



GOLDSTONE
TECHNOLOGIES

Twentieth Annual Report 2013-2014

● Software Services ● IT Enabled Services



CORPORATE INFORMATION

Board of Directors:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V.Venkata Ramana
Mrs. Promilla Shankar, IAS (Retd.)
Mr. Ponnappa Sanjeeva Parthasarathy
Mr. Clinton Travis Caddell
Mr. L.P. Sashikumar

Board Committees:

Audit Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V.Venkata Ramana
Mr. Clinton Travis Caddell

Nomination and Remuneration Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V.Venkata Ramana
Mr. L.P. Sashikumar

Stakeholders Relationship Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr. V.Venkata Ramana
Mr. L.P. Sashikumar

Key Managerial Personnel:

Mr. Rajshekhar Roy
Chief Executive Officer
Mr. Vithal V S S N K Popuri
Chief Financial Officer
Ms. Adarika Ghose
Company Secretary & Compliance officer

Statutory Auditors:

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

Principal Bankers:

Central Bank of India
CITI 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.
Telangana, INDIA .
Tel. 91-40-27807640 / 0742 / 1910
Fax No. 040-27632184.
www.goldstonetech.com,
E-Mail ID : corporate@goldstonetech.com
CIN : L72200TG1994PLC017211

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NOTICE TO SHAREHOLDERS:

Notice is hereby given that the Twentieth Annual General Meeting of Goldstone Technologies Limited will be held on Saturday, the 27th day of September, 2014 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 receive, consider and adopt the Audited Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year ended on that date together with the Director's and Auditor's Report thereon.
2. To appoint a Director in the place of Mr. Clinton Travis Caddell who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. P.S.Parthasarathy who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

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

between the Board of Directors of the Company and Auditors".

SPECIAL BUSINESS:

5. Appointment of Mrs. Promilla Shankar (DIN; 06661952) as an Independent Director of the Company.

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

"RESOLVED that Pursuant to Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 if any, and the rules made there under (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule-IV to the Companies Act, 2013 Mrs.Promilla Shankar, whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013 expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs.Promilla Shankar as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five years from 27th September, 2014 to 26th September, 2019 not liable to retire by rotation."

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

6. Appointment of Mr.K.S.Sarma (DIN; 01505787) as an Independent Director of the Company.

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

"RESOLVED that pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Mr.K.S.Sarma, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr.K.S.Sarma, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years from 27th September 2014 to 26th September 2019 not liable to retire by rotation."

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

7. Appointment of Mr.Vedula Venkata Ramana (DIN:02660082) as an Independent Director of the Company.

To consider and if thought fit, to pass, with

or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Mr.Vedula Venkata Ramana, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr.Vedula Venkata Ramana, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years from 27th September 2014 to 26th September 2019 not liable to retire by rotation."

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

**BY ORDER OF THE BOARD
For GOLDSTONE TECHNOLOGIES LIMITED**

Sd/-
Adarika Ghose
Company Secretary

Place : Secunderabad
Date : 21st August, 2014

NOTES:-

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 7 of the Notice, is annexed hereto. The relevant details (as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges) of persons seeking appointment/ re-appointment as Directors under Item No. 2 to 3 and 5 to 7 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Transfer Books of the Company shall remain closed from 23rd September, 2014 to 27th September, 2014 (both days inclusive) for the purpose of ensuing Annual General Meeting.
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
9. As on March 31, 2014 amount of Rs.2,49,004/- was unclaimed out of the dividend declared on September 30, 2008 for the financial year 2007-08. Members who have not claimed the dividend are advised to claim the same at the earliest. In accordance with the provisions of Section 124 (5) of the Companies Act, 2013 aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund by October 29, 2015.
10. The Annual Report of the Company for the year 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the

Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Annual Report of the Company for the year 2013-14 circulated to the Members of the Company is available on the Company's website, viz. www.goldstonetech.com.

11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the e-mail address through the following link; <https://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.
12. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and as per Clause 35 B of the Listing Agreement, the Company is extending e-voting facility for its Members to enable them to cast their vote electronically instead of participating and voting physically in the Annual General Meeting. In this regard, the Company has appointed Mr. Prathap Satla, Practicing Company Secretary, Hyderabad, having his office at H.No. 6-3-1238/15/1, Flat No. 301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad - 500 082, who in the opinion of the Board is a duly qualified person, as a Scrutinizer to collate the electronic voting process in a fair and transparent manner.
13. The e-voting facility will be available at the link <https://evoting.karvy.com> during the voting period.
14. Login ID and password for e-voting along with process, manner and instructions is being sent to the members individually at their registered e-mail IDs along with physical copy of the Notice.
15. Members are requested to note that the e-voting period commences on Friday, September 19th, 2014 (10.30 a.m. IST) and ends on Monday, September 22nd, 2014 (6.00 p.m. IST). The e-voting module shall be disabled by KARVY for voting thereafter.
16. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
17. The procedure and instructions for e-voting are as follows :
 - i. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e., user-id & password) provided to you as mentioned at point no. 14 supra.
 - iii. In the event of any difficulty, please contact toll free No. 1-800-34-54-001 for any further clarifications.
 - iv. After entering these details appropriately, click on "LOGIN".
 - v. Members holding shares in Demat/Physical form will then reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password shall be minimum eight

characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this same password can be used by the demat holders for voting in respect of other companies also, provided that the other Company opts for e-voting through Karvy e-Voting platform. Then, system will prompt you to change your contact details like mobile number, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. You need to login again with the new credentials.
- vii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- viii. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and you have already casted your vote in respect of any company, then your existing login id and password are to be used.
- ix. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the

shareholder do not wants to cast, select 'ABSTAIN'.

- x. After selecting the resolution you have decided to vote on, then click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, then click on "OK", and in case, if you wish to modify your vote, then click on "CANCEL "and accordingly modify your vote.
- xi. Once you 'CONFIRM' your vote on the resolution, then in such case, you will not be allowed to modify your vote in any manner.
- xii. Corporate/Institutional-Members (Corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to gtl.scrutinizer@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- xiii. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

Other Instructions:

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

Company not later than Monday, September 22nd, 2014 (6.00 p.m. IST).

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

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

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

- ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.goldstonetech.com and on the website of KARVY <https://evoting.karvy.com> within three days of the passing of the resolutions at the Twentieth AGM of the Company on September 27th, 2014 and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

ITEM NO.5

Mrs. Promilla Shankar is an Additional Director (Non-Executive) of the Company. She joined the Board of Directors on 21st August, 2014 and holds office up to the date of this Annual General Meeting pursuant to the Section 161

of the Companies Act, 2013. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of requisite amount proposing the candidature of Mrs. Promilla Shankar for the office of Director. Mrs. Promilla Shankar would be a Independent Director of the company from 27th September 2014 to 26th September 2019 as per the provisions of Section 149 of the Companies Act, 2013.

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

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

The resolution seeks the approval of members for the appointment of Mrs. Promilla Shankar as an Independent Director of the Company upto 26th September 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Promilla Shankar, the Director proposed to be appointed, as Independent Director fulfils the conditions specified in the Act and the Rules made there under and she is independent of the Management.

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

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail the services of Mrs. Promilla Shankar as an Independent Director.

No director, key managerial personnel or their relatives, except Mrs. Promilla Shankar, to whom the resolution relates, is interested or concerned financial or otherwise in the resolution.

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

ITEM NO.6 & 7

Mr. K.S.Sarma and Mr. Vedula Venkata Ramana are Independent Directors of the Company and have held the positions as such for more than 5(five) years. The Securities and Exchange of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

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

The Nomination and Remuneration Committee has recommended the

appointment of each of Mr. K.S.Sarma and Mr. Vedula Venkata Ramana as Independent Directors from 27th September 2014 to 26th September 2019.

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

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

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

Copy of the draft letters for respective appointments of Mr. K.S.Sarma and Mr. Vedula Venkata Ramana as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday up to the date of AGM.

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

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. K.S.Sarma and Mr. Vedula Venkata Ramana as Independent Directors.

No director, key managerial personnel or their relatives, except Mr. K.S.Sarma and Mr. Vedula Venkata Ramana, for their appointments respectively as set out in Item No.6 & 7, is interested or concerned financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no. 6 & 7 for the approval of the members.

BY ORDER OF THE BOARD
For GOLDSTONE TECHNOLOGIES LIMITED

Sd/-
Adarika Ghose
Company Secretary

Place :Secunderabad
Date :21st August, 2014

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING:

Directors' Profile :

A brief resume of the Directors seeking appointment/re-appointment in the Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement is given below.

Date of Appointment, Shareholding in the Company, Directorship in Companies and Chairmanship/ Membership of the Committees :

Name of the Director	Mr. Clinton Travis Caddell	Mr.P. S.Parthasarathy
Date of Birth	23/01/1977	01/03/1957
Date of Appointment	30/05/2012	30/05/2012
No. of shares held (As on 01/08/2014)	Nil	Nil
Expertise in functional areas	Rich experience in the field of Architecture and Design, Networking, Structures, Algorithms, Software Engineering, Data Base, Discrete Math and Object Oriented Programming.	Vast experience in overseas operations of software industry along with deep understanding of US and European markets.
List of Directorships in Companies (other than Goldstone Technologies Limited)	Nil.	Nil.
Chairman/ Member of the Committee of the Board of Directors of Companies (other than Goldstone Technologies Limited) on which he/she is a Director	Nil.	Nil.
Relationship between Directors inter-se	Relative of Mr.L.P. Sashikumar	No.

Name of the Director	Mr.K.S.Sarma	Mr. Vedula Venkata Ramana	Mrs. Promilla Shankar
Date of Birth	01/07/1944	21/05/1957	12/02/1952
Date of Appointment	30/04/2007	30/04/2007	21/08/2014
No. of shares held (As on 21/08/2014)	Nil	Nil	Nil
Expertise in functional areas	He is a retired IAS officer. During his career he worked in various levels such as Joint Secretary, Special Secretary and Principal Secretary with Govt of Andhra Pradesh before going on deputation to the Government of India. He worked in the Ministry of Information and Broad-casting and held addition charges of the Post of Director General, Door dars-han.etc.	A Law Graduate having more than 20 years of experience in wide spectrum of industries in management liaison, legal, etc. He is a senior advocate in Andhra Pradesh High Court and standing council for various State/ Central Govt Department. Nil	She is retired IAS officer. During her career she worked in various levels and positions under the govt. of U.P including : Commissioner of - NCR Planning Cell - Food & Civil Supplies. Chairman of State Administrative Tribunal. Chief Investment Commissioner of Govt. of U.P. Secretary Higher Education Dept. of Govt. of U.P.
List of Directorships in Companies (other than Goldstone Technologies Limited)	1. Catholic Syrian Bank Ltd.	Nil	1. IL&FS Environmental Infrastructure and Services Ltd.
Chairman/ Member of the Committee of the Board of Directors of Companies (other than Goldstone Technologies Limited) on which he/she is a Director	<ul style="list-style-type: none"> Member of Audit Committee of Catholic Syrian Bank Ltd. Member of Stake holders Relationship Committee of Catholic Syrian Bank Ltd. 	Nil	Nil
Relationship between Directors inter-se	No	No	No.

Director's Report

To

The Members

Goldstone Technologies Limited

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company and the Audited Financial Accounts for the year ended on March 31, 2014.

Financial Results (Consolidated)

(₹ In Millions)

Particulars	2013-14	2012-13
Net Sales/Income from Operations	736.49	735.68
Total Expenses	717.82	657.03
Profit from Operations before Other Income, Interest & Exceptional Items	18.67	78.60
Other Income	18.00	2.63
Profit before Interest & Exceptional Items	36.67	81.28
Interest	4.95	9.94
Profit after Interest but before Exceptional Items	31.72	71.34
Exceptional Items	-	-
Profit before Tax	31.72	71.34
Tax expenses	12.02	25.59
Net Profit after Tax	19.70	45.75
Extraordinary Items (Net of Tax)	0.06	0.00
Net Profit for the period	19.64	45.75
Equity Share Capital(1,87,82,066 Shares of ₹ 10/- each; Previous year 1,87,82,066 Shares of ₹ 10/- each)	187.82	187.82
E.P.S (After Prior Period Items) (Rupees)	1.05	2.44
Net Worth	605.68	594.87
Book Value (face Value of ₹ 10/- each)	32.25	31.67

Review of Operations

During the year under review, your Company has achieved a consolidated turnover of ₹ 736.49 Million as compared to ₹ 735.68 Million for the previous financial year. The standalone turnover was ₹ 261.76 Million as against a turnover of ₹ 287.58 Million during the previous year. The consolidated net profit for the year 2013-14 was ₹19.64 Million in comparison with ₹ 45.75 Million during the previous year and the standalone profit is

₹10.81 Million during the year and in comparison with ₹ 20.63 Million during the previous year.

Dividend

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

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 and liabilities of your Company have been adequately insured. Further, Directors and Officers Liability have also been adequately insured.

Subsidiaries

Your Company has a wholly owned subsidiary incorporated in USA, namely Staytop Systems Inc. Further, it has another subsidiary company in India namely Staytop Systems and Software Private Limited, which is yet to commence its operations.

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 companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies 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 companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

As required under listing agreement with Stock Exchanges, Consolidated Financial statements prepared in terms of Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India, are attached.

Auditors

M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 up to the conclusion of forth-coming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of the Section 139 (2) of the Companies Act, 2013 and based on recommendations of the Audit Committee they being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 141 (3) (g) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

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

Directors

Mr. Clinton Travis Caddell, and Mr.PS.Parthasarathy, Directors, who retires by rotation at the 20th Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year under review Mrs. Promilla Shankar has appointed as Additional Director of the Company in the Board meeting held on 21st August 2014 whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013 expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160

of the Companies Act, 2013 signifying his intention to propose Mrs. Promilla Shankar as a candidate for the office of Director, pursuant to the Section 149 and other applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement management is seeking approval of members to appoint her as an Independent Director of the Company, for a term of five years from 27th September, 2014 to 26th September, 2019 not liable to retire by rotation."

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of upto five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation and the tenure of the Independent Directors on the date of commencement of the Companies Act, 2013 (ie., 01.04.2014) shall not be counted as term for aforesaid period of 5 years. Accordingly, it is proposed to appoint Mr. K.S.Sarma and Mr. Vedula Venkata Ramana as Independent Directors of your Company from 27th September, 2014 to 26th September, 2019.

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

Stock Exchange Listing

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India [NSE], and Bombay Stock Exchange Limited [BSE]. The Company confirms that it has paid Listing Fees due to all the Stock Exchanges where the Company's securities are listed for the year 2014-15.

Director's Responsibility Statement

In accordance with the Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors confirms that :

- a) In the preparation of the Accounts for the twelve months period ending March 31, 2014; the applicable accounting standards have been followed and there are no material departures there from.
- b) They have selected such accounting policies in consultation with Statutory Auditors of the Company and applied 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 as at March 31, 2014 and of the profit of the Company for the financial year.
- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared accounts for the year ended March 31, 2014 on a going concern basis.

Corporate Governance and Management Discussion and Analysis Report

A separate report on Corporate Governance along with Auditors' Certificate on its compliance and Management Discussion Analysis and Business Outlook forming part of this report are annexed hereto.

Particulars of Employees

None of the employees are drawing

remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Companies (Disclosure of Particulars in the Directors Report) Rules 1988 are as follows :

A. CONSERVATION OF ENERGY :

Your company's operations involve low energy consumption. However, adequate measures have been taken to conserve and reduce the energy consumption.

Acknowledgements

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

Your Directors thank all the Employees of your company for their dedicated service, which enabled your company to achieve satisfactory results and performance during the year. Your Directors thank the shareholders for their support and confidence reposed in the company and the management and look forward to their continued co-operation and support.

B. TECHNOLOGY ABSORPTION :

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your company continues to invest in the latest hardware and software.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO :

(₹ In Millions)

Particulars	2013-14	2012-13
Foreign Exchange Earnings	190.21	139.50
Foreign Exchange Outgo	11.55	1.66

For and on behalf of the Board

Sd/-
L P Sashikumar
 Director

Sd/-
P. S.Parthasarathy
 Director

Place : Secunderabad
 Date : 21st August, 2014

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

(This review contains Management's discussion of the Company's operational results and financial condition, and should be read in conjunction with the accompanying audited financial statements and associated notes).

Industry Structure, Development and Outlook

Outlook for India in 2014

The outlook for Indian market for Technology and Services is bright. The CAGR of 13-14% in the current financial year 2014-15 is an indicator of the current market trends. The \$270-billion plus Indian IT industry showed resilience in returning to the higher growth trajectory in 2013 and is hoping to gain momentum in the present year for a greater share of the global multi-billion dollar outsourcing market. The National Association of Software and Services Companies (Nasscom) has analyzed that the Industries export revenues has increased up to \$84-87 billion this fiscal (FY 2014) as against \$76 billion last fiscal (FY2013).

Businesses are increasingly leveraging newer technologies to become more agile and also achieve tangible results. Global corporations are increasingly investing in transformational technology initiatives to improve their competitiveness. We continue to see customers viewing technology as a key enabler to drive their growth strategies. Customers continue to be focused on driving productivity and expanding globally. The ability to define, design, develop, implement and maintain advanced technology platforms and business solutions to address business needs has become a competitive advantage and a priority for corporations worldwide.

Changing economic and business conditions, evolving customer preferences, rapid

technological innovation, adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives, such as revenue growth, and profitability.

Business Intelligence (BI) and Analytics:

As per the Gartner analysis, BI, analytics and performance management segment is the hottest Software market in India, fueled by IT prioritization and increased business buying. To keep up pace with disruptive technologies and new delivery platforms, the industry has diversified its service offerings to analytics, mobility, cloud, social media in emerging verticals such as healthcare and medical devices. Fact based decision-making and visual analytics (Tableau) tools to rationalize costs and time for businesses will continue to be the drivers in the coming years. With a developed Tableau practice now in place, we will need to improve capacity and capability to lead the change in the next 2-3 years.

Mobility & Cloud Computing:

Mobility in enterprise has created a huge opportunity for IT leaders to reduce costs, increase productivity and enable smooth business transactions. Organizations in India are beginning to leverage more personal interactions with greater reach and are also looking to evaluate mobile platforms as a delivery mechanism to provide an integrated view of multiple proprietary and publicly available datasets to help drive better real-time decisions.

Led by infrastructure-as-a-service engagements in the data center, disaster recovery and storage areas, there is a broad range of providers that target large organizations as well as SMBs. This fast growing adoption by a diverse range of organizations has catalyzed providers to invest in high quality data centers

and innovative cloud infrastructures, as well as a portfolio of cloud-related offerings such as security, communications and managed services.

The rest of the world continues to look towards India to meet the demands of this fast-paced technological milieu in which we currently live. There are significant opportunities for companies in India to leverage this demand. However, it requires business intuition, operational quickness, and uncompromising integrity. The environment that once rewarded reactive IT businesses of the past 15 years has now come to an end. This fresh wave only recognizes and supports survival of the companies that can understand the new global IT ecosystem with the ability to leverage knowledge for the benefit of the customer. What does this mean? It means that passive centers that have thrived on prescribed workflows are on the decline; customers are looking for engaged partners, aggressive and eager to expand their role, contributing not only to the bottom-line but also adding to the top-line of partners. It is time to move fast.

Opportunities, Threats, Risks and Concerns:

At Goldstone we see great potential to support this rapid business transformation through our niche technology services offerings, which include Enterprise Integration, and Cloud Solutions. Sectors like Manufacturing, ITES and BFSI are early adapters for these services.

One area where Goldstone has succeeded is with the Business Intelligence (BI) platform and working with Big Data, which is a "Top Driver" for the organizations in 2014-2015. BI is a strong decision making platform and shows a positive growth curve in interactive visualization, predictive analysis, dashboards and online analytical processing with greatest ease of use while working with huge data sets on premises and on Cloud. Goldstone has a

long history and many skilled resources within the BI segment. Our current BI Practice is geared to provide a next generation, feature rich, low cost solution that can be deployed by both SMB's as well as large enterprises which do not want to make capital investments.

To capitalize this opportunity, Goldstone Technologies has embraced a light weight and Rapid Fire Business Intelligence tool called "Tableau". Tableau is not just any Business Intelligence tool, but has capabilities to work around with Big Data to find the hidden insights and convert them into actionable areas for organizations. With just a few clicks Tableau can connect to Big Data Platforms and Cloud Databases like Hadoop, MapR, Cloudera, Google Analytics, Amazon Redshift providing organizations with the ability to instantly create reports, data visualizations and dashboards without any programming or coding.

Since Technology is an ever changing landscape, organizations need to equip themselves with a wide array of solutions like consulting, training and support to offer. Other than Tableau, strategic acquisitions to expand capabilities, venturing into Global markets and open opportunities in government/other market sectors in selling products in specific line of businesses will remain key focus areas in 2014.

Analysis of financial performance of the company:

The Consolidated revenues for the year were ₹ 736.49 Million as against the previous year revenues of ₹ 735.68 Millions. The Standalone revenues for the year were ₹ 261.76 Millions as against of ₹ 287.58 Millions of previous year. The Consolidated net profit for the period was ₹19.64 Million against ₹45.75 Million during the previous year and the Standalone net profit was ₹10.81 Million against the previous year's net profit of ₹ 20.63 Million.

Liquidity and capital resources:

There is no change in Shareholders' funds during the financial year 2013-14.

The secured loans as at March 31, 2014 stood at ₹ 76.35 Millions as against ₹ 62.54 Millions of Previous year.

The Company's ability to generate funds from operating activities, including product and service sales, equity funds and debt financing from its banks and others are expected to provide sufficient liquidity to meet current and future fund requirements.

Internal Control & Systems:

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes & corporate policies are duly complied with, the internal audit function has been structured to continuously review adequacy and efficacy of the internal controls. The audit committee reviews the internal audit reports at regular intervals.

The Company has an Audit Committee constituted as per Section 177 of the Companies Act, 2013 and as per the requirements of Corporate Governance specified under Clause 49 of the Listing Agreement.

Human Resource Development:

The Company's Corporate HRD policy emphasizes on continuous, increased quality and commitment of its employees in order to succeed in the achievement of the corporate goals. The company provides employee development opportunities by conducting training programs to equip the employees with upgraded skills enabling them to adapt to the contemporary technological advancements.

The HRD Team strives for the enhancement of Human Resource Organization, Systems, Processes and procedures, using the principles of continuous quality improvement that incorporate quality service and excellent performance standards, increased accountability and maximizes cost effectiveness.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results would differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic/overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

CORPORATE GOVERNANCE

1) Company's Philosophy:

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stake holders.

The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities to the Shareholders for creating and safeguarding shareholders wealth, while upholding the core values of transparency, integrity, honesty and accountability.

The Company's Code of Ethics and Business Conduct serves as a guide to the employees on the values, ethics and business principles expected of them.

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 of Goldstone Technologies comprised of Six directors as on 21st August, 2014 and all Directors are Non Executive Directors and two are Independent. Accordingly, the composition of the Board is in conformity with Clause 49 of the listing agreement entered with Stock Exchanges.

The Directors bring with them rich and varied experience in different fields of corporate functioning. The Board meets at regular intervals for planning, assessing and evaluating all important business activities.

None of the Directors on the Board is a Member in more than 10 Committees or Chairman of more than 5 committees as specified in clause 49, across all the Companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee Memberships held by them in other Companies is given below. Other directorships do not include alternate Directorships, Directorships of Private Limited Companies and Companies incorporated outside India. Chairmanship / Membership of Board Committees include membership of Audit and Stakeholders Relationship Committee.

Name	Category	No. of Board Meetings attended during the year 2013-14	Whether Attended AGM held on 28.09.2013	No. of Directorships in other Companies	No. of committee positions held in other public Companies	
					Chairman	Member
Mr. K S Sarma	Independent Director	4	YES	1	Nil	1
Mr. V Venkata Ramana	Independent Director	4	NO	Nil	Nil	Nil
Mr. L P Sashikumar	Promoter, Non-Executive Director	4	YES	1	Nil	1
Mr. Clinton Travis Caddell	Promoter, Non-Executive Director	1	NO	Nil	Nil	Nil
Mr. P.S. Parthasarathy	Promoter, Non-Executive Director	4	NO	Nil	Nil	Nil
# Mrs.Promilla Shankar	Non-Executive Director	-	NA	1	Nil	Nil

Mrs. Promille Shankar has been appointed as a Additional Director on 21st August, 2014.

Four Board meetings were held during the year ended March 31, 2014 and the gap between any two successive meetings did not exceed four months. The dates on which the Board meetings were held are as follows :

May 27, 2013; July 31, 2013; November 08, 2013 and February 10, 2014.

None of the Non-Executive Directors have any material pecuniary relationship with the Company.

Necessary information as mentioned in Annexure 1A to clause 49 of the listing agreement has been placed before the Board for their consideration.

3) Audit Committee :

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

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

financial condition and results of operations;

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

As on 21st August, 2014, the Audit Committee of the Company consists of 3 Non-Executive Directors, out of whom 2 are Independent Directors including the Chairman, who is a retired IAS officer having related financial

management expertise. All the Members of the Committee are financially literate. Accordingly, the composition of the Committee is in conformity with Clause 49 of the Listing Agreement entered with Stock Exchanges.

The last Annual General Meeting of the Company was held on September 28, 2013.

The composition of the Audit Committee as on 21st August, 2014 and particulars of meetings attended by the members are as follows :

Name	Category	No. of Meetings during the year 2013-14	
		Held	Attended
Mr. K S Sarma, Chairman	Independent Director	4	4
Mr. Vedula Venkata Ramana	Independent Director	4	4
Mr. Clinton Travis Caddell	Promoter, Non-Executive Director	4	1

Four Committee meetings were held during the year ended March 31, 2014 i.e. on May 27, 2013; July 31, 2013; November 08, 2013 and February 10, 2014. The necessary quorum was present at all meetings.

4) **Nomination and Remuneration Committee:**

The Remuneration/ Compensation Committee was rechristened as Nomination and Remuneration Committee by the Board at its meeting held on 29th May 2014. The Nomination and Remuneration Committee of the Company consists of 3 directors, all of them are Non Executive Directors and 2 out of them are Independent Directors. The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee as contained in Clause 49 of the Listing Agreement and Sub Section (1) of Section 178 of the Companies Act 2013, are as follows;

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

The composition of the **Nomination and Remuneration Committee** as on 21st August, 2014 is as follows :

Mr. K S Sarma	Chairman	Independent Director
Mr. L P Sashikumar	Member	Promoter, Non- Executive Director
Mr. Vedula Venkata Ramana	Member	Independent Director

● **Meetings and Attendance during the Year**

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

● **Remuneration Policy**

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

● **Details of Remuneration and other terms of appointment of Directors**

Since all Directors are the Non-Executive Directors (NEDs), they are paid sitting fee for attending either Board or its Committee meetings except Shareholders/Investors'

Grievance Committee Meeting. The Company reimburses the out of pocket expenses incurred by the Directors for attending meetings.

Shareholdings of the Directors in the Company as on March 31, 2014 :

Name	Category	No. of Shares of ₹ 10/- each
Mr. L P Sashikumar	Promoter & Non Executive Director	757

Remuneration of Directors

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

(Amount In ₹)

Name of the Director	Category	Sitting fee	Salary	Benefits	Total
Mr. L P Sashikumar	Promoter & Non-Executive Director	60000	Nil	Nil	60000
Mr. K S Sarma	Independent Director	120000	Nil	Nil	120000
Mr. V Venkata Ramana	Independent Director	120000	Nil	Nil	120000
Mr. Clinton Travis Caddell	Promoter & Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Ponnappa Sanjeeva Parthasatathy	Promoter & Non-Executive Director	Nil	Nil	Nil	Nil
Mrs. Promilla Shankar	Non-Executive Director	Nil	Nil	Nil	Nil

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

There was no Employee Stock Option Scheme during the financial year ended 31st March, 2014.

5. Stakeholders Relationship Committee:

The Board had at its meeting held on May 29, 2014, rechristened the Share Transfer and Investors' / Shareholders' Grievance Committee as "Stakeholders Relationship Committee."

The Stakeholders Relationship Committee is to perform all the functions relating to handling of all sorts of shareholders' grievances like non-transfer of shares, loss of share certificates,

non-receipt of notices/annual reports etc., and to look after share transfers/transmissions periodically. The Committee *inter-alia* also approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers.

- i. The Stakeholders Relationship Committee of the Company consists of three directors, two of them are Independent Directors.
- ii. The Composition of the Stakeholders Relationship Committee and the number of meetings attended by its members is given below.

Name	Category	No. of Meetings during the year 2013-14	
		Held	Attended
Mr. K S Sarma, Chairman	Independent Director	4	4
Mr. V Venkata Ramana	Independent Director	4	4
Mr. L P Sashikumar	Promoter Director	4	4

Four Stakeholders Relationship Committee Meetings were held during the year ended 31st March 2014 i.e on May 27, 2013; July 31, 2013; November 08, 2013 and February 10, 2014.

- iii. The necessary quorum was present at all meetings.
- iv. Details of complaints received and redressed: Number of shareholder complaints received, number of complaints solved and number of pending complaints as on March 31, 2014.

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

- v. Name and Designation of Compliance Officer :

Ms. Adarika Ghose, Company Secretary.

6. General Body Meetings:

General Body Meetings : The last three Annual General Meetings were held at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051 as detailed below :

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

Year	No. of Meeting	Day, Date and Time of the Meeting
2012-13	19 th AGM	Saturday, the September 28, 2013 at 03.30 P.M
2011-12	18 th AGM	Saturday, the September 29, 2012 at 04.00 P.M
2010-11	17 th AGM	Friday, the September 30, 2011 at 5.00 P.M.

- ii) During the previous three Annual General Meetings of the Company, no Special Resolutions were passed as specified below.

No. of AGM	Item on which special resolution was passed
19 TH AGM	NIL
18 th AGM	NIL
17 th AGM	NIL

- iii) No resolution was passed through Postal Ballot during the year ended 31st March, 2014 and no resolution, which requires approval through postal ballot, is proposed to be conducted at the ensuing Annual General Meeting.

7. Disclosures:

- i. As required by the Accounting Standard-18, issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Schedule 27 of Notes to Accounts.
- ii. There were no instances of non-compliances by the Company, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. **Whistle Blower Policy** : As per the provisions of the Section 177 (9) & (10) of the Companies Act 2013, read with amended Clause 49 of the Listing Agreement the Board had its meeting held on 29th May 2014, adopted a Vigil Mechanism called 'Whistle Blower Policy' for directors and employees to report the management /Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of company's code of conduct

or ethics policy. The Vigil Mechanism also provided adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases further it has also been uploaded on the Company's web site; www.goldstonetech.com.

- iv. Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreement with the Stock Exchanges :
 - a. The Company has set up a Nomination and Remuneration Committee, details of which have been given earlier in this Report.
 - b. Adopted Whistle Blower Policy.
 - c. The Statutory financial statements of the Company are unqualified.
- v. **Secretarial Audit** : A firm of qualified Company Secretaries is conducting the Secretarial Audit on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- vi. **Code of Conduct** : The Code of Ethics and Business Conduct as adopted by the Board of Directors is applicable to all directors, senior management and

employees in above officer's level. The prime purpose of the Code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.goldstonetech.com.

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

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

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

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

x. **Preferential Issue Proceeds** : The Company did not raise any funds

during the year under preferential issue mode.

xi. **CEO & CFO certificate** : The certificate as contemplated in Clause 49 of the listing agreement was given by the Chief Executive Officer and the Chief Financial Officer of the Company and the same was placed before the Board for its noting in its meeting held for approval of the Audited Financial results for the year ended 31st March, 2014.

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

8. Means of Communication:

a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Unaudited as well as Audited Financial Results to the stock exchanges immediately after they are taken on record by the Board. These financial results are normally published in *The Financial Express* (National newspaper) and *Surya* (regional newspaper). This information will also be uploaded on the Company's website www.goldstonetech.com.

b. Management Discussion & Analysis Report forms part of Report of Directors.

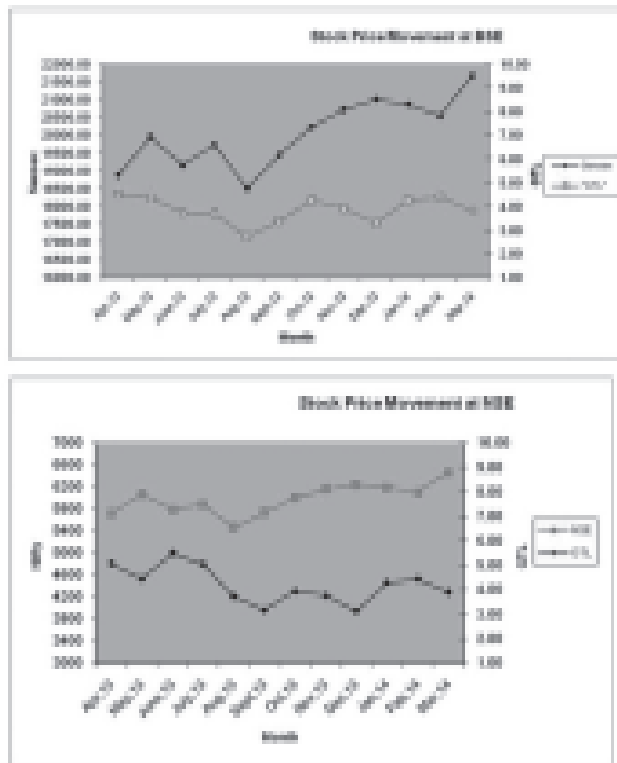
9. General Information for Share-holders :

i) **Annual General Meeting** will be held on 27th September, 2014 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, 2014, 31st December, 2014, 31st March, 2015 and 30th June, 2015 will be within forty five days from the closure of the quarter.
- iv) **Dates of Book Closure** will be from 23rd September 2014 to 27th September, 2014 (both days inclusive).
- v) **Company's shares are listed** on the Bombay Stock Exchange and National Stock Exchange.
- vi) **Stock Code** of the Company's scrip is 531439 in BSE and GOLDTECH in NSE.
- vii) **ISIN Code** is INE805A01014.
- viii) **Market Price Data:** High, Low (Based on the closing prices) and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2013-14	BSE			NSE		
Month	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr,13	5.50	4.03	35,557	6.00	4.15	31,141
May,13	5.10	3.65	50,598	5.30	3.60	13,058
June,13	4.95	3.80	39,995	7.00	4.00	14,680
July,13	4.50	2.90	68,746	5.40	4.70	143
Aug,13	3.03	2.38	51,407	4.50	2.95	13,864
Sept,13	3.90	2.85	9,370	3.45	2.90	7,134
Oct,13	5.07	3.43	28,747	4.60	3.30	10,338
Nov,13	4.68	3.17	20,370	4.40	3.15	7,386
Dec,13	3.65	2.92	46,852	3.35	2.90	42,116
Jan,14	5.37	3.18	88,908	4.85	3.75	59,708
Feb,14	5.07	3.75	74,466	5.00	3.90	34,705
Mar,14	4.18	3.48	45,136	4.25	3.55	38,605

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



x) Registrar and Transfer Agents :

Name & Address : Aarathi Consultants Private Limited,
 1-2-285, Domalguda,
 Hyderabad - 500 029,
 Tel : 91 - 40-27638111/ 4445;
 Fax : 91 - 40-27632184
 E-mail : info@aarathiconsultants.com
 Contract Person : Mr. Bhaskara Murthy

xi) Share Transfer System :

The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer Agent is the common agency to look after physical and Demat share work. The shares lodged for transfer at the registrar are processed and returned to shareholders within the stipulated time.

xii) Shareholding (as on March 31, 2014) :

a) Distribution of shareholding

Category	No. of Shareholders		No. of Shares	
	Total	%	Total	%
Up to - 5000	8482	75.17	1430482	7.62
5001 - 10000	1224	10.85	1038501	5.53
10000 - 20000	683	6.05	1061558	5.65
20000 - 30000	260	2.30	677133	3.61
30001 - 40000	137	1.21	489715	2.61
40001 - 50000	132	1.17	617743	3.29
50001 - 100000	195	1.73	1433283	7.63
100001 and above	171	1.52	12033651	64.07
TOTAL	11284	100.00	18782066	100.00

b) Categories of Shareholders

Category	No. of Shares	% to share Capital
Promoters	3534153	18.82
Mutual Funds and UTI	1700	0.01
Insurance Companies	0000	0.00
Banks	2900	0.02
FII's	5000	0.03
Private Corporate Bodies	3336723	17.76
Indian Public	11071426	58.94
NRI's / OCB's	343999	1.83
Trust	100	0.00
Clearing Members	486065	2.59
Grand Total	18782066	100.00

xiii) Dematerialization of shares and liquidity :

The Company's shares are compulsorily traded in dematerialization form. Equity shares of the Company representing 98.30% of the company's share capital are dematerialized as on March 31, 2014.

The Company's shares are regularly traded on Bombay Stock Exchange Limited & The National Stock Exchange of India Limited.

xiv) As on March 31, 2014, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

- xv) Compliance Officer : Ms. Adarika Ghose
Company Secretary & Compliance Officer.
Tel: 91 - 40-27807640;
Fax: 91 - 40-39120023/39100012
E-mail:cs@goldstonetech.com
- xvi) Location of Software Divisions / facilities : Registered Office: 9-1-83 & 84,
Amarchand Sharma Complex,
S D Road, Secunderabad, Telangana-500 003.

Corporate Office : Block B, Plot No 12,
Second Floor, Software Units Layout,
Cyberabad,Hyderabad,Telangana-500081.

11350, Random Hills Rd., Suite 800
Fairfax, Virginia- 22030
United States of America
- xvii) Address for Correspondence : Goldstone Technologies Limited
9-1-83 & 84, Amarchand Sharma Complex
S D Road, Secunderabad, Telangana - 500 003.
- xviii) **Investor Relations** : All the queries received from shareholders during the financial year 2013-14 have been responded to. The Company generally replies to the queries within a week of their receipt.
- xix) **Nomination Facility** : Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to contact the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029.

10.Compliance

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

For and on behalf of the Board

Sd/-
L P Sashikumar
Director

Sd/-
P. S. Parthasarathy
Director

Place :Secunderabad
Date :21st August, 2014

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of

Goldstone Technologies 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 Technologies Limited ("the Company") for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For P. Murali & Co.
Chartered Accountants

Sd/-
Mukund Vijayrao Joshi
Partner
Membership No. 024784

Place : Hyderabad

Date : 01st August, 2014

CERTIFICATE FROM THE CEO & CFO

We, Rajshekhar Roy, Chief Executive Officer and Vithal V S S N K Popuri, Chief Financial Officer of Goldstone Technologies Limited, responsible for the finance function, certify that:

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

Place : Secunderabad
Date : 29th May, 2014

Sd/-
Rajshekhar Roy
CEO

Sd/-
Vithal VSSNK Popuri
CFO

Declaration as required under Clause 49 of the Listing Agreement:

I hereby declare that all the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2014.

For and on behalf of the Board

Place : Secunderabad
Date : 01st August, 2014

Sd/-
L P Sashikumar
Director

INDEPENDENT AUDITOR'S REPORT

To the Members,

M/s GOLDSTONE TECHNOLOGIES LIMITED

Report on the Financial Statements :

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

Management's Responsibility for the Financial Statements :

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

Auditor's Responsibility:

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

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

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

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

Opinion:

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **P. Murali & Co.,**
Chartered Accountants
Firm's Registration Number : 007257S

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

Place: Hyderabad
Date : 29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the company, the central government has not prescribed maintenance of cost records under clause

(d) of subsection (1) of section 209 of the companies Act, 1956.

- IX. (a) The Company is regular in depositing statutory dues including Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed amounts are payable in respect of PF, ESI, Income Tax as at the end of the period.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII. **According** to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.

- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- XVII. According to the information and explanations and over all examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term-investments.
- 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
Firm's Registration Number: 007257S

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

Place : Hyderabad
Date : 29th May, 2014

Balance Sheet as at 31st March, 2014

(Amount In ₹)

Particulars	Note No.	As on 31st March 2014	As on 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	18,78,20,660	18,78,20,660
(b) Reserves and Surplus	2	41,78,57,853	40,70,47,457
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	17,83,689	28,59,887
(b) Long term provisions	4	53,64,640	69,64,981
(3) Current Liabilities			
(a) Short-term borrowings	5	76,34,570	6,25,38,358
(b) Trade payables	6	1,07,43,409	1,61,58,003
(c) Other current liabilities	7	12,74,62,293	14,43,47,395
(d) Short-term provisions	8	1,51,94,094	1,80,39,279
Total		77,38,61,208	84,57,76,020
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	13,13,40,365	13,43,48,747
(ii) Intangible assets	9	18,32,84,532	10,12,10,674
(iii) Tangible assets under development	9	13,27,36,793	13,27,36,793
(b) Non-current investments	10	9,27,62,433	9,27,62,433
(c) Long term loans and advances	11	10,08,82,403	10,13,14,715
(d) Other non-current assets	12	4,27,21,197	1,88,90,008
(2) Current assets			
(a) Inventories	13	-	12,35,63,869
(b) Trade receivables	14	6,96,45,790	11,34,45,296
(c) Cash and cash equivalents	15	1,31,10,187	1,50,74,220
(d) Short-term loans and advances	16	73,77,508	1,24,29,265
Total		77,38,61,208	84,57,76,020

Significant Accounting Policies

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The accompanying Notes are an Integral part of the Financial statements

As per our report attached

 For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

For and on behalf of the Board

Sd/-

L P Sashikumar

Director

Sd/-

P. S. Parthasarathy

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

Vithal VSSNK Popuri

CFO

Sd/-

Adarika Ghose

Company Secretary

Place : Hyderabad

 Date : 29th May, 2014

Profit and Loss statement for the year ended 31st March, 2014

(Amount In ₹)

Particulars	Note No.	For the year ended 2013-2014	For the year ended 2012-2013
I. Revenue from operations	17	26,17,61,251	28,75,80,653
II. Other Income	18	1,80,00,730	26,26,959
III. Total Revenue (I + II)		27,97,61,981	29,02,07,612
IV. Expenses :			
Cost of materials consumed/purchased	19	1,34,61,577	1,16,37,755
Decrease/(Increase) in Inventory	20	-	39,41,400
Employee benefit expense	21	15,93,61,959	17,19,46,206
Other operating expenses	22	1,82,51,320	2,51,91,730
Administrative Expenses	23	2,02,20,803	2,04,26,720
Financial costs	24	48,94,796	98,87,073
Depreciation and amortization expenses	9	4,75,17,786	1,70,18,266
Other expenses	25	12,336	5,68,014
Total Expenses(IV)		26,37,20,577	26,06,17,164
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,60,41,404	2,95,90,448
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,60,41,404	2,95,90,448
VIII. Extraordinary Items		61,544	-
IX. Profit before tax (VII - VIII)		1,59,79,860	2,95,90,448
X. Tax expense :			
(1) Current tax		62,45,662	38,75,000
(2) Deferred tax Asset		(10,76,198)	50,81,488
XI. Profit(Loss) from the period from continuing operations (IX - X)		1,08,10,396	2,06,33,960
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		1,08,10,396	2,06,33,960
No. of equity shares :		1,87,82,066	1,87,82,066
XVI. Earning per equity share :			
(1) Basic		0.58	1.10
(2) Diluted		0.58	1.10

Significant Accounting Policies

26

The accompanying Notes are an Integral part of the Financial statements

As per our report attached

For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

Place : Hyderabad

Date : 29th May, 2014

For and on behalf of the board

Sd/-

L P Sashikumar

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

P. S. Parthasarathy

Director

Sd/-

Vithal VSSNK Popuri

CFO

Sd/-

Adarika Ghose

Company Secretary

Note Numbers to Balance Sheet

Particulars	As on 31st March, 2014		As on 31st March, 2013	
	No. of Shares	Amount In ₹	No. of Shares	Amount In ₹
Note No. 1: SHARE CAPITAL				
a. Share Capital (For each class of capital)				
(a) Authorised	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
(b) Issued	-	-	-	-
(c) Subscribed & Fully Paid Up	1,87,82,066	18,78,20,660	1,87,82,066	18,78,20,660
(d) Par value per share @ Rs. 10/-				
Total Equity Share capital		18,78,20,660		18,78,20,660
Total Share capital		18,78,20,660		18,78,20,660
b. A Reconciliations of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
Number of Shares At the Beginning	1,87,82,066		1,87,82,066	
At the end	1,87,82,066		1,87,82,066	
c. Details of Shareholder holding more than 5% shares of the company : Equity Shares of Rs. 10 each held by Trinity Infraventure Limited	% of Share Holding			
- No. Of Shares (C.Y) 3419872 and No. Of Shares (P.Y) 3419872	18.20%		18.20%	
NOTE NO. 2 : RESERVES AND SURPLUS	As on 31/03/2014		As on 31/03/2013	
	Amount In ₹		Amount In ₹	
a) Capital reserve				
As at the commencement of the year	5,97,80,538		5,97,80,538	
Add : Additions during the year	-		-	
	-		-	
Less : Utilised for during the year	-		-	
	5,97,80,538		5,97,80,538	
b) Securities Premium Reserve				
As at the commencement of the year	21,83,79,399		21,83,79,399	
Add : Additions during the year	-		-	
Less : Utilised for during the year	-		-	
	21,83,79,399		21,83,79,399	
c) General Reserves				
As at the commencement of the year	1,83,00,679		1,83,00,679	
Add : Additions during the year	-		-	
Less : Utilised for during the year	-		-	
	1,83,00,679		1,83,00,679	

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
d) Surplus :		
Opening Balance - Profit and Loss Account	11,05,86,841	8,99,52,881
Add : Transfer from Profit & Loss Account	1,08,10,396	2,06,33,960
	12,13,97,237	11,05,86,841
II. A Reserve specifically represented by earmarked investments	-	-
III. Negative balance of reserves and surplus account	-	-
Total Reserves and Surplus	41,78,57,853	40,70,47,457
NOTE NO. 3 : DEFERRED TAX LIABILITY (NET)		
Opening Deferred tax Liability	28,59,887	-
Less : Deferred Tax Asset for the year (Due to SLM and WDV Difference & others)	(10,76,198)	28,59,887
Gross Deferred tax Liability	17,83,689	28,59,887
Deferred Tax Liability/ (Asset) - Net	17,83,689	28,59,887
NOTE NO. 4 : LONG TERM PROVISIONS		
Provisions for employee benefits		
- Provision for Gratuity	24,44,559	22,51,341
- Provision for Leave Encashment	29,20,081	34,14,916
- Provision for bad debts	-	12,98,724
Total Long Term Provisions	53,64,640	69,64,981
NOTE NO.5 : SHORT TERM BORROWINGS		
Short term borrowings		
Working Capital from Banks		
Secured	76,34,570	6,25,38,358
(Refer notes on accounts note sl.no.16)		
Total short term borrowings	76,34,570	6,25,38,358
NOTE NO. 6 : TRADE PAYABLES		
Trade Payables	1,07,43,409	1,61,58,003
Total Trade Payables	1,07,43,409	1,61,58,003
NOTE NO.7 : OTHER CURRENT LIABILITIES		
Other liabilities payables	12,73,84,429	14,43,47,395
Advances received from Customers	77,864	-
Total other current liabilities	12,74,62,293	14,43,47,395
NOTE NO.8 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
Salaries & others Payable	31,79,706	1,02,21,336
b) Others		
Statutory Liabilities	94,10,809	61,01,552
Provision for Expenses	26,03,579	17,16,391
Total short term provisions	1,51,94,094	1,80,39,279

NOTE NO. : 9
Fixed Assets as on 31st March, 2014

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK			Rate of Depreciation	Depreciation / Amortization			Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	As on 31.03.2014		Depreciation As on 01.04.2013	Depreciation For the year	Total Depreciation		
(i)	TANGIBLE ASSETS :									
1	LAND	7,66,71,399	-	7,66,71,399	0.00%	-	-	-	7,66,71,399	7,66,71,399
2	BUILDING	274,38,522	-	2,74,38,522	3.34%	1,15,11,237	9,16,447	1,24,27,684	1,50,10,838	1,59,27,285
3	PLANT & MACHINERY	32,44,830	15,02,697	47,47,527	4.75%	32,44,830	1,26,669	33,71,499	13,76,028	-
4	ELECTRICAL EQUIPMENT	1,40,01,460	5,129	1,40,06,589	4.75%	52,45,031	5,96,868	58,41,899	81,64,690	87,56,429
5	OFFICE EQUIPMENT	1,08,15,155	2,09,714	1,10,24,869	4.75%	69,59,366	3,86,335	73,45,701	36,79,168	38,55,789
6	COMPUTERS	15,07,78,751	4,68,749	15,12,47,500	16.21%	14,04,90,847	20,31,493	14,25,22,340	87,25,160	1,02,87,904
7	FURNITURE & FIXTURES	1,56,91,254	1,88,293	1,58,79,547	6.33%	62,09,873	6,49,547	68,59,420	90,20,127	94,81,381
8	VEHICLES	1,52,95,261	-	1,52,95,261	9.50%	59,26,700	12,96,530	72,23,230	80,72,031	93,68,561
9	LEASE HOLD IMPROVEMENTS	47,37,576	6,44,810	53,82,386	6.33%	47,37,576	23,886	47,61,462	6,20,924	-
	TOTAL	31,86,74,208	30,19,392	32,16,93,600		18,43,25,460	60,27,775	19,03,53,235	13,13,40,365	13,43,48,748
(ii)	INTANGIBLE ASSETS :									
10	COST OF MOVIE RIGHTS & COLOUR -ISATION	-	12,35,63,869	12,35,63,869	0.00%	-	2,47,12,774	2,47,12,774	9,88,51,095	-
	(Refer notes on accounts note no.14)									
11	INTANGIBLE FIXED ASSETS	16,77,72,365	-	16,77,72,365	10.00%	6,65,61,692	1,67,77,237	8,33,38,929	8,44,33,437	10,12,10,673
	TOTAL	16,77,72,365	12,35,63,869	29,13,36,234		6,65,61,692	4,14,90,011	10,80,51,703	18,32,84,532	10,12,10,673
(iii)	TANGIBLE ASSETS UNDER DEVELOPMENT :									
12	CAPITAL WORK IN PROGRESS	13,27,36,793	-	13,27,36,793	0.00%	-	-	-	13,27,36,793	13,27,36,793
	TOTAL	13,27,36,793	-	13,27,36,793		-	-	-	13,27,36,793	13,27,36,793
	GRAND TOTAL	61,91,83,366	12,65,83,261	74,57,66,627		25,08,87,152	4,75,17,786	29,84,04,938	44,73,61,690	36,82,96,214
	Previous Year	61,31,03,192	60,80,174	61,91,83,366		23,38,68,886	1,70,18,266	25,08,87,151	36,82,96,214	37,92,34,306

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
NOTE NO. 10: NON- CURRENT INVESTMENTS		
Non - Current Assets		
Investment in Subsidiaries :		
Equity Shares		
Staytop Systems Inc., and 100% of holding	9,26,63,433	9,26,63,433
Staytop Systems & Software Pvt Ltd and 99% of holding	99,000	99,000
Total Non - Current Assets (Net)	9,27,62,433	9,27,62,433
NOTE NO.11 : LONG TERM LOANS & ADVANCES		
Unsecured		
Long term loans and advances	10,08,82,403	10,13,14,715
Total Long term loans and advances	10,08,82,403	10,13,14,715
NOTE NO.12 : OTHER NON - CURRENT ASSETS		
Long term Trade receivable (Including trade receivables on deferred credit basis)	-	-
Unamortised Expenses	-	-
Interest Accrued on Deposits	22,71,862	13,47,192
others	4,04,49,335	1,75,42,816
Total other non current assets	4,27,21,197	1,88,90,008
Total non - current assets(net)	4,27,21,197	1,88,90,008
NOTE NO. 13 : INVENTORIES		
a) Raw materials		
Material - (Movies)	-	2,81,90,000
Sub Total	-	2,81,90,000
b) Work - in - progress		
Other stock	-	9,53,73,869
Sub Total	-	9,53,73,869
(Refer notes on accounts note no.14)		
Total Inventories	-	12,35,63,869
NOTE NO. 14 : TRADE RECEIVABLES		
I. Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	-	-
Unsecured, Considered Good	23,17,489	4,65,095
Doubtful	-	-
	23,17,489	4,65,095

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
II. Other Receivables :		
Secured, Considered Good	-	-
Unsecured, Considered Good	6,73,28,301	11,29,80,201
Doubtful	-	-
	6,73,28,301	11,29,80,201
Total trade receivable	6,96,45,790	11,34,45,296
Less : Allowance for bad & doubtful debts	-	-
Total Trade Receivables (net)	6,96,45,790	11,34,45,296
NOTE NO. 15 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :	5,17,803	31,15,575
b) Cheques, Draft on hand	-	-
c) Cash on hand	21,200	70,073
Sub Total	5,39,003	31,85,648
Other Bank Balances		
On Deposit Accounts		
1) Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-
2) Having Maturity more than 12 Months from date of deposit	-	-
3) On Margin Money Deposit Accounts	1,25,71,184	1,18,88,572
Sub Total	1,25,71,184	1,18,88,572
Total Cash and Cash Equivalents	1,31,10,187	1,50,74,220
NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES		
short - term loans and advances :		
a) Security Deposit		
Secured		
Unsecured	57,29,296	87,04,240
Doubtful	-	-
b) Other loans And advances (Others)		
Advances with Statutory Bodies	10,00,000	10,00,000
Unsecured	6,48,212	27,25,025
Doubtful	-	-
Total short term loans & advances	73,77,508	1,24,29,265
Total short term loans & advances(net)	73,77,508	1,24,29,265

Note Numbers to Standalone Statement of Profit & Loss

(Amount In ₹)

Particulars	For the year ended 2013-14	For the year ended 2012-13
NOTE NO. 17 : REVENUE FROM OPERATIONS		
Revenue from operations in respect of non-finance company		
a) Sale of Services-Exports	11,67,24,118	21,91,04,030
b) Sale of Product & Services-Domestic	14,50,37,133	6,84,76,623
Total Revenue from Operations	26,17,61,251	28,75,80,653
NOTE NO. 18 : OTHER INCOME		
a) Interest income	10,69,280	8,61,479
b) Other non-operating income	1,07,49,609	2,00,000
c) Net gain/loss on foreign currency translation and transaction	61,81,841	15,65,480
Total Other Income	1,80,00,730	26,26,959
NOTE NO. 19 : COST OF MATERIALS CONSUMED		
Purchase cost of software	1,34,61,577	1,16,37,755
Total Cost Of Material Consumed	1,34,61,577	1,16,37,755
NOTE NO. 20 : PURCHASE OF STOCK IN TRADE/ DECREASE (INCREASE) IN INVENTORY		
Stock of computer spare parts	-	39,41,400
Total Trade Purchases	-	39,41,400
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES		
a) Salaries & Wages	14,25,62,184	14,71,05,973
b) Contribution to Provident & Other Funds	26,16,347	23,89,879
d) Staff Welfare Expenses	1,41,83,428	2,24,50,354
Total Employee Benefit Expenses	15,93,61,959	17,19,46,206
NOTE NO. 22 : OTHER OPERATING EXPENSES		
a) Power/Electricity & Fuel	30,67,899	27,11,495
b) Rent	85,17,274	1,15,54,102
c) Repairs to Building	5,17,534	2,32,168
d) Repairs to Machinery	5,21,601	29,34,571
e) Insurance	16,59,226	19,77,414
f) Car Hire charges & transportation	24,18,795	52,73,062
g) Miscellaneous Expenditure	10,69,842	58,918
h) Payment to Auditors :		
(i) As Auditor	4,50,000	4,50,000
(ii) For Other Services	25,000	-
(iii) For Reimbursement of expenses	4,149	-
Total Other Expenses	1,82,51,320	2,51,91,730

(Amount In ₹)

Particulars	For the year ended 2013-14	For the year ended 2012-13
NOTE NO. 23 : ADMINISTRATIVE EXPENSES		
a) Telephone, Postage and Others	23,33,429	39,37,524
b) Business Promotion Expenses	7,83,154	8,87,238
c) Conveyance & Travelling Expenses	56,96,302	49,27,306
d) Office Maintenance	25,55,362	1,936,396
e) Printing & Stationery Expenses	2,99,545	4,46,659
f) Security Charges	7,10,287	11,19,932
g) Rates & Taxes	6,73,514	5,23,755
h) Managerial Remuneration	-	4,80,000
i) Consultancy Charges	6,85,283	64,793
j) Seminar Fee/Legal Fee/Listing Fee	5,98,503	5,12,345
k) Web Development Expenses	3,10,701	4,09,804
l) Professional Consultancy fee	51,23,124	45,95,319
m) Director Sitting Fee	3,00,000	300,000
n) Vehicle maintenance Charges	73,679	1,39,425
o) Secretarial expenses	77,920	1,46,224
Total Administrative Expenses	2,02,20,803	2,04,26,720
NOTE NO. 24 : FINANCE COST		
Interest Expenses :		
- Interest on loans	39,64,569	95,33,311
- Loan processing Charges & Bank Charges	9,30,227	3,53,762
Total Finance Cost	48,94,796	98,87,073
NOTE NO. 25 : OTHER EXPENSES		
Other Expenses	12,336	5,68,014
Total Other Expenses	12,336	5,68,014

Statement of Cash Flows for the year ended 31st March, 2014

(₹ In Millions)

Particulars	31st March, 2014	31st March, 2013
A. Cash Flow from Operating Activity		
Net Profit before tax before Extraordinary items	15.98	29.59
Adjustments for :		
Depreciation	47.52	17.02
Other income	(11.82)	(2.63)
Interest Expenditure on Long Term Loan	3.96	9.89
Foreign Exchange Fluctuation Loss/(Gain)	(6.18)	-
Operating Profit before working capital Changes	49.46	53.87
Adjustments for :		
Trade and other receivables	43.80	(18.07)
Inventory	123.56	3.94
Trade advances	5.05	26.37
Trade payables	(22.30)	54.35
Provisions	(10.69)	(8.74)
Cash generated from Operations	188.88	111.72
Direct Taxes paid (net) - Prior period adj.	-	-
Cash flow before extraordinary items	188.88	111.72
Prior Period Items	-	-
Net Cash Flow from Operating Activity	188.88	111.72
B. Cash Flow from Investing Activity		
Purchase of fixed assets	(3.02)	(6.08)
Cost of movie rights	(123.56)	-
Other Income	18.00	2.63
Net Cash Used for Investing Activity	(108.58)	(3.45)
C. Cash Flow from Financing Activities		
Long Term Loans & Advances	(23.40)	(104.91)
Secured loans Repayment	(54.90)	10.22
Interest Paid	(3.96)	(9.89)
Net Cash generated from Financing Activity	(82.26)	(104.58)
Cash and Cash Equivalents (Opening Balance)	15.07	11.38
Net Increase in Cash & Cash Equivalents (A+B+C)	(1.96)	3.69
Cash and Cash Equivalents (Closing Balance)	13.11	15.07

As per our report attached

For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

Place : Hyderabad

Date : 29th May, 2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Director

Sd/-

P. S. Parthasarathy

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

Vithal VSSNK Popuri

CFO

Adarika Ghose

Company Secretary

26.SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A) Statement on Significant Accounting Policies

i) Basis of Accounting :

The Financial Statements of the Company are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

ii) Method of Accounting :

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

iii) Revenue Recognition :

- a) All incomes and expenditure are accounted on accrual basis
- b) Revenue from Software Development contracts, priced on time and material basis, is recognised on the basis of billable time spent by employees working on the project, at the contracted rate.
- c) Revenue from fixed price contracts is recognized on milestones achieved as per the terms of specific contracts.

iv) Fixed Assets :

- a) Fixed Assets are stated at cost less depreciation. Project expenses/Pre-operative expenses are capitalized to the respective asset heads on a proportionate basis. Any capital grant or subsidy received is reduced from the cost of eligible assets.
- b) Depreciation on Fixed Assets is provided on straight-line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

v) Investments :

Investments are classified into current

Investments and long-term investments. Current Investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss account. Long term investments are carried at cost less provision made to recognize any permanent diminution in the value of such investments.

vi) Foreign Currency Transactions :

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. In respect of foreign branches, all revenue and expense transactions during the year are translated at average rate. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. The resultant gain on account or foreign currency translation to be shown as foreign currency translation reserve and loss to be changed off after adjusting the reserve.

vii) Retirement Benefits to Employees :

Contributions to defined Schemes such as Provident Fund, Employees State Insurance Scheme are charged to the profit and loss account as incurred on accrual basis. The Company provides the retirement benefits in the form of Gratuity and Leave Encashment on the basis of actuarial valuation made by Independent actuary as at balance sheet date.

viii) Provision for Current and Deferred Tax :

Provision for current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing differences between book and taxable profits is accounted by using the tax rates and laws that have been enacted as on the Balance Sheet date. The Deferred Tax Asset is recognized only to the extent there is reasonable certainty that the Asset is realized in future.

ix) 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.

x) 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.

xi) 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.

xii) 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.

xiii) 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 5 years. De-merger expenses are amortized over a period of ten years.

xiv) 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.

B. NOTES ON ACCOUNTS :

1. Contingent Liability :

Outstanding Bank Guarantees – Rs.125.67 Lakhs (Previous year Rs.163.66 Lakhs)

2. Investments :

A) The company acquired 100% holding in M/s Staytop Systems Inc at a total purchase consideration of USD 2,100,000 in the year 2005. Out of the total purchase consideration an amount of USD 2,000,000 was paid up to 2006-07 and for the balance amount of USD 100,000 the company issued 35,918 Equity Shares as fully paid and no new fresh investments during the year.

B) The company has holding of 9900 share @ Rs.10/- of M/s Staytop Systems and Software Pvt Ltd.,

3. Confirmation of balances with sundry debtors and sundry creditors:

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

List of related parties with whom transactions have taken place and

Sl.No.	Name of the related party	Relationship	% of Holding
1	Staytop Systems Inc	Subsidiary	100
2	Staytop Systems and Software Pvt Ltd	Subsidiary	99

Transaction during the year with related parties :

Name of the related party	Nature of Transaction	₹ In Millions
Staytop Systems Inc	Income - Sale of Information Technology Services	53.79

7. Earnings Per Share :

Calculation of EPS Basic & Diluted :

(Amount in ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Net Profit After Tax	1,08,10,396	2,06,33,961
Net Profit after Extraordinary Items	1,08,10,396	2,06,33,961
Weighted average numbers of shares considered	1,87,82,066	1,87,82,066
Basic EPS (in Rs.)	0.58	1.10
Diluted EPS (in Rs.)	0.58	1.10

4. Provision for Income-Tax :

The company has provided provision for Tax of Rs.6.25 Millions as per the provisions of the Income Tax Act, 1961.

5. Deferred Taxation :

Deferred Tax Liability/Asset is recognized in accordance with Accounting Standard 22 – “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

Computation of Deferred Tax Asset/Liability :
(₹ In Millions)

Deferred Tax Liability as at 1 st April, 2013	2.86
Deferred Tax Liability as at 31 st March, 2014	1.78

6. Related Party Disclosure :

As per Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting Standard are given below :

8. Segment Reporting :

As per Accounting Standard 17 on Segment Reporting disclosures issued by the Institute of Chartered Accountants of India the disclosures on segment reporting are given below :

Business Segment - In the previous year the company was engaged in the business of Information Technology & Information Technology Enabled Services. The business segment wise details are given below. (₹ In Millions)

Segment wise standalone financial results for the year ended March 31, 2014			
S. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Segment Revenue		
	India operations :		
	IT Division	261.76	287.58
	Others	18.00	2.62
	Total Revenue from Operations	279.76	290.20
2	Segment Results		
	Profit (+)/Loss (-) before tax, Depreciation & Interest from India operations :	68.45	56.50
	Total	68.45	56.50
	Less : Interest (not allocable)	4.89	9.89
	Less : Depreciation (not allocable)	47.52	17.02
	Total Profit/(Loss) Before Tax	16.04	29.59

Segment Capital Employed : Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done, as the assets are used interchangeably between segments. Accordingly no disclosure relating to segmental assets and liabilities has been made.

• Geographical Segment :

(₹ In Millions)

Particulars	Current Year 2013-14	Previous Year 2012-13
Revenue :		
India - Exports	261.76	287.58
Outside India	-	-
Additions to Fixed Assets :		
India	126.58	6.08
Outside India	-	-
Carrying Amount of Segment Assets		
India	447.36	322.87
Outside India	-	-

9. Impairment of Assets :

The company reviewed with regard to realizable value of Fixed Asset and found that, the realizable value is more than the book value, hence no provision for impairment of Assets considered necessary.

10. Employee Benefits :

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 :

(Amount In ₹)

Particulars	31.03.2014	31.03.2013
Gratuity	24,44,559	22,51,341
Leave Encashment	29,20,081	34,14,916

Accounting for Provisions, Contingent Liabilities and Contingent Assets :

Provisions have been recognized by the Company for all present obligations arising from past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made by using a substantial degree of estimation. This is as per the provisions of **AS-29** issued by ICAI.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on-going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets have not been recognized in the financial statements.

11. Prior Period Adjustments :

Prior period adjustment of Rs. 61,544/- (Previous year Rs. Nil) 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.

12. Additional Information required as per Para's 3 & 4 of Part II of Schedule VI to the companies Act, 1956 :

- 12.1** The Company is engaged in Information Technology & Information Technology Enabled Services. The production and sale of such service cannot be expressed in Units, Hence, it is not possible to give the quantitative details and information as required under paragraphs 3,4 of Part II of Schedule VI to the Companies Act, 1956.

12.2 Managerial Remuneration :

(Amount In ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Managing Director Salary	-	3,20,000
Other perquisite	-	1,60,000
Executive Director Salary	-	-
Other perquisite	-	-
Total	-	4,80,000

12.3 Foreign Exchange Transaction :

(₹ In Millions)

Particulars	Current Year 2013-14	Previous Year 2012-13
1) Value of Imports on CIF Basis		
a) Capital Goods - Electronic Equipments	-	-
b) Capital Goods - Furniture & Fixtures	-	-
2) Expenditure in Foreign Currency		
a) Travelling Expenses	1.70	0.99
b) Other Payments paid In Foreign Exchange	9.85	0.67
3) Earnings in Foreign Currency (on Receipt basis)		
a) Software Exports	190.21	146.52

12.4 Auditors Remuneration :

(Amount In ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Audit Fees	3,00,000	3,00,000
Certification Work	1,50,000	1,50,000

13. Inventory :

Movie Rights & Colourisation :

Cost of acquisition of Movies and expenditure incurred for restoration, digitalisation and Colourisation has been recognised as capital assets during the current financial year, which has been shown as inventory in the previous year. Further it has been amortized over a period of 5 years commencing in financial year 2013-2014.

14. Capital Work in Progress :

Capital Work in Progress includes cost of Fixed Assets under installation including Advances given for purchase of Capital Goods, interest on borrowing costs attributable to the assets for the Assets taken on Finance and any un allocated expenditure pertaining there to.

15. Short term Borrowings :

Working Capital Facilities from Central Bank of India are secured by :

- Hypothecation against first charge on receivables of the company both present and future.
- Equitable Mortgage of immovable property of M/s Goldstone Technologies Limited & M/s Goldstone Infratech Limited.
- Corporate Guarantee given by M/s Trinity Infraventures Limited & M/s Goldstone Infratech Limited for above loan
- Personal guarantee of a promoter director of the company.
- The said working capital facility has been sanctioned for a period of one year and renewable on a yearly basis with rate of interest -base rate of the bank plus 3.5% and renewable on a yearly basis.

vi). During the financial year working capital availed from ICICI Bank has been paid in full and closed.

16. Trade payables :

"The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them".

17. Figures for the previous year/period are regrouped/ rearranged wherever considered necessary.

As per our report attached
For **P. Murali & Co.,**
Chartered Accountants
FRN. No: 007257S

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

Place : Hyderabad
Date : 29th May, 2014

For and on behalf of the Board

Sd/-
L P Sashikumar
Director

Sd/-
P. S. Parthasarathy
Director

Sd/-
Rajshekhar Roy
CEO

Sd/-
Vithal VSSNK Popuri
CFO

Sd/-
Adarika Ghose
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS

To the Members,

M/S GOLDSTONE TECHNOLOGIES LIMITED

Report on the Financial Statements :

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

Management's Responsibility for the 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 the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 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 fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not Audit the financial statements of the subsidiary of M/s Goldstone Technologies Limited whose financial statements reflect total assets of Rs. 20.86 Crores as at 31st March, 2014 and total revenue of Rs. 47.47 Crores for the year ended on that date. The financial statements of Stay top systems Inc. have been audited by M/s. RAM Associates, certified public Accountants based in Hamilton, NJ. Our opinion is so far as it related to the said amount included in respect of the subsidiaries is based solely on accounts prepared and certified by them.

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 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 consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the consolidated Statement of Profit and Loss, 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

Firm's Registration Number : 007257S

Sd/-

P. Murali Mohana Rao

Partner

Membership Number: 023412

Place : Hyderabad

Date : 29th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

(Amount In ₹)

Particulars	Note No.	As on 31st March, 2014	As on 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	18,78,20,660	18,78,20,660
(b) Reserves and Surplus	2	55,02,15,579	53,05,84,826
(2) Minority Interest		1,000	1,000
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	3	17,83,689	28,59,887
(c) Long term provisions	4	53,64,640	69,64,981
(4) Current Liabilities			
(a) Short-term borrowings	5	76,34,570	6,25,38,358
(b) Trade payables	6	5,61,51,137	13,05,70,537
(c) Other current liabilities	7	12,74,62,293	14,43,47,395
(d) Short-term provisions	8	4,61,56,075	1,80,39,278
Total		98,25,89,643	1,08,37,26,922
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	13,13,40,366	13,43,64,750
(ii) Intangible assets	9	27,59,47,964	18,85,08,141
(iii) Tangible assets under development	9	13,27,36,793	13,27,36,793
(b) Non-current investments	10	-	-
(c) Deferred tax assets (Net)	3	-	-
(d) Long term loans and advances	11	10,08,82,403	10,13,14,715
(e) Other non-current assets	12	4,27,21,197	2,65,04,468
(2) Current assets			
(a) Inventories	13	-	12,35,63,869
(b) Trade receivables	14	11,95,78,391	17,80,10,287
(c) Cash and cash equivalents	15	10,75,35,550	14,23,27,379
(d) Short-term loans and advances	16	7,18,46,979	5,63,96,520
Total		98,25,89,643	1,08,37,26,922

Significant Accounting Policies

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The accompanying Notes are an Integral part of the Financial statements

As per our report attached

For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

Place : Hyderabad

Date : 29th May, 2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Director

Sd/-

P. S. Parthasarathy

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

Vithal VSSNK Popuri

Sd/-

CFO

Adarika Ghose

Company Secretary

Consolidated Profit and Loss statement for the year ended 31st March, 2014

(Amount In ₹)

Particulars	Note No.	For the year ended 2013-14	For the year ended 2012-13
I. Revenue from operations	17	73,64,86,149	735,683,275
II. Other Income	18	1,80,00,729	2,626,959
III. Total Revenue (I + II)		75,44,86,878	738,310,234
IV. Expenses :			
Cost of materials consumed/purchased	19	1,34,61,577	1,16,37,755
Decrease/(Increase) in Inventory	20	-	39,41,400
Employee benefit expense	21	58,34,46,096	56,28,81,546
Other operating expenses	22	2,53,31,985	3,17,79,638
Administrative Expenses	23	3,56,20,520	2,83,17,416
Financial costs	24	49,54,801	99,38,445
Depreciation and amortization expenses	9	4,76,68,646	1,72,55,234
Other expenses	25	1,22,95,099	12,18,507
Total Expenses (IV)		72,27,78,724	66,69,69,941
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,17,08,154	71,340,293
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,17,08,154	7,13,40,293
VIII. Extraordinary Items		61,544	-
IX. Profit before tax (VII - VIII)		3,16,46,610	7,13,40,293
X. Tax expense :			
(1) Current tax		1,30,92,055	2,05,04,563
(2) Deferred tax Asset		(10,76,198)	50,81,488
XI. Profit(Loss) from the period from continuing operations (IX - X)		1,96,30,753	4,57,54,242
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		1,96,30,753	4,57,54,242
No. of equity shares :		1,87,82,066	1,87,82,066
XVI. Earning per equity share :			
(1) Basic		1.05	2.44
(2) Diluted		1.05	2.44

Significant Accounting Policies

26

The accompanying Notes are an Integral part of the Financial statements

As per our report attached

For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

Place : Hyderabad

Date : 29th May, 2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Director

Sd/-

P. S. Parthasarathy

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

Vithal VSSNK Popuri

Sd/-

CFO

Adarika Ghose

Company Secretary

Note Numbers to Consolidated Balance Sheet

Particulars	As on 31st March, 2014		As on 31st March, 2013	
	No.of Shares	Amount In ₹	No.of Shares	Amount In ₹
Note No.1 : SHARE CAPITAL				
a. Share Capital (For each class of capital)				
a) Authorised	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
b) Issued	-	-	-	-
c) Subscribed & Fully Paid Up	1,87,82,066	18,78,20,660	1,87,82,066	18,78,20,660
d) Par value per share @ Rs. 10/-				
Total Equity Share capital		18,78,20,660		18,78,20,660
Total Share Capital		18,78,20,660		18,78,20,660
b. A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
At the Beginning	1,87,82,066		1,87,82,066	
At the end	1,87,82,066		1,87,82,066	
c. Details of Shareholder holding more than 5% shares of the company :	% of Share Holding			
Equity Shares of Rs. 10 each held by Trinity Infraventure Limited				
- No. Of Shares (C.Y) 3419872 and No. Of Shares (P.Y) 3419872	18.20%		18.20%	
NOTE NO. 2 : RESERVES AND SURPLUS	As on 31/03/2014		As on 31/03/2013	
RESERVES AND SURPLUS	(Amount In ₹)		(Amount In ₹)	
As at the commencement of the year	5,97,80,538		5,97,80,538	
Add : Additions during the year	-		-	
Less : Utilised for during the year	-		-	
	5,97,80,538		5,97,80,538	
b) Securities Premium Reserve				
As at the commencement of the year	21,83,79,399		21,83,79,399	
Add : Additions during the year	-		-	
Less : Utilised for during the year	-		-	
	21,83,79,399		21,83,79,399	
c) General Reserves				
As at the commencement of the year	1,83,00,679		1,83,00,679	
Add : Additions during the year	-		-	
Less : Utilised for during the year	-		-	
	1,83,00,679		1,83,00,679	
d) Surpuls :				
Opening Balance - Profit and Loss Account	23,41,24,210		18,83,98,571	
Add : Transfer from Profit & Loss Account	1,96,30,753		4,57,25,639	
	25,37,54,963		23,41,24,210	
Total Reserves and Surplus	55,02,15,579		53,05,84,826	

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
NOTE NO. 3 : DEFERRED TAX LIABILITY (NET)		
Opening Deferred tax Liability	28,59,887	-
Less :		
Deferred Tax Asset for the year (Due to SLM and WDV Difference & others)	10,76,198	28,59,887
Gross Deferred tax Liability	17,83,689	28,59,887
Deferred Tax Liability/ (Asset) - Net	17,83,689	28,59,887
NOTE NO. 4 : LONG TERM PROVISIONS		
Provisions for employee benefits		
- Provision for Gratuity	24,44,559	22,51,341
- Provision for Leave Encashment	29,20,081	34,14,916
- Provision for bad debts	-	12,98,724
Total Long Term Provisions	53,64,640	69,64,981
NOTE NO.5 : SHORT TERM BORROWINGS		
Short term borrowings		
Working Capital from Banks		
Secured	76,34,570	6,25,38,358
(Refer notes on accounts note sl. no.16)	-	-
Total short term borrowings	76,34,570	6,25,38,358
NOTE NO. 6 : TRADE PAYABLES		
Trade Payables	5,61,51,137	13,05,70,537
Total Trade Payables	5,61,51,137	13,05,70,537
NOTE NO.7 : OTHER CURRENT LIABILITIES		
Other liabilities payables	12,73,84,428	14,43,47,395
Advances received from Customers	77,865	-
Total other current liabilities	12,74,62,293	14,43,47,395
NOTE NO.8 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
Other benefits Payable	-	-
Salaries & others Payable	31,79,707	1,02,21,336
b) Others	-	-
Statutory Liabilities	94,10,809	61,01,551
Other Provisions	3,35,65,559	17,16,390
	-	-
Total short term provisions	4,61,56,075	1,80,39,277

NOTE NO. : 9
Consolidated Fixed Assets as on 31st March, 2014

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK			Rate of Depreciation	Depreciation / Amortization			Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	As on 31.03.2014		Depreciation As on 01.04.2013	Depreciation For the year	Total Depreciation		
(i)	TANGIBLE ASSETS :									
	1 LAND	7,66,71,399	-	7,66,71,399	0.00%	-	-	-	7,66,71,399	7,66,71,399
	2 BUILDING	2,74,38,522	-	2,74,38,522	3.34%	1,15,11,237	9,16,447	1,24,27,684	1,50,10,838	1,59,27,285
	3 PLANT & MACHINERY	32,44,830	15,02,697	47,47,527	4.75%	32,44,830	1,26,669	33,71,499	13,76,028	-
	4 ELECTRICAL EQUIPMENT	1,40,01,460	5,129	1,40,06,589	4.75%	52,45,031	5,96,868	58,41,899	81,64,690	87,56,430
	5 OFFICE EQUIPMENT	1,10,68,474	2,09,714	1,12,78,188	4.75%	71,94,398	3,86,335	75,80,733	36,97,455	38,74,076
	6 COMPUTERS	15,18,25,695	4,68,749	15,22,94,444	16.21%	14,17,79,476	20,31,493	14,38,10,969	84,83,475	1,00,46,219
	7 FURNITURE & FIXURES	1,56,91,254	1,88,293	1,58,79,547	6.33%	58,35,614	8,00,407	66,36,021	92,43,526	97,20,780
	8 VEHICLES	1,52,95,261	-	1,52,95,261	9.50%	59,26,700	12,96,530	72,23,230	80,72,031	93,68,561
9 LEASE HOLD IMPROVEMENTS	47,37,576	6,44,810	53,82,386	6.33%	47,37,576	23,886	47,61,462	6,20,924	-	
	TOTAL	31,99,74,471	30,19,392	32,29,93,863	-	18,54,74,862	61,78,635	19,16,53,497	13,13,40,366	13,43,64,750
(ii)	INTANGIBLE ASSETS :									
10	COST OF MOVIE RIGHTS & COLOURSATION (Refer note no.14)	-	12,35,63,869	12,35,63,869	-	-	24,712,774	2,47,12,774	9,88,51,095	-
11	INTANGIBLE FIXED ASSETS	16,77,72,365	-	16,77,72,365	10.00%	6,65,61,692	16,777,237	8,33,38,929	8,44,33,436	9,58,44,708
12	GOODWILL	9,26,63,433	-	9,26,63,433	0.00%	-	-	-	9,26,63,433	9,26,63,433
	TOTAL	26,04,35,798	12,35,63,869	38,39,99,667		6,65,61,692	41,490,011	10,80,51,703	27,59,47,964	18,85,08,141
(iii)	TANGIBLE ASSETS UNDER DEVELOPMENT:									
13	CAPITAL WORK IN PROGRESS	13,27,36,793	-	13,27,36,793	0.00%	-	-	-	13,27,36,793	13,27,36,793
	TOTAL	13,27,36,793	-	13,27,36,793		-	-	-	13,27,36,793	13,27,36,793
	GRAND TOTAL	71,31,47,062	12,65,83,261	83,97,30,323		25,20,36,554	4,76,68,646	29,97,05,200	54,00,25,123	45,56,09,684
	Previous Year	70,70,66,888	60,80,174	71,31,47,062		24,05,19,113	1,72,55,234	25,77,74,348	45,53,72,716	37,92,34,306

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
NOTE NO. 10 : NON- CURRENT INVESTMENTS		
Non- Current Assets		
Investment in Subsidiaries :		
Equity Shares		
Staytop Systems Inc., and 100% of holding	-	-
Staytop Systems & Software Pvt Ltd and 99% of holding	-	-
Total Non - Current Assets (Net)	-	-
NOTE NO. 11: LONG TERM LOANS AND ADVANCES		
Unsecured		
Long term loans and advances	10,08,82,403	10,13,14,715
Total long term loans and advances	10,08,82,403	10,13,14,715
NOTE NO.12 : OTHER NON - CURRENT ASSETS		
Long term Trade receivable (Including trade receivables on deferred credit basis)	-	-
Unamortised Expenses	-	-
Interest Accrued on Deposits	22,71,862	13,47,192
others	4,04,49,335	2,51,57,276
Total other non current assets	4,27,21,197	2,65,04,468
Total non - current assets (net)	4,27,21,197	2,65,04,468
NOTE NO. 13 : INVENTORIES		
a) Raw materials		
Material - (Movies)	-	2,81,90,000
Sub Total	-	2,81,90,000
b) Work - in - progress		
Other stock	-	9,53,73,869
Sub Total	-	9,53,73,869
(Refer notes on accounts note sl.no.14)		
Total Inventories	-	12,35,63,869
NOTE NO. 14 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good	-	-
Unsecured, Considered Good	1,82,12,218	20,24,168
Doubtful	-	-
	1,82,12,218	20,24,168

(Amount In ₹)

Particulars	As on 31st March, 2014	As on 31st March, 2013
Other Receivables :		
Secured, Considered Good	-	-
Unsecured, Considered Good	11,33,54,415	17,59,86,119
Doubtful	-	-
	11,33,54,415	17,59,86,119
Total trade receivables	13,15,66,633	17,80,10,287
Less : Allowance for bad & doubtful debts	(1,19,88,242)	-
Total Trade Receivables (net)	11,95,78,391	17,80,10,287
NOTE NO. 15 : CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
a) Balances with banks :	9,49,43,166	14,22,57,306
b) Cheques, Draft on hand	-	-
c) Cash on hand	21,200	70,073
Sub Total	9,49,64,366	14,23,27,379
Other Bank Balances		
On Deposit Accounts		
1) Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	-	-
2) Having Maturity more than 12 Months from date of deposit	-	-
3) On Margin Money Deposit Accounts	1,25,71,184	-
Sub Total	1,25,71,184	-
Total Cash and Cash Equivalents	10,75,35,550	14,23,27,379
NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES		
short - term loans and advances :		
a) Security Deposit		
Secured	-	-
Unsecured	59,75,705	2,10,57,403
Doubtful	-	-
b) Loans and advances to related parties		
Secured	4,65,47,377	-
Unsecured	-	-
Doubtful	-	-
c) Other loans And advances (Others)		
Advances with Statutory Bodies	1,86,75,684	10,00,000
Unsecured	6,48,213	3,43,39,117
Doubtful	-	-
Total short term loans & advances	7,18,46,979	5,63,96,520
Total short term loans & advances (net)	7,18,46,979	5,63,96,520

Note Numbers to Consolidated Statement of Profit & Loss

(Amount In ₹)

Particulars	For the year ended 2013-14	For the year ended 2012-13
NOTE NO. 17 : REVENUE FROM OPERATIONS		
Revenue from operations in respect of non-finance company		
a) Sale of Services-Exports	59,14,49,016	66,72,06,652
b) Sale of Product & Services-Domestic	14,50,37,133	6,84,76,623
Total Revenue from Operations	73,64,86,149	73,56,83,275
NOTE NO. 18 : OTHER INCOME		
a) Interest income	10,69,280	8,61,479
b) Other non-operating income	1,07,49,609	2,00,000
c) Net gain/loss on foreign currency translation and transaction	61,81,840	15,65,480
Total Other Income	1,80,00,729	26,26,959
NOTE NO. 19 : COST OF MATERIALS CONSUMED		
Purchase cost of software	1,34,61,577	1,16,37,755
Total Cost Of Material Consumed	1,34,61,577	1,16,37,755
NOTE NO. 20 : PURCHASE OF STOCK IN TRADE/DECREASE (INCREASE) IN INVENTORY		
Stock of computer spare parts	-	39,41,400
Total Trade Purchases	-	39,41,400
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES		
a) Salaries & Wages	56,66,46,319	53,80,41,313
b) Contribution to Provident & Other Funds	26,16,347	23,89,879
d) Staff Welfare Expenses	1,41,83,429	2,24,50,354
Total Employee Benefit Expenses	58,34,46,095	56,28,81,546
NOTE NO. 22 : OTHER OPERATING EXPENSES		
a) Power/Electricity & Fuel	32,84,717	28,97,064
b) Rent	1,06,46,769	1,39,93,834
c) Repairs to Building	5,28,726	6,47,030
d) Repairs to Machinery	5,21,601	29,34,571
e) Insurance	62,33,823	54,81,762
f) Car Hire charges & transportation	25,67,358	52,73,063
g) Miscellaneous Expenditure	10,69,842	1,02,314

(Amount In ₹)

Particulars	For the year ended 2013-14	For the year ended 2012-13
h) Payment to Auditors :		
i) As Auditor	4,50,000	450,000
ii) For Other Services	25,000	-
iii) For Reimbursement of expenses	4,149	-
Total Other Expenses	2,53,31,985	31,779,638
NOTE NO. 23 : ADMINISTRATIVE EXPENSES		
a) Telephone, Postage and Others	34,87,200	53,20,586
b) Business Promotion Expenses	60,30,205	37,69,304
c) Conveyance & Travelling Expenses	78,87,736	64,66,782
d) Office Maintenance	29,32,451	20,00,240
e) Printing & Stationery Expenses	3,39,668	6,82,573
f) Security Charges	7,10,287	11,19,932
g) Rates & Taxes	6,50,175	5,46,189
h) Managerial Remuneration	-	4,80,000
i) Consultancy Charges	6,85,283	11,69,071
j) Seminar Fee/Legal Fee/Listing Fee	12,84,284	5,78,028
k) Web Development Expenses	3,88,589	10,03,743
l) Professional Consultancy fee	1,07,73,043	45,95,319
m) Director Sitting Fee	300,000	3,00,000
n) Vehicle maintenance Charges	73,679	1,39,425
o) Secretarial expenses	77,920	1,46,224
Total Administrative Expenses	3,56,20,520	2,83,17,416
NOTE NO. 24 : FINANCE COST		
Interest Expenses :		
- Interest on loans	39,64,569	95,33,311
- Loan processing Charges & Bank Charges	9,90,232	4,05,134
Total Finance Cost	49,54,801	99,38,445
NOTE NO. 25 : OTHER EXPENSES		
Other expenses	1,22,95,099	12,18,507
Total Other expenses	1,22,95,099	12,18,507

Consolidated Statement of Cash Flows for the year ended 31st March, 2014

(₹ In Millions)

Particulars	31st March, 2014	31st March, 2013
A. Cash Flow from Operating Activity		
Net Profit before tax before Extraordinary items	31.71	71.34
Adjustments for :		
Depreciation	47.67	17.26
Other income	(11.82)	(2.63)
Interest Expenditure on Long Term Loan	3.96	9.94
Foreign Exchange Fluctuation Loss	(6.18)	-
Operating Profit before working capital Changes	65.34	95.91
Adjustments for :		
Trade and other receivables	58.43	25.50
Inventory	123.55	3.94
Trade advances	(15.45)	(17.84)
Trade payables	(91.30)	45.03
Provisions	7.86	(27.65)
Cash generated from Operations	148.43	124.89
Direct Taxes paid (net) - Prior period adj.	-	-
Cash flow before extraordinary items	148.43	124.89
Prior Period Items	-	-
Net Cash Flow from Operating Activity	148.43	124.89
B Cash Flow from Investing Activity		
Purchase of fixed assets	(3.02)	(6.08)
Cost of movie rights	(123.56)	-
Other Income	18.00	2.63
Net Cash Used for Investing Activity	(108.58)	(3.45)
C Cash Flow from Financing Activities		
Long Term Loans & Advances	(15.78)	(18.31)
Secured loans Repayment	(54.90)	10.22
Interest Paid	(3.96)	(9.94)
Net Cash generated from Financing Activity	(74.64)	(18.03)
Cash and Cash Equivalents (Opening Balance)	142.33	38.92
Net Increase in Cash & Cash Equivalents (A+B+C)	(34.79)	103.41
Cash and Cash Equivalents (Closing Balance)	107.54	142.33

As per our report attached

For **P. Murali & Co.,**

Chartered Accountants

FRN. No: 007257S

Sd/-

P. Murali Mohana Rao

Partner, M.No. 023412

Place : Hyderabad

Date : 29th May, 2014

For and on behalf of the Board

Sd/-

L P Sashikumar

Director

Sd/-

P. S. Parthasarathy

Director

Sd/-

Rajshekhar Roy

CEO

Sd/-

Vithal VSSNK Popuri

CFO

Sd/-

Adarika Ghose

Company Secretary

26. SIGNIFICANT ACCOUNTING POLICIES & CONSOLIDATED NOTES ON ACCOUNTS

A) Statement on Significant Accounting Policies

i) Basis of Accounting :

The Financial Statements of the Company are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

ii) Method of Accounting :

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

iii) Revenue Recognition :

- a) All incomes and expenditure are accounted on accrual basis
- b) Revenue from Software Development contracts, priced on time and material basis, is recognised on the basis of billable time spent by employees working on the project, at the contracted rate.
- c) Revenue from fixed price contracts is recognized on milestones achieved as per the terms of specific contracts.

iv) Fixed Assets :

- a) Fixed Assets are stated at cost less depreciation. Project expenses/Pre-operative expenses are capitalized to the respective asset heads on a proportionate basis. Any capital grant or subsidy received is reduced from the cost of eligible assets.
- b) Depreciation on Fixed Assets is provided on straight-line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

v) Investments :

Investments are classified into current Investments and long-term investments. Current Investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss account. Long term investments are carried at cost less provision made to recognize any permanent diminution in the value of such investments.

vi) Foreign Currency Transactions :

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. In respect of foreign branches, all revenue and expense transactions during the year are translated at average rate. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. The resultant gain on account or foreign currency translation to be shown as foreign currency translation reserve and loss to be charged off after adjusting the reserve.

vii) Retirement Benefits to Employees :

Contributions to defined Schemes such as Provident Fund, Employees State Insurance Scheme are charged to the profit and loss account as incurred on accrual basis. The Company provides the retirement benefits in the form of Gratuity and Leave Encashment on the basis of actuarial valuation made by Independent actuary as at balance sheet date.

viii) Provision for Current and Deferred Tax :

Provision for current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing differences between book and taxable profits is accounted by using the tax rates and laws that have been enacted as on the

Balance Sheet date. The Deferred Tax Asset is recognized only to the extent there is reasonable certainty that the Asset is realized in future.

ix) 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.

x) 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.

xi) 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.

xii) 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.

xiii) 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 5 years. De-merger expenses are amortized over a period of ten years.

xiv) 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.

B. CONSOLIDATED NOTES ON ACCOUNTS :
1. Contingent Liability :

Outstanding Bank Guarantees – Rs.125.67 Lakhs (Previous year Rs.163.66 Lakhs)

2. Investments :

A) The company acquired 100% holding in M/s Staytop Systems Inc at a total purchase consideration of USD 2,100,000 in the year 2005. Out of the total purchase consideration an amount of USD 2,000,000 was paid up to 2006-07 and for the balance amount of USD 100,000 the company issued 35,918 Equity Shares as fully paid and no new fresh investments during the year.

B) The company has holding of 9900 share @ Rs.10/- of M/s Staytop Systems and Software Pvt Ltd.,

3. Confirmation of balances with sundry debtors and sundry creditors :

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

4. Provision for Income-Tax :

The company has provided provision for Tax of Rs.13.09 Millions as per the provisions of the Income Tax Act, 1961.

5. Deferred Taxation :

Deferred Tax Liability/Asset is recognized in accordance with Accounting Standard 22 – “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

Computation of Deferred Tax Asset/Liability:

(₹ In Millions)

Deferred Tax Liability as at 1 st April, 2013	2.86
Deferred Tax Liability as at 31 st March, 2014	1.78

6. Related Party Disclosure :

As per Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting Standard are given below :

List of related parties with whom transactions have taken place and

Sl.No.	Name of the related party	Relationship
1	Staytop Systems Inc	Subsidiary
2	Staytop Systems and Software Pvt Ltd	Subsidiary

Transaction during the year with related parties :

Name of the related party	Nature of Transaction	₹ In Millions
Staytop Systems Inc	Income - Sale of Information Technology Services	53.79

7. Earnings Per Share :

Calculation of EPS Basic & Diluted :

(Amount In ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Net Profit After Tax	1,96,30,753	4,57,54,242
Net Profit after Extraordinary Items	1,96,30,753	4,57,54,242
Weighted average numbers of shares considered	1,87,82,066	1,87,82,066
Basic EPS (in Rs.)	1.05	2.44
Diluted EPS (in Rs.)	1.05	2.44

8. Segment Reporting :

As per Accounting Standard 17 on Segment Reporting disclosures issued by the Institute of Chartered Accountants of India the disclosures on segment reporting are given below

Business Segment - In the previous year the company was engaged in the business of Information Technology & Information Technology Enabled Services. The business segment wise details are given below. (₹ In Millions)

Segment wise consolidated financial results for the year ended March 31, 2014			
S. No.	Particulars	Current Year 31st March, 2014	Previous Year 31st March, 2013
1	Segment Revenue		
	a) India operations		
	IT Division	261.75	287.58
	Other Division	-	-
	b) Subsidiary - IT Services	541.80	630.94
	Less : Inter Company sales	68.08	82.84
	Total Revenue from Operations	736.48	735.68
2	Segment Results		
	Profit (+)/Loss (-) before tax, Depn. & interest from		
	a) India operations total	68.46	56.50
	b) Subsidiary - IT Services	15.88	42.04
	Total	84.34	98.54
	Less : Interest (not allocable)	4.95	9.94
	Less : Depreciation (not allocable)	47.69	17.26
	Total Profit/(Loss) Before Tax	31.70	71.34

Segment Capital Employed : Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done, as the assets are used interchangeably between segments. Accordingly no disclosure relating to segmental assets and liabilities has been made.

• Geographical Segment :

(₹ In Millions)

Particulars	Current Year	Previous Year
Revenue :		
India - Exports	736.47	290.21
Outside India	-	-
Additions to Fixed Assets :		
India	126.58	6.08
Outside India	-	-
Carrying Amount of Segment Assets		
India	540.02	322.87
Outside India	-	-

9. Impairment of Assets :

The company reviewed with regard to realizable value of Fixed Asset and found that, the realizable value is more than the book value, hence no provision for impairment of Assets considered necessary.

10. Employee Benefits :

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 :

(Amount In ₹)

Particulars	31.03.2014	31.03.2013
Gratuity	24,44,559	22,51,341
Leave Encashment	29,20,081	34,14,916

Accounting for Provisions, Contingent Liabilities and Contingent Assets :

Provisions have been recognized by the Company for all present obligations arising from past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made by using a substantial degree of estimation. This is as per the provisions of AS-29 issued by ICAI.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on-going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets have not been recognized in the financial statements.

11. Prior Period Adjustments :

Prior period adjustment of Rs. 61,544/- (Previous year Rs. Nil) 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.

12. Additional Information required as per Para's 3 & 4 of Part II of Schedule VI to the companies Act, 1956 :

- 12.1 The Company is engaged in Information Technology & Information Technology Enabled Services. The production and sale of such service cannot be expressed in Units, Hence, it is not possible to give the quantitative details and information as required under paragraphs 3,4 of Part II of Schedule VI to the Companies Act, 1956.

12.2 Managerial Remuneration :

(Amount In ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Managing Director Salary	-	3,20,000
Other perquisite	-	1,60,000
Executive Director Salary	-	-
Other perquisite	-	-
Total	-	4,80,000

12.3 Foreign Exchange Transaction :

(₹ In Millions)

Particulars	Current Year 2013-14	Previous Year 2012-13
1) Value of Imports on CIF Basis		
a) Capital Goods - Electronic Equipments	-	-
b) Capital Goods - Furniture & Fixtures	-	-
2) Expenditure in Foreign Currency		
a) Travelling Expenses	1.70	0.99
b) Other Payments paid In Foreign Exchange	9.85	0.67
3) Earnings in Foreign Currency (on Receipt basis)		
a) Software Exports	190.21	146.52

12.4 Auditors Remuneration :

(Amount In ₹)

Particulars	Current Year 2013-14	Previous Year 2012-13
Audit Fees	3,00,000	3,00,000
Certification Work	1,50,000	1,50,000

13.Inventory :

Movie Rights & Colourisation :

Cost of acquisition of Movies and expenditure incurred for restoration, digitalisation and Colourisation has been recognised as capital assets during the current financial year, which has been shown as inventory in the previous year. Further it has been amortized over a period of 5 years commencing in financial year 2013-2014.

14.Capital Work in Progress :

Capital Work in Progress includes cost of Fixed Assets under installation including Advances given for purchase of Capital Goods, interest on borrowing costs attributable to the assets for the Assets taken on Finance and any un allocated expenditure pertaining there to.

15.Short-Term Borrowings :

Working Capital Facilities from Central Bank of India are secured by :

- Hypothecation against first charge on receivables of the company both present and future.
- Equitable Mortgage of immovable property of M/s Goldstone Technologies Limited & M/s Goldstone Infratech Limited.
- Corporate Guarantee given by M/s Trinity Infraventures Limited & M/s Goldstone Infratech Limited for above loan
- Personal guarantee of a promoter director of the company.
- The said working capital facility has been sanctioned for a period of one year and renewable on a yearly basis with rate of interest -base rate of the bank plus 3.5% and renewable on a yearly basis.

vi). During the financial year working capital availed from ICICI Bank has been paid in full and closed.

16. Trade payables :

"The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them".

17. Short-Term Provisions :

Includes foreign exchange national gain on account of conversion of closing balance of reserves and surplus for an amount of ₹ 30.90 millions

18. Figures for the previous year/period are regrouped/ rearranged wherever considered necessary.

As per our report attached
 For **P. Murali & Co.,**
 Chartered Accountants
 FRN. No: 007257S

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

Place : Hyderabad
 Date : 29th May, 2014

For and on behalf of the Board

Sd/-
L P Sashikumar
 Director

Sd/-
P. S. Parthasarathy
 Director

Sd/-
Rajshekhar Roy
 CEO

Sd/-
Vithal VSSNK Popuri
 CFO

Sd/-
Adarika Ghose
 Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES :

S.No.	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
1.	Staytop Systems Inc.,	USD/MN	2.57	1.96	4.53	4.53	-	7.85	0.26	0.11	0.15	-	USA
2.	Staytop Systems and Software Pvt Ltd.	INR/MN	0.10	-	0.10	0.10	-	-	-	-	-	-	IND

As per our report attached
For **P. Murali & Co.,**
Chartered Accountants
FRN. No: 007257S

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

For and on behalf of the Board

Sd/-
L P Sashikumar
Director

Sd/-
P. S. Parthasarathy
Director

Sd/-
Rajshekhar Roy
CEO

Sd/-
Vithal VSSNK Popuri
CFO

Sd/-
Adarika Ghose
Company Secretary

Place : Hyderabad
Date : 29th May, 2014



GOLDSTONE TECHNOLOGIES LIMITED

CIN; L72200TG1994PLC017211

Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex,
S.D. Road, Secunderabad - 500 003 Phone No. 91-40-27807640/0742

E-mail ID : corporate@goldstonetech.com

Website : www.goldstonetech.com

ATTENDANCE SLIP

(To be present at the entrance)

Regd. Folio : _____

Shares held: _____

Client ID/ DPID: _____

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

I hereby record my presence at the 20th Annual General Meeting to be held on Saturday, the September 27th, 2014 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.



GOLDSTONE TECHNOLOGIES LIMITED

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E-mail ID : corporate@goldstonetech.com

Website : www.goldstonetech.com

FORM-No-MGT-11

Proxy Form

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Saturday, September 27th, 2014 at 3.00 p.m. Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	For	Against
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2.	Re-Appointment of Mr.Clinton Travis Caddell who retires by rotation.		
3.	Re-Appointment of Mr.PS.Parthasarathy who retires by rotation.		
4.	Appointment of Auditors and fixing of their remuneration.		
5.	Appointment of Mrs Promilla Shankar as an Independent Director.		
6.	Appointment of Mr. K.S.Sarma as an Independent Director.		
7.	Appointment of Mr. V.V.Ramana as an Independent Director.		

Signed this _____ day of _____ 2014.

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

Affix
Revenue
Stamp

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



GOLDSTONE TECHNOLOGIES LIMITED

CIN; L72200TG1994PLC017211

Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex,
S.D. Road, Secunderabad - 500 003 Phone No. 91-40-27807640/0742

E-mail ID : corporate@goldstonetech.com

Website : www.goldstonetech.com

FORM-No-MGT-12

Polling Paper

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

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

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated to be considered in Twentieth Annual General Meeting of the Company to be held on Saturday, September 27th, 2014 at 3.00 p.m. Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 by recording my assent or dissent to the said resolutions in the following manner.

No.	Item No.	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.			
2.	Re-Appointment of Mr.Clinton Travis Caddell who retires by rotation.			
3.	Re-Appointment of Mr.P.S.Parthasarathy who retires by rotation.			
4.	Appointment of Auditors and fixing of their remuneration.			
5.	Appointment of Mrs Promilla Shankar as an Independent Director.			
6.	Appointment of Mr. K.S.Sarma as an Independent Director.			
7.	Appointment of Mr. V.V.Ramana as an Independent Director.			

Place :

Date :

(Signature of the Shareholder)

Printed Matter



If Undelivered please return to :

Goldstone Technologies Limited

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

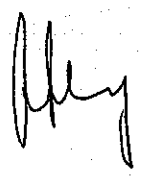

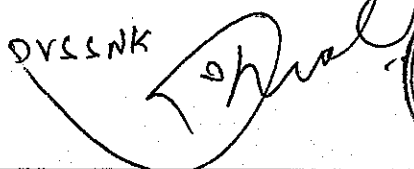
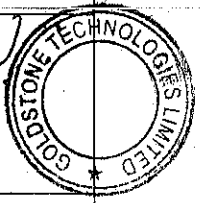
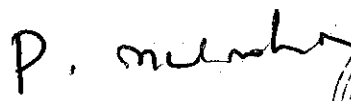
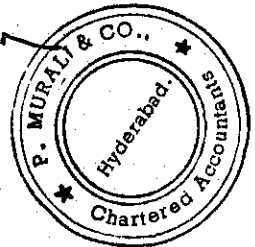
Ph: 040-2780 7640 / 0742 / 1910

E-mail ID : corporate@goldstonetech.com

Website : www.goldstonetech.com

FORM-A

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

1.	Name of the Company	GOLDSTONE TECHNOLOGIES LIMITED
2.	Annual Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	NIL
4.	Frequency of observation	Not Applicable
5.	To be Signed by	
	Mr. Rajshekhar Roy Chief Executive Officer (CEO)	 
	Mr. Vithal VS S N K Popuri Chief Financial Officer (CFO)	 
	Mr. P. Murali Mohana Rao Partner Membership No : 023412 For P. Murali & Co., Chartered Accountants FRN: 007257S Statutory Auditors	 
	Mr. K.S.Sarma Chairman of the Audit Committee	