	15,47,543	75,92,198	78,46,832
LABORATORY EQUIPMENT	1,12,03,086	88,502	22,85,664	90,05,924	23,02,034	5,03,594	7,07,037	20,98,591	69,07,333	89,01,052
OFFICE EQUIPMENT	17,04,844	35,050	-	17,39,894	7,80,484	81,586	-	8,62,070	8,77,824	9,24,360
COMPUTERS	1,38,69,399	-	-	1,38,69,399	1,30,63,579	7,76,225	-	1,38,39,804	29,595	8,05,820
FURNITURE	43,70,068	1,74,705	-	45,44,773	33,75,778	2,86,615	-	36,62,393	8,82,380	9,94,290
VEHICLES	1,47,64,694	-	-	1,47,64,694	1,15,69,826	14,02,647	-	1,29,72,473	17,92,221	31,94,868
GENERATOR	78,64,549	-	-	78,64,549	31,08,167	3,73,566	-	34,81,733	43,82,816	47,56,382
LEASEHOLD IMPROVEMENTS	5,75,290	-	-	5,75,290	3,14,908	19,215	-	3,34,123	2,41,167	2,60,382
AIR CONDITIONERS	4,09,268	1,01,500	-	5,10,768	82,089	21,646	-	1,03,735	4,07,033	3,27,179
TOOLS AND SPARES	14,175	49,898	-	64,073	2,020	2,647	-	4,667	59,406	12,155
TEMPORARY SHEDS	13,21,522	-	13,21,522	-	13,21,522	-	13,21,522	-	-	-
INTANGIBLE FIXED ASSETS	13,60,489	-	-	13,60,489	-	-	-	-	-	-
CAPITAL WORK IN PROGRESS	19,25,51,393	87,08,842	-	20,12,60,235	-	-	-	-	-	19,25,51,393
TOTAL	1,10,65,89,708	3,03,66,836	36,07,186	1,13,33,49,358	8,98,52,915	2,35,64,930	20,28,559	11,13,89,286	1,02,19,60,072	1,01,67,36,793
Previous Year	1,28,21,17,946	30,86,40,865	48,41,69,103	1,10,65,89,708	25,83,12,081	2,84,33,152	19,68,92,318	8,98,52,915	1,01,67,36,793	1,02,38,05,865

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 13 : NON- CURRENT INVESTMENTS	₹	₹
I Non- Current Assets		
1) Investment in Subsidiaries		
a) Equity Shares		
TF Solarpower Private Limited 100% holding	-	-
	-	-
Total Non Current Investments	-	-
Less: Provision for Diminution in Investments	-	-
Total Non - Current Assets (Net)	-	-
Notes :		
II Detailed note given in the Notes to Account No.34		
NOTE NO. 14 : LONG TERM LOANS AND ADVANCES		
Long - term loans and advances:		
a) Capital advance		
Secured	1,49,38,425	1,63,16,421
Unsecured	-	-
Doubtfull	-	-
b) Security Deposit		
Secured	-	-
Unsecured	-	-
Doubtfull	-	-
Total Long term loans & advances	1,49,38,425	1,63,16,421
Less : Provision for Doubtfull Debts	-	-
Total Long term loans & advances (net)	1,49,38,425	1,63,16,421
NOTE NO.15 : OTHER NON - CURRENT ASSETS		
Unamortised Expenses	21,268	6,18,313
Interest Accrued on Deposits	-	-
Insurance Claims	-	55,000
Total other non current assets	21,268	6,73,313
Less : Provision for Bad and Doubtful debts	-	-
Total non - current assets (net)	21,268	6,73,313

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 16 : INVENTORIES	₹	₹
Inventories :		
a) Raw materials		
- Silicon Rubber	2,95,63,390	3,56,62,918
- End Fittings	2,63,69,706	1,29,90,042
- FRP materials	35,57,030	37,42,860
- Others	1,11,78,969	1,83,36,397
Sub Total	7,06,69,095	7,07,32,217
b) Work - in - progress		
- Railway Insulators	24,54,323	28,25,901
- Transmission & Distribution Insulators	9,91,32,404	5,66,91,860
Sub Total	10,15,86,727	5,95,17,761
Total Inventories	17,22,55,822	13,02,49,978
NOTE NO. 17 : TRADE RECEIVABLES		
I Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	55,59,541	52,66,106
Unsecured, Considered Good	-	-
Doubtful	-	-
	55,59,541	52,66,106
II Other Receivables:		
Secured, Considered Good	17,92,95,042	18,68,91,985
Unsecured, Considered Good	-	-
Doubtful	-	-
	17,92,95,042	18,68,91,985
Total trade receivable	18,48,54,583	19,21,58,091
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables(net)	18,48,54,583	19,21,58,091
NOTE NO. 18 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	5,74,199	56,02,080
2) Margin Money	37,08,662	72,37,060
3) Bank deposits with more than 12 months maturity	4,04,68,443	3,59,79,500
4) Interest accrued on Fixed Deposits	3,39,308	16,67,383
b) Cheques, Draft on hand	3,90,760	1,18,20,659
c) Cash on hand	28,741	41,608
Total Cash and Cash Equivalents	4,55,10,113	6,23,48,290

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE NO. 19 : SHORT TERM LOANS AND ADVANCES	₹	₹
short - term loans and advances:		
a) Other loans And advances		
Secured:		
- for Staff Advances	3,91,384	1,97,533
- for Suppliers	51,30,608	15,92,138
- for Others	39,17,586	56,51,916
Total short term loans & advances	94,39,578	74,41,587
Less : Provision for Doubtfull Debts	-	-
Total short term loans & advances(net)	94,39,578	74,41,587
NOTE NO.20 : OTHER CURRENT ASSETS		
TDS Receivable & Advance Taxes	93,72,885	1,32,29,424
Prepaid Expenses	83,59,788	20,95,717
Balances with Government Departments	1,41,20,176	2,32,40,126
Total Other Current Assets	3,18,52,849	3,85,65,267

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH, 2013

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE NO. 21 : REVENUE FROM OPERATIONS	₹	₹
Revenue from operations		
(a) Sale of Products	76,28,98,066	64,05,21,295
Less: Excise Duties	6,21,99,244	4,26,73,813
Total Revenue from Operations	70,06,98,822	59,78,47,482
NOTE NO. 22 : OTHER INCOME		
(a)Interest income	17,87,005	20,43,174
(b)Other non-operating income	2,18,10,006	99,31,625
Total Other Income	2,35,97,011	1,19,74,799
NOTE NO. 23 : COST OF MATERIALS CONSUMED		
Material - Silicon Rubber & chemicals	16,64,67,543	18,34,70,061
Material - End Fittings	7,91,12,538	9,38,18,396
Material - FRP materials	3,16,87,366	3,31,13,845
Other Material	5,83,58,042	2,12,10,197
Total Cost Of Material Consumed	33,56,25,489	33,16,12,499

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE NO. 24 : PURCHASE OF STOCK IN TRADE	₹	₹
Materials - Insulators	16,68,40,672	4,57,69,257
Total Trade Purchases	16,68,40,672	4,57,69,257
NOTE NO. 25 : CHANGE IN INVENTORIES & WIP.		
Work in Progress		
Work in progress at the beginning of the year	5,95,17,761	6,20,49,210
Less : work in progress at the end of the year	10,15,86,727	5,95,17,761
(Increase) / Decrease in Inventories	(4,20,68,966)	25,31,449
NOTE NO. 26 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	6,02,79,127	5,72,56,474
(b) Contribution to Provident & Other Funds	22,68,212	22,77,174
(c) Staff Welfare Expenses	12,96,586	8,40,890
Total Employee Benefit Expenses	6,38,43,925	6,03,74,538
NOTE NO. 27 : OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	43,92,241	16,57,814
(b) Power & Fuel	2,06,63,467	1,29,27,367
(c) Repairs to Building	80,000	2,50,744
(d) Repairs to Machinery	12,21,934	8,23,934
(e) Insurance	6,86,099	4,51,419
(f) Testing and Inspection charges	64,81,262	69,71,183
Total Other operating Expenses	3,35,25,003	2,30,82,461

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE NO. 28 : ADMINSTRATIVE EXPENSES	₹	₹
(a) Telephone, Postage and Others	15,40,013	20,08,835
(b) Business Promotion Expenses	19,74,338	13,51,505
(c) Conveyance	11,25,371	11,32,955
(d) Office Maintenance	9,14,469	8,21,275
(e) Printing & Stationery Expenses	4,43,406	7,73,164
(f) Security Charges	13,39,482	12,08,604
(g) Rates & Taxes (excluding Income Tax)	12,93,552	8,45,906
(h) Managerial Remuneration	26,50,000	26,90,000
(i) Consultancy Charges	47,92,850	23,03,011
(j) Rent	32,70,148	31,00,569
(k) Office Electricity charges	6,38,050	9,15,869
(l) Travelling expenses	37,64,593	30,41,225
(m) Vehicle Maintenance	26,85,556	14,69,807
(n) Advertisement expenses	1,29,881	2,69,722
(o) Commission Paid	12,37,339	10,77,558
(p) Exhibition Expenses	4,54,496	5,62,454
(q) Carriage Outward expenses	1,17,24,106	1,40,71,882
(r) Legal Fees	29,200	30,500
(s) Listing Fees	1,56,220	2,09,252
(t) Gifts and Donations	54,344	90,000
(u) Liquidated Damage Charges	-	-
(v) Miscellaneous Expenses	33,43,952	36,85,417
(w) Loss on Sale of investments/ Assets	6,28,627	60,070
(x) Repairs and Maintenance Others	23,10,629	17,41,351
(y) Auditors Remuneration	3,00,000	3,00,000
(z) Insurance Charges	14,90,895	14,12,919
Total Administrative Expenses	4,82,91,517	4,51,73,850
NOTE NO. 29 : FINANCE COST		
(a) Interest Expenses :		
- Interest on Cash Credit	2,68,48,760	1,70,83,255
- Interest on Term Loan	1,91,53,714	1,55,62,045
- Bank charges, Commission & Financial charges	1,60,54,587	1,35,01,011
- Loan processing Charges & Bank Charges	17,52,816	28,87,640
Total Finance Cost	6,38,09,877	4,90,33,951
NOTE NO. 30 : OTHER EXPENSES		
Miscellaneous expenditure written off during the year	5,97,045	6,97,384
Total Other expenses	5,97,045	6,97,384

NOTES TO FINANCIAL STATEMENT:

31: Long Term & Short Term Borrowings

- a) Term Loan from State Bank of Hyderabad is secured by
- i) Hypothecation of plant and machinery acquired out of the said loan.
 - ii) Hypothecation against first charge on all unencumbered fixed assets of the company both present and future.
 - iii) Equitable Mortgage of immovable property of Trinity Infraventures Limited
 - iv) Corporate Guarantees of Trinity Infraventures Limited
 - v) Personal guarantee of a promoter director of the company.
- b) Term Loan from Technology Development Board is secured by
- i) Hypothecation of fixed assets acquired out of the said loan.
 - ii) Corporate Guarantees of Trinity Infraventures Limited.
 - iii) Personal guarantee of a promoter director of the company.
- c) 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 Trinity Infraventures Limited
 - iii) Corporate Guarantee given by Trinity Infraventures Limited for above loan.
 - iv) Personal guarantee of a promoter director of the company.

- d) Vehicles loans availed are secured by hypothecation of vehicles acquired out of the said loans.

32. Other Long Term Liabilities:

The Company has availed Sales Tax deferment of ₹ 80,645/- during the year (Previous Year: ₹ 19,18,811/-). During this financial year the company has repaid an amount of ₹ 46,28,977/- (Previous year : ₹ 20,00,020/-)

33. Confirmation of Balances with Sundry Debtors and Sundry Creditors

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

34. Investments:

Company has invested ₹ 6.01 Cr in TF Solar Power Pvt Limited towards Equity Share Capital and allotted 60,10,000 shares @ ₹ 10/- each. Company incurred ₹ 9,84,73,751/- on Capital work in progress till 31.03.2013

35. Employee Benefits (AS – 15)

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

Particulars	31.03.2013 ₹	31.03.2012 ₹
Gratuity	5,61,106	12,36,661
Leave Encashment	3,96,394	8,09,369
Bonus	4,91,282	5,07,878

Defined contribution plan

During year ended March 31, 2013, the Group contributed ₹ **16,39,370/-** to Provident fund & Pension Fund .



Defined benefit plan – gratuity

The amounts recognized in the balance sheet as at March 31, 2013 are as follows:

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

(Amount in ₹)

	31st March 2013	31st March 2012
Present value of funded obligation		
Fair value of plan assets		
Present value of Unfunded obligations	60,89,505	64,07,610
Unrecognized Past Service cost	-	-
Amount not Recognized as an asset (limit in Para59(b))	-	-
Net liability	60,89,505	64,07,610
Amounts in Balance Sheet		
Liability - Current	15,73,774	15,60,672
Liability – Non Current	45,15,731	48,46,938
Asset	-	-
Net Liability	60,89,505	64,07,610

The amounts recognized in the profit and loss account for the year ended March 31, 2013 are as follows:

Amount in ₹

	31st March 2013	31st March 2012
Current service cost	7,37,349	6,57,248
Interest on Defined Benefit Obligation	5,44,175	4,86,218
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	(7,20,418)	93,195
Past Service Cost	-	-
Losses/(Gains) on "Curtailements & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59 (b)		
Total, included in "Employee Benefit Expense"	5,61,106	12,36,661
Actual Return on Plan Assets	-	-

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

	31st March, 2013	31st March, 2012
Discount Rate	8.10%	8.55%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	10% for the first 2 years & 7% thereafter	10% for the first 2 years & 7% thereafter

Discount Rate:

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

Expected Rate of Return on Plan Assets:

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

Salary Escalation Rate:

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

36. Segment Reporting (AS – 17)

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

37. Related Party Transactions (AS – 18)

(₹ in lacs)

SL No.	Name of the Party	Nature of Transaction	2012-13	2011-12
1	LP Sashikumar	MD Remuneration, and other benefits.	28.00	33.66

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

	2012-13	2011-12
Profit after tax during the year (₹)	2,00,59,808	1,90,50,400
Earnings available to Equity Shareholders for Basic & Diluted EPS (₹)	2,00,59,808	1,90,50,400
Weighted Average Number of Shares taken for computation of EPS		
- Basic	3,60,80,737	3,60,80,737
- Diluted	3,60,80,737	3,60,80,737
Earning per Share		
- Basic (₹)	0.56	0.53
- Diluted (₹)	0.56	0.53
Face Value of the Share (₹)	4.00	4.00

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

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the ₹ 66,87,107/- towards deferred Income Tax Liability. (Previous year ₹ 1,88,368/- towards Deferred Tax Asset)

**40. Impairment of Assets
(AS –28) Nil**

**41. Remuneration:
Managing Director
(₹ In lacs)**

	Year ended 31.03.2013	Year ended 31.03.2012
Salary	28.00	33.66
Reimburse- ments and others	-	-
Total	28.00	33.66

Auditors Remuneration

	Year ended 31.03.2013	Year ended 31.03.2012
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Total	3.00	3.00

42. Prior Period Adjustments: (AS - 4)

Prior period adjustment of ₹ 2,13,922/- (Previous year ₹ 5,54,685/-) shown in the Profit and Loss account is the net amount of the debits and credits pertaining to previous years, which were not provided during those periods.

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

	2012-13		2011-12	
a. Licenced Capacity	NA		NA	
b. Installed capacity				
- Polymer Insulators	Depends on product mix		Depends on product mix	
c. Production	Quantity	Value (₹)	Quantity	Value (₹)
- Polymer Insulators (Nos.)	3,03,018	-	4,59,144	-
d. Net Sales				
- Polymer Insulators	3,02,875	52,92,91,998	4,58,712	42,88,38,471
Others		17,14,06,824	-	16,90,09,011
Total		70,06,98,822		59,78,47,482
e. Material consumption				
- Silicon Rubber & Chemicals		16,64,67,543		18,34,70,061
- Glass Fibre, Tex for FRP rods		3,16,87,366		3,31,13,845
- End Fittings		7,91,12,538		9,38,18,396
- Others		5,83,58,042		2,12,10,197
Total		33,56,25,489		33,16,12,499
f. Break-up of material consumption (excluding trading material)				
Indigenous	61.93%	20,78,56,680	52.34%	17,35,67,284
Imported	38.07%	12,77,68,809	47.66%	15,80,45,215
Total	100.00%	33,56,25,489	100.00%	33,16,12,499

g. Earnings in Foreign currency			
Export of goods		1,36,84,843	1,83,64,185
h. Value of imports on CIF Basis			
- Materials including trading materials		12,13,86,960	15,00,32,755
- Capital Goods		32,36,845	10,90,741
i. Expenditure in foreign currency			
On travel		1,20,725	2,62,813
Others		44,65,821	2,93,067

44. Contingent Liabilities not provided for

- Letter of credit – ₹ **664.07 lakhs** (Previous year: ₹ 789.76 lakhs)
- Bank Guarantees – ₹ **1,853.63 lakhs** (Previous year: ₹ 1,033.86 lakhs)
- Commitments on capital contracts remaining to be executed ₹ **210.00 lakhs** (Previous year: ₹ 170.00 lakhs)
- Un-claimed dividend amount for the years 2006-07, 2007-08, 2008-09, 2009-10, 2010-2011 and 2011-12 is lying in the Dividend Account at , ICICI & Axis Bank for an amount of ₹ 2,07,645.60, ₹ 2,25,260.00, ₹ 2,20,673.55 ₹1,30,928.00, ₹ 1,31,779.00 and ₹ 1,09,323.00, respectively

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

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

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

As Per our Report attached

For **P Murali and Co.**

Chartered Accountants

FRN : 007257S

Sd/-

P Muralimohana Rao

Partner

M. No. 23412

Place: Secunderabad

Date : 27th May,2013

For and on behalf of the Board

Sd/-

L P Sashikumar

Managing Director

Sd/-

B Appa Rao

Director

Sd/-

P.Hanuman Prasad

Company Secretary

Consolidated Cash Flow Statement as on 31.03.2013

₹ In lakhs

	31.03.2013	31.03.2012
A Cash Flow from operating activity		
Net Profit before tax	302.47	233.07
Adjustments for:		
Depreciation	-	-
Miscellaneous expenditure written off	5.97	6.97
Provision for Gratuity & Earned Leave & others	52.46	60.64
Loss on sale of Assets/ Investments	6.28	-
Other Income	(235.97)	(119.75)
Operating Profit before working capital changes	131.21	180.93
Adjustments for:		
Trade and other receivables	73.04	1,604.53
Inventories	(420.06)	(254.09)
Trade advances	22.91	48.52
Trade Payable	60.89	589.94
Cash generated from operations	(132.02)	2,169.83
Direct Taxes paid (net)	(69.91)	(136.23)
Gratuity, EL encashment & others Paid	(49.49)	(62.54)
Cashflow before extraordinary items	(251.42)	1,971.06
Net Cash flow from operating activity	(251.42)	1,971.06
B. Cash Flow from Investing Activity		
Fixed assets	34.86	(2,738.41)
Capital work in progress	(87.09)	87.40
Investments	-	-
Miscellaneous Expenditure written off	-	-
Other income	235.97	119.75
Loss on Sale of Assets/ Investments	(6.28)	-
Net Cash used for investing activity	177.46	(2,531.26)
C. Cash Flow from financing activities		
Long term borrowings	(390.87)	489.78
Short Term borrowings	414.09	495.76
Deferred sales tax loan payment	(45.48)	(20.00)
Dividend paid	(72.16)	(83.87)
Net cash generated from financing activity	(94.42)	881.67
Cash and cash equivalents (Opening Balance)	623.48	302.01
Net increase in Cash & Cash equivalents (A+B+C)	(168.38)	321.47
Cash and cash equivalents (Closing Balance)	455.10	623.48

For **P. Murali & Co.**

Chartered Accountants
FRN : 007257S

Sd/-

P. Murali Mohana Rao
Partner
M No. 23412

For and on behalf of the Board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

P.Hanuman Prasad
Company Secretary

Place: Secunderabad
Date : 27th May, 2013

STATEMENT OF SUBSIDIARIES

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

(Amount in ₹)

S.No.	Particulars	Amount
1	The financial year for the subsidiary company ended on	31.03.2013
2.	Shares of the subsidiary company held by holding company as on above date	
	(i) Number	60,10,000
	(ii) Extent of holding	100%
3	Date from which it became a subsidiary	14.04.2010
4	The net aggregate amount of Profits / (Losses) of the Subsidiary so far as they concern the member of the Holding Company.	
	a) Dealt within the Holding Company's accounts	
	i) for the financial year of the subsidiary	NIL
	ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary	NIL
	b) Not dealt within the Holding Company's accounts	
	i) for the financial year of the subsidiary	NIL
	ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary	NIL
5	Issued, Subscribed & Paid-up Capital	6,01,00,000
6	Reserves & Surplus	-
7	Liabilities	3,91,05,223
8	Total Liabilities	9,92,05,223
9	Total Assets	9,92,05,223
10	Investments	NIL
11	Turnover	NIL
12	Profit before Tax	NIL
13	Provision for Taxation	NIL
14	Profit after Tax	NIL
15	Proposed Dividend	NIL

As the members are already aware, the Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in Corporate Governance" by allowing the companies to service the documents to its members through electronic mode. Recognizing the spirit of the circulars issued by the MCA, we are now sending this Annual Report comprising of Notice, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditors' Report, etc. to the email addresses of the members made available to the Company by the Depositories (CDSL / NSDL) or registered by the members directly with the Company's RTA. For those members who have not yet registered their email, we are sending the Annual Report in physical mode. In case you wish to receive future communication in electronic mode, kindly register your email address through the following link: <http://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.

GOLDSTONE INFRATECH LIMITED

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

PROXY FORM

I/Weof
..... being a member/ members of the above
named company hereby appoint
.....
of as my/our proxy to vote
for me/us on my/our behalf at the 13th Annual General Meeting of the company to
be held on Saturday, the September 28, 2013 at 3.00 p.m. at Plot No. 1 & 9 IDA
Phase II, Cherlapally, Hyderabad – 500 051 and at any adjournment thereof.

Signed this..... day of _____ 2013.

Please Affix
Rs.1
Revenue
Stamp

NOTE:

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

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

GOLDSTONE INFRATECH LIMITED

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

ATTENDANCE SLIP

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

Regd. Folio/ : _____ Shares held: _____

Client ID/ DPID : _____

I hereby record my presence at the 13th Annual General Meeting to be held on Saturday, the September 28, 2013 at 3.00 p.m. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

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

Book - Post
Printed Matter



If undelivered please return to :



Goldstone

Goldstone Infratech Limited

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

