

GLOBAL STONE INDIA LIMITED

(Formerly known as STI GRANITE INDIA LIMITED)

Corp.&Corres. Office: Romal Villa, Bungalow No. 4, Gulmohar Colony, NarsingarhKothi Indore-452-018 (M.P.) Phone No.: +91-731-2590186-87, Fax No, +91-731-2590186,

Email: globalstone1985@gmail.com Website: globalstoneindia.com CIN:L51909KA1985PLC006812

Date: 15.10.2018

The Department of Corporate Services,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Subject: Submission of soft copy of 33rd Annual Report for F.Y. 2017-18 of Our Company.

Ref.: Scrip Code - 515115

Dear Sir,

We are enclosing herewith the soft copy of 33rd Annual Report for F.Y. 2017-18 under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for updating on website of the StockExchange.

We hereby request you to kindly take this submission on your records and update the same on exchange website.

Kindly acknowledge the receipt.

Thanking You,
Yours Faithfully,

For Global Stone India Limited



Abhishek Pokharna
Company Secretary

ENCL: As Above.



GLOBAL STONE INDIA LIMITED

CIN:L51909KA1985PLC006812

33RD
ANNUAL REPORT
FINANCIAL YEAR 2017-18



REGISTERED OFFICE:

Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main
Road Bangalore KA 560066

CORPORATE & CORRESPONDENT OFFICE:

Romal Villa, Bungalow No. 4, Gulmohar Colony, Narsingarh
Kothi Indore- 452018

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CORPORATE INFORMATION**GLOBAL STONE INDIA LIMITED****CIN: L51909KA1985PLC006812****Director**

Mr. Kailash Narayan Garg	Director (DIN: 00008402)
Mr. Kishan Lal Daga	Non-Executive Independent Director (DIN: 01345114)
Mr. Krishnabhavanam Ramachandran Manoj Kumar	Non-Executive Additional Independent Director (DIN: 08003515 w.e.f. 04/12/2017)
Ms. Hiba Shaikh	Women Director (Independent) (DIN: 07325621)
Mr. R.C. Soni	Non-Executive Independent Director (DIN: 00023092) (Resigned on: 04/12/2017)

Registered Office

G 405 TO G 412, Sigma Soft Tech Park,
Ramagondanahalli Village, Varthur Hobli,
Bangalore-560066, Karnataka

Website : www.globalstoneindia.net

E-Mail : globalstone1985@gmail.com.

Corporate & Correspondent Office

Romal Villa, Bungalow No. 4, Gulmohar
Colony, Narsingarh Kothi, Indore 452018 (M.P.)
Tel.: **0731-2590186-87**

Auditors

M/s AKPS & Co.
(Chartered Accountants)
3-H, BCM City 4th Floor,
Navlakha Square, A. B. Road,
Indore-452001
Email: E-Mail: info@pahwajhambandco.com

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
543A, 7th Main, 3rd Cross,,
Hanumanthnagar,
Bangalore - 560 019

Secretarial Auditor

Nitesh Chaudhary
Practising Company Secretary

Company Secretary

Abhishek Pokharna
(Date of Appointment -14.02.2018)

Listed on Stock Exchange

Bombay Stock Exchange Ltd
Ahmedabad Stock Exchange Ltd

DIRECTORS' REPORT

**To
The Member,**

The Directors submit herewith their Report together with the Audited Accounts of the company for the financial year ended 31st March, 2018.

Financial Results

Particulars	For The Year Ended 31.03.2018	For The Year Ended 31.03.2017
Sales & Other Income	0.00	0.00
Less: Expenditure	461857	231165
Profit/(Loss) before Taxes	(461857)	(231165)
Provision for Taxation	0.00	0.00
Profit / (Loss) after Taxes	(461857)	(231165)

Financial Performance

The Company has incurred loss of Rs. 461857/- during the current financial year as against Rs. 231165/- during the previous financial year.

Amounts transferred to Reserves

In lieu of losses during the year, the company does not propose to transfer any amount to the Reserves.

Dividend

In view of losses in the current year, the Board of Directors has not recommended any dividend for the year ended 31st March 2018.

Deposits

Your company has not accepted/renewed any deposit from the public during the year under report.

Share Capital

During the year under review, there was no change in the capital structure of the Company. The authorised share capital of the company as on 31st March, 2018 was Rs. 27,00,00,000.00 divided into 2,70,00,000 equity shares of Rs. 10/- each and The paid-up equity share capital of the company was Rs.26,97,18,865.00 divided into 2,69,71,886.00 equity shares of Rs. 10/- each.

Change in Nature of Business

There is no change in nature of business of Company.

Corporate Governance

As per the directions of SEBI and the Bombay Stock Exchange Ltd., accordingly the company has been adhering to the directions and guidelines as required. The report on the code of corporate governance is annexed separately in this Annual report along with the Auditors' Certificate on its compliance.

Conservation Of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy:

Since the company is not engaged in any manufacturing activity, issues relating to conservation of energy are not quite relevant to its functioning.

b) Technology Absorption:

Since the company is not engaged in any manufacturing activity, issues relating to Technology Absorption are not quite relevant to its functioning.

c) Foreign Exchange Earnings/Outgo:

Earnings	NIL
Outgo	NIL

Particulars of Loan, Guarantee and Investments under Section 186

During the period under review, the loans, advance and guarantees were provided by the Company under the provisions of Section 186 of Companies Act, 2013 is given in the balance sheet and schedule of Loans and Advances.

Material Changes Affecting the Financial Position of the Company

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the ends of the financial year of the Company- 31st March, 2018 till the date of this report.

Risk Management Policy

The Board of Directors of the Company are of the view that currently no significant risk factors are present which may threaten the existence of the company.

During the year, your Directors have an adequate risk management infrastructure in place capable of addressing those risks. The company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Audit Committee and Board of Directors review these procedures periodically. The company's management systems, organizational structures, processes, standards, code of conduct and behaviour together form a complete and effective Risk Management System (RMS).

Directors and Key Managerial Personnel

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mrs. K.N. Garg, Director (DIN: 00008402) of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommended his reappointment.

During the period under review, following changes were made in directorship of Company.

- (a) Mr. R.C. Soni resigned from directorship of Company w.e.f. 04th December, 2017.
- (b) Mr. Krishnabhavanam Ramachandran Manoj Kumar appointed a Independent additional Director of Company w.e.f. 04th December, 2017, confirmation of whom as Independent Director is proposed in this ensuing AGM.
- (c) Mr. Abhishek Pokharna appointed as Company Secretary and Compliance Officer in Whole time Employment of Company w. e. f. 14th February, 2018.

Further, the company is in process of appointment of MD and CFO as required under the Act.

Board Evaluation

Reg.17 of SEBI (LODR) Regulations, 2015 of mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

Number of Meetings of the Board

The Board met 4 times during the financial year, the details of which are given in the corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Policy on Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018, the Board consists of 4 members. Out of which one is Executive director, one Woman Director and two Independent Directors on the Board of the Company.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Subsection (3) of Section 178 of the Companies Act, 2013, adopted by the Board, are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Training of Independent Directors

Every new independent director of the Board attended an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, software delivery, organization structure, finance, human resources, technology, quality, facilities and risk management.

The Company has organized the following workshops for the benefit of Directors and Independent Directors:

- (a) a program on how to review, verify and study the financial reports;
- (b) a program on Corporate Governance;
- (c) provisions under the Companies Act, 2013; and
- (d) SEBI Insider Trading Regulation, 2015.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director.

Committees of the Board

Currently, the Board has four committees: 1. Audit Committee, 2. Nomination and Remuneration Committee, 3. Stake Holders Relationship Committee.

A detailed note on the Board and its committees is provided under the corporate governance report section in this Annual Report.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Independent Directors Declarations

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

The Independent Directors under section 149(6) of the Companies Act, 2013 declared that:

1. They are not a promoter of the Company or its holding, subsidiary or associate company;

2. They are not directors in the company, its holding, subsidiary or associate company.
3. The independent Directors have/had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Directors have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives –
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

Directors' Responsibility Statement As Required Under Section 134(3) (C) Of the Companies Act, 2013

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis.

GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

There are no material departures from prescribed accounting standards in the adoption of these standards. The directors hereby confirm that:

1. In preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed.

2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
3. The directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.
5. The directors have laid down internal financial controls, which are adequate and are operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Auditors

M/s. AKPS & Co, (Firm Reg. No 009710C), Chartered Accountants, Indore, Chartered Accountants, retire at the end of this AGM and, being eligible, offer themselves for re-appointment. The Board has recommended their re-appointment.

Auditor's Report

The Auditors' Report contains some qualification which are mentioned as below:

- (i) Refer Note No 29, regarding non redemption of 15 lakhs preference Shares, due for redemption during the year in non-compliance with section 55 (3) of Companies Act, 2013, the consequential monetary impact of which is presently unascertainable.
- (ii) Refer Note No 36, regarding non provision of obsolescence in value of inventory of spares and consumables lying unmoved since long amount of which is unascertainable and consequently over statement of inventory and understatement of loss for the year to is also unascertainable.
- (iii) Refer Note No. 42 regarding the preparation of accounts on the assumption of going concern even though no manufacturing operation and business activities have been carried out during the financial year keeping in view of the managements' effort to revive the Company.
- iv) Refer Note No. 43 regarding non confirmation of balances of long term and Short term borrowings and other current liabilities. The effect of above on the losses of the current year and on long term and Short term borrowings and other current liabilities is presently unascertainable.
- v) Refer Note No 37 regarding non-compliance by the Company with Section 177 and Section 203 of the Act in respect of constitution and conduct of various Committees and their meetings and employment of a full-time Company Secretary on its rolls respectively.

vi) Refer Note No. 6 regarding Debenture redemption and interest payable, no list of amount payable to whom and interest thereon is available. The effect of above on the Losses of the current year and other current liabilities is presently unascertainable.

vii) Refer Note No. 13, "Balance with Bank", No confirmation from bank available for our verification. The effect of above on the losses of current year is presently unascertainable.

Management Clarification on the Auditors Qualification:

Management of the Company taken on record the Observations & Qualifications given by Statutory Auditors on Financial Statements as on 31st March, 2018 and clarification of the Board and Management is as follows:

In our opinion and to the best of our information and according to the explanations given to us except for the effect of the matter described in Basis of Qualified Opinion, the aforesaid standalone 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 general accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

Due to lack of funds the company could not make redemption of 15 lakhs preference Shares, due for redemption during the year in non-compliance with section 55 (3) of Companies Act, 2013.

The Company expect to revive its production and operations and management with expectation that the business of the company will be revived soon and revenue generation therefore the preparation of accounts on the assumption of going concern even though no manufacturing operation and business activities have been carried out during the financial year keeping in view of the managements' effort to revive the Company.

Non confirmation of balances of long term and Short term borrowings and other current liabilities. The effect of above on the losses of the current year and on long term and Short term borrowings and other current liabilities is presently unascertainable, the management of the company has asked for the confirmations from all the parties and the company has received the confirmations after signing the audit report by Auditor the confirmations received by company will be handover to the auditors.

The Company has appointed to Mr. Abhishek Pokharna as Company Secretary & Compliance Officer dated 14.02.2018 and company has also constituted the committees in the current financial year.

The management of the company is in process to get all the records available to the auditors for Debenture redemption and interest payable.

Secretarial Auditor

Mr. Nitesh Chaudhary Practicing Company Secretary as a Secretarial Auditor was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under

Section 204 of the Companies Act, 2013 and Rules there under. The secretarial audit report for FY 2017-18 forms part of the Annual Report and part of the Board's report.

Directors explanation for the observations of Secretarial Auditor:

With respect to the observations of the Secretarial Auditor in their report, the Management has given following Explanations: Management of the Company taken on record the Observations & Qualifications given by Statutory Auditors on Financial Statements as on 31st March, 2017 and clarification of the Board and Management is as follows:

- a) The company has not engaged a Whole Time Company Secretary as required by Section 203 of the Companies Act, 2013 till 14.02.2018 *and company has appointed company secretary w.e.f. 14.02.2018.*

The management explanation on the above observation that the company was looking for appropriate candidate for appointment from long time but due to high expectation of CS candidate and shortage of Company Secretaries the company delayed to appoint the Company Secretary. .

- b) The Company has not complied with the provisions of section 203 of Companies Act 2013 regarding appointment of a Managing Director and Chief Financial Officer.

The management explanation on the above observation that the company was looking for appropriate candidate for appointment of CFO from long time but due to high expectation of candidate and due no revenue generation and loses the company appoint the Chief Financial Services.

- c) In terms of provisions of Section 108 of the Companies Act, 2013 read with Rules made thereunder, the company was required to provide its member the facility to vote by the electronic means (i.e. Remote e-voting facility), at the General Meetings held during the financial year under review, however the company has not provided aforesaid Remote e-voting facility at the Annual General Meeting held on 30th September, 2017.

Due to non-availability of funds as there was no business in the company, payment of Depository (CDSL & NSDL) hence the company was unable to provide its member the facility to vote by the electronic means (i.e. Remote e-voting facility), at the General Meetings, the management ensure that the in next General Meetings facility to vote by the electronic means will be provided.

- d) The company has failed to comply with most of the provisions/requirements of the Stock Exchange, SEBI Act and listing agreement/ regulations during the financial year under review and the Company is being suspended from Trading on BSE.

The company is suspended on the BSE Stock Exchange and company has received the Show cause notice for Delisting, the company has given application for revocation of suspension of securities with BSE Ltd. that company has complied with maximum pending compliance and expecting that the companies securities will be active on BSE Ltd. soon.

- e) There were no proper secretarial records maintained as required under the companies act, 2013 and rules made thereunder to our satisfaction.

As there was no whole time company secretary and the clerical was maintaining the records and after appointment of whole time company secretary we ensure that all the records will be maintained properly.

Cost Auditors

Appointment of Cost Auditor is not applicable to the Company. Hence, the company has not appointed any Cost Auditor

Particulars of Contracts and Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Details of Subsidiary, Joint Ventures & Associates

During the year under review, no company became or ceased to be a Subsidiary/Joint Venture/Associate of the Company.

Disclosures Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013

No cases were filed during the Financial Year 2017-18 under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

Corporate Social Responsibility (CSR) Policy

We view responsible conduct as a necessary input for long term business success. We accept responsibility for our business, or employees and society. That is how we define our corporate responsibility. But as per Section 135 of Companies Act, 2013 your company is out of the preview of this responsibility.

Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.globalstoneindia.net.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any, in staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Extract of Annual Returns

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return is annexed as Annexure -2.

1. The Paid up capital of the Company is Rs. 26,97,18,865 /- consisting of 26971886 equity shares of face value of Rs. 10/- each.
2. The Board of Directors of the company consists of 4 Directors namely Mr. Kailash Narayan Garg Director, Kishan Lal Daga Non-Executive Independent Director, Krishnabhavanam Ramachandran Manoj Kumar Non-Executive Independent Director, and Hiba Shaikh Women Independent Director of the Company.

3. The secured debt of the company is Nil.
4. There was no un-paid dividend during the year.

Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders-Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year. Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its growth.

**For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED**

**Place: Indore
Date: 14th August, 2018**

**Sd/-
MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the period April 1, 2017 to March 31, 2018

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

To,
The Members
M/s GLOBAL STONE INDIA LIMITED
CIN: L51909KA1985PLC006812
Suite-B, Lakeview Farm Ramagondanahalli,
Varthur Main Road Bangalore-560066

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s GLOBAL STONE INDIA LIMITED (CIN: L51909KA1985PLC006812)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s GLOBAL STONE INDIA LIMITED ("the Company")** for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **(Not applicable to the company during the audit period)**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable to the company during the audit period)**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities And Exchange Board of India (Share Based Employees Benefits) Regulations 2014 notified on 28th October 2014. **(Not applicable to the Company during Audit Period).**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period).**
- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009.
(Not applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with respect to Meeting of Board of Director(SS-1), General Meeting (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India related to Board meetings, General Meeting and Dividend; The Company has not fully Complied with provision of above said Standards issued by the ICSI.
- The Listing Regulations Issued by the SEBI i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; The Company has not complied with Regulations of Listing Agreements with Bombay Stock Exchange Ltd. (BSE Ltd.) and the company has suspended from BSE Ltd due to penal reasons.

We further report that the compliances of applicable financial laws (with respect to Accounting Policies, Accounting Standards) and direct and indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals of the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Qualifications:

- f) The company has not engaged a Whole Time Company Secretary as required by Section 203 of the Companies Act, 2013 till 14.02.2018 *and company has appointed company secretary w.e.f. 14.02.2018.*

The management explanation on the above observation that the company was looking for appropriate candidate for appointment from long time but due to high expectation of CS candidate and shortage of Company Secretaries the company delayed to appoint the Company Secretary. .

- g) The Company has not complied with the provisions of section 203 of Companies Act 2013 regarding appointment of a Managing Director and Chief Financial Officer.

The management explanation on the above observation that the company was looking for appropriate candidate for appointment of CFO from long time but due to high expectation of candidate and due no revenue generation and loses the company appoint the Chief Financial Services.

- h) In terms of provisions of Section 108 of the Companies Act, 2013 read with Rules made thereunder, the company was required to provide its member the facility to vote by the electronic means (i.e. Remote e-voting facility), at the General Meetings held during the financial year under review, however the company has not provided aforesaid Remote e-voting facility at the Annual General Meeting held on 30th September, 2017.

Due to non-availability of funds as there was no business in the company, payment of Depository (CDSL & NSDL) hence the company was unable to provide its member the facility to vote by the electronic means (i.e. Remote e-voting facility), at the General Meetings, the management ensure that the in next General Meetings facility to vote by the electronic means will be provided.

- i) The company has failed to comply with most of the provisions/requirements of the Stock Exchange, SEBI Act and listing agreement/ regulations during the financial year under review and the Company is being suspended from Trading on BSE.

The company is suspended on the BSE Stock Exchange and company has received the Show cause notice for Delisting, the company has given application for revocation of suspension of securities with BSE Ltd. that company has complied with maximum pending compliance and expecting that the companies securities will be active on BSE Ltd. soon.

- j) There were no proper secretarial records maintained as required under the companies act, 2013 and rules made thereunder to our satisfaction.

As there was no whole time company secretary and the clerical was maintaining the records and after appointment of whole time company secretary we ensure that all the records will be maintained properly.

We further report that we have relied on the information, representation and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives

on systems and mechanism formed by the company for compliance with the provisions of the Acts,

Rules, Regulations, Guidelines, Standards etc. mentioned above and that the compliance of other laws as listed in Point No. (vi) above are based on Management Certifications.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

For Nitesh Chaudhary
Practicing Company Secretaries

Sd/-
CS Nitesh Chaudhary
M. No. A 28511; C.P. No. 16275
Date: 30.05.2018

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT 31st MARCH 2018

ANNEXURE A OF SECRETARIAL AUDIT REPORT

To,
The Members
M/s GLOBAL STONE INDIA LIMITED
CIN: L51909KA1985PLC006812
Suite-B, Lakeview Farm Ramagondanahalli,
Varthur Main Road Bangalore-560066

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis. Disclaimer.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company

For Nitesh Chaudhary
Practicing Company Secretaries

Sd/-
CS Nitesh Chaudhary
M. No. A 28511; C.P. No. 16275
Date: 30.05.2018

“Annexure - 2”

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L51909KA1985PLC006812
2.	Registration Date	02/04/1985
3.	Name of the Company	GLOBAL STONE INDIA LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road Bangalore Bangalore KA 560066 IN
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p>Mumbai Office: Link Intime India Pvt. Ltd. Registrar and Share Transfer Agent Unit : Global Stone India Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078, Tel. (022) 25963838 Ph. No. : (022) 25946970, 25963838 Email: rnt.helpdesk@linkintime.co.in</p> <p>Bangalore Office: Link Intime India Pvt Ltd Registrar and Share Transfer Agent Unit : Global Stone India Limited 543/A, 7th Main, IIIrd Cross, Hanumanthnagar, Bangalore - 560 009, Ph. No. : (080) 26509004 Email: linkblr@gmail.com</p>
8.	E-mail Id	globalstone1985@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated):

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled]:NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category Wise Shareholding:

Category of Shareholders	No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	-	136300	136300	1.13	-	136300	136300	1.13	Nil
b) Central Govt	-	-	-	-	-	-	-	-	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	Nil
d) Bodies Corp.	850180	2002200	2852380	23.77	850180	2002200	2852380	23.77	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	Nil
f) Any Other (specify)									Nil
Sub-total (A)(1)	850180	2138500	2988680	24.9	850180	2138500	2988680	24.9	Nil
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	2660000	900000	3560000	29.67	2660000	900000	3560000	29.67	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	Nil
Sub-total (A)(2)	2660000	900000	3560000	29.67	2660000	900000	3560000	29.67	Nil
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3510180	3038500	6548680	54.57	3510180	3038500	6548680	54.57	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	500000	9600	509600	4.25	500000	9600	509600	4.25	Nil
b) Banks / FI	300	-	300	0.00	300	-	300	0.00	Nil
c) Central Govt	-	-	-	-	-	-	-	-	Nil
d) State Govt(s)	-	-	-	-	-	-	-	-	Nil
e) Venture Capital Funds	-	-	-	-	-	-	-	-	Nil
f) Insurance Companies	-	-	-	-	-	-	-	-	Nil
g) FIIs	-	-	-	-	-	-	-	-	Nil
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	Nil
i) Others (specify)	-	1500000	1500000	12.50	-	1500000	1500000	12.50	Nil
Sub-Total (B)(1)	500300	1509600	2009900	16.75	500300	1509600	2009900	16.75	Nil
2. Non-Institutions									

a) Bodies Corp.										
i. Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals										
i. Individual shareholders holding nominal share capital upto Rs. 2 lakh	192560	2349570	2542130	21.18	192560	2349570	2542130	21.18		Nil
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	88900	136200	225100	1.18	88900	136200	225100	1.18		Nil
c) Others (specify)	12664	661526	674190	5.62	12664	661526	674190	5.62		Nil
Foreign National	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Non-Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Independent Directors and their Relatives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
OCB	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Employees Welfare Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Sub-Total (B)(2)	294124	3147296	3441420	28.68	294124	3147296	3441420	28.68		Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)	794424	4656896	5451320	45.43	794424	4656896	5451320	45.43		Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
Grand Total (A+B+C)	4304604	7695396	12000000	100	4304604	7695396	12000000	100		Nil

ii. Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. Of Shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. Of Shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	% change in share holding during the year
1.	Darpan Baheti	10000	0.08	-	10000	0.08	-	NIL
2.	Namrata Baheti	46300	0.39	-	46300	0.39	-	NIL

3.	Pushpa Garg	57400	0.48	-	57400	0.48	-	NIL
4.	Priyakant H Amin	4500	0.04	-	4500	0.04	-	NIL
5.	Ghanshyam Baheti	8500	0.07	-	8500	0.07	-	NIL
6.	Ghanshyam Baheti-HUF	400	0.00	-	400	0.00	-	NIL
7.	Suresh Baheti – HUF	400	0.00	-	400	0.00	-	NIL
8.	RBG Investment and Finance Limited	33600	0.28	-	33600	0.28	-	NIL
11.	East West Finance Private Ltd.	368782	3.07	-	368782	3.07	-	NIL
12.	STI Fabricraft Private Limited (Earlier known as STI Securities Pvt. Ltd.)	310000	2.58	-	310000	2.58	-	NIL
13.	Hyson Investment and Finance Private Limited	493000	4.11	-	493000	4.11	-	NIL
15.	STI Finance Limited	589600	4.91	-	589600	4.91	-	NIL
16.	Pithampur Tools Private Limited	79200	0.06	-	79200	0.06	-	NIL
17.	STI Amenities and Hospitalities Limited (Earlier known as G.B. Steel Private Limited)	386900	3.22	-	386900	3.22	-	NIL
18.	Goodeal Investment and Finance Pvt. Ltd	591300	4.93	-	591300	4.93	-	NIL
19.	Danfia Holdings Ltd	2660000	22.17	-	2660000	22.17	-	NIL
	Trustco Investments Ltd	900000	7.50	-	900000	7.50	-	
	Total	65,48,680	54.57	-	65,48,680	54.57	-	

iii. Change in promoters' shareholding (please specify, if there is no change):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	6548680	54.57	6548680	57.57

Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / sweat equity etc)	NO CHANGE			
At the End of the year	6548680	54.57	6548680	54.57

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	Shareholder's name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
1.	Administrator of Specified Undertaking				
	At the beginning of the year	500000	4.17	500000	4.17
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	500000	4.17	500000	4.17
2.	ABN Amro Bank N V				
	At the beginning of the year	1500000	12.50	1500000	12.50
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	1500000	12.50	1500000	12.50
3.	Dr A L Varia				
	At the beginning of the year	200000	1.67	200000	1.67
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	200000	1.67	200000	1.67

4.	J M Fin & Invest Consultancy Ser Limited				
	At the beginning of the year	200000	1.67	200000	1.67
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	200000	1.67	200000	1.67
5.	Mrs. Aruna Nimesh Kampani				
	At the beginning of the year	96200	0.80	96200	0.08
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	96200	0.80	96200	0.80
6.	H B Portfolio Leasing Limited				
	At the beginning of the year	61900	0.52	61900	0.52
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	61900	0.52	61900	0.52
7.	Mrs. Shweta Paras Ghiya				
	At the beginning of the year	61000	0.51	61000	0.51
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	61000	0.51	61000	0.51
8.	Beautiful Diamonds Limited				
	At the beginning of the year	42500	0.35	42500	0.35
	Date wise Increase/ Decrease in Share holding	-	-	-	-

	during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	At the End of the year	42500	0.35	42500	0.35
9.	Mr. Kishore P Ghiya HUF				
	At the beginning of the year	27900	0.23	27900	0.23
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	27900	0.23	27900	0.23
10.	Mr. Indra Kumar Bagri				
	At the beginning of the year	25000	0.21	25000	0.21
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	25000	0.21	25000	0.21

v. Shareholding of Directors and Key Managerial Personnel: NA

Sr. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the Company	No. Of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in promoters share holding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / swear equity etc)	NO CHANGE			
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors and/ or Manager: NA

B. Remuneration to other Directors: NA

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: NA

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 1956/2013: NA

For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED

Sd/-

sd/-

Indore
14th August, 2018

MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)

MR. VIVEK LOIWAL
(Director)
(DIN: 01345114)

"Annexure - 3"**FORM AOC-2**

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any (Amount in Rs.)
Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED

Sd/-

sd/-

Indore
14th August, 2018

MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)

MR. VIVEK LOIWAL
(Director)
(DIN: 01345114)

“Annexure - 4”**Managing Director / CFO Certification**

To,
The Board of Directors,
Global Stone India Limited

We have reviewed the Financial Statement read with the cash flow statement of GLOBAL STONE INDIA LIMITED for the year 31st March, 2018 and that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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 the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

- a. No significant change in internal control over financial reporting during the year
- b. No significant change in accounting policies during the year under review and
- c. No instance of any fraud in the company in which the management has any role.

**For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED**

Sd/-

sd/-

Indore
14th August, 2018

MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)

MR. VIVEK LOIWAL
(Director)
(DIN: 01345114)

"Annexure -5"

Information Pursuant to Section 197 (12) Read with rule 5 of the companies (Appointment and remuneration of managerial personal) Rule 2014

Ration of remuneration of each Director to the median remuneration of the employees of the company for the year 2017-18.

Sr. no	Name and designation of the Director/KMP	Remuneration for FY 17-18 (Amount Rs. In Lakhs)	Ratio to the Median Remuneration
1	Mr. Kailash Narayan Garg Director	-	-
2	Mr. Vivek Loiwal Independent Director	-	Not Applicable
3	Mr. Nirmal Singh Independent Director	-	Not Applicable
4	Mrs. Hiba Shaikh Independent Director	-	Not Applicable

The Percentage increase in remuneration of each director, CFO, CEO, CS or manager if any in

Sr. no	Name and designation of the Director/KMP	Remuneration for FY 17-18 (Amount Rs. In Lakhs)	Remuneration for FY 17-18 (Amount Rs. In Lakhs)	% Change
1	Mr. Kailash Narayan Garg Director	-	-	
2	Mr. Vivek Loiwal Independent Director	-	-	
3	Mr. Nirmal Singh Independent Director	-	-	
4	Mrs. Hiba Shaikh Independent Director	-	-	

REPORT ON CORPORATE GOVERNANCE FOR F.Y. 2017-18**Pursuant to Clause 27 of Listing Agreements & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****Company's Philosophy on Code of Governance**

The company's Corporate Governance principles are based on the principles of transparency, responsibility, accountability, knowledge and commitment to values. The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices.

The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. Broadly, however, good corporate governance practices should aim at striking a balance between interests of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other.

Board of Directors

The Board of Directors of the Company is eminent people from various fields who in their individual capacity also focus on following the good governance practices.

The Board oversees various aspects of business operations with an eye on right business practices.

Composition of Board and other related matters

The Board of Directors presently consists of Directors and Four Independent Director (including one woman director). Details are as given hereunder.

The Board has received confirmation from the Non-Executive and Independent Directors that they qualify to be considered as independent as per the definition of 'Independent Director' under Section 149(6) of the Companies Act, 2013 (hereinafter called "the Act"). Necessary disclosures regarding committee positions in other public companies as on March 31, 2018 have been made by the Directors.

Sr. No.	Name of Directors	Category	No. of other Directorship	No. of committee positions held in other public companies	
				Chairman	Member
1.	Mr. Kailash Narayan Garg	Promoter & Director	3	2	4
2.	Mr. Nirmal Singh Lolakpuri	Non Executive, Independent Director	-	-	-

3.	Mr. Vivek Loiwal	Non Executive, Independent Director	1	1	2
4.	Ms. Hiba Shaikh	Non Executive, Independent Director	2	-	-

Board Meetings

The Board meets at regular intervals. The Board meetings are generally held at the registered office of the Company. During the year, 5 board meeting were held on 29th May, 2017, 14th August, 2017; 14th November, 2017, 04th December, 2017 and 14th February, 2018,.The maximum time-gap between any two consecutive meetings did not exceed four months.

The details of the attendance of the Board of Directors at the Board Meetings and the last Annual General Meeting (AGM) are as detailed herein below:

Sr. No.	Name of Directors	Number of Board Meeting held	No of Board Meetings attended	Attendance at the previous AGM on 30 th September, 2017
1.	Mr. Kailash Narayan Garg	5	4	Yes
2.	Mr. Kishan Lal Daga	5	4	Yes
3.	Mr. Krishnabhavanam Ramachandran Manoj Kumar	1	1	NA
4	Ms. Hiba Shaikh	5	4	Yes
5.	Mr. R.C. Garg (Resigned on 04.12.2017)	3	3	Yes

Sitting Fees:

None of the Directors' were paid Sitting Fees during Financial year 2017-18.

Meeting of Independent Directors

Independent Directors met on 14th February, 2018.

Code of Conduct

The Company has adopted a Code of Conduct ("Code") which applies to all the Board members and Senior Management Personnel of the Company. It is the responsibility of all Board members and Senior Management Personnel to familiarize themselves with Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code.

Other Committees at Board Level

I. Qualified and Independent Audit Committee

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, the Management and the Board of Directors. The Audit committee interacts with the Independent Auditors and Secretarial Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

In general the Audit Committee reviews the Audit and internal control procedures, accounting policies and the Company's financial reporting process and ensures that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013. Further your Audit Committee also reviews the following:

- To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is corrected, sufficient and credible.
- To Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- To Review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report.
- To Review with the management, the quarterly financial statements before submission to the board for approval
- To Review 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 purposes 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.
- To Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- To Review 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.
- To discuss with internal auditors any significant findings and follow up there on.
- To Review the findings of any 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.
- To discuss 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of Committee:

The Committee comprises of Three members, namely, Mr. K.L. Daga Chairman, Mr. R. C. Soni Member, Mr. K.N. Garg as Member. On resignation of Mr. R.C. Soni, the Audit Committee was reconstituted and comprises Mr. K.L. Daga Chairman, Mr. Krishnabhavanam Ramachandran Manoj Kumar Member, Mr. K.N. Garg as Member.

Meeting Details

During the year under review, the Audit Committee met 5 times 29th May, 2017, 14th August, 2017; 14th November, 2017, 04th December, 2017 and 14th February, 2018 to deliberate on various matters.

II. Stakeholders Relationship Committee

The company is in process of complying with the provisions of Listing agreement and Section 178 of Companies Act, 2013. This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/Rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggest measures for improvement from time to time.

During the year under review, the terms of reference of the Stakeholders' Relationship Committee include the following:

- To provide for the safe custody of the Company Seal of the Company;
- To approve and register transfers and/or transmission of Equity Shares and Preference Shares of the Company;
- To sub-divide, consolidate

- and/or replace any Share Certificate of the Company;
- To authorise affixation of Common Seal of the company to Share Certificates;
- To do all other acts and deeds as may be necessary or incidental to the above,

The Committee comprises of three members, namely, Mr. R. C. Soni Chairman, Mr. K N. Garg member and Mr. K. L. Daga member. On resignation of Mr. R.C. Soni, the Audit Committee was reconstituted and comprises Mr. K N. Garg Chairman, Mr. Krishnabhavanam Ramachandran Manoj Kumar Member, Mr. K. L. Daga member,

Terms of Reference:

The SRC looks into member's services like transfer/transmission of shares, Dematerialization / Rematerialization requests and various investors' complaints like - non-receipt of refund, declared dividends, etc. and takes necessary steps for Redressal thereof.

The transactions in the shares and the complaints from the investors, are handled by the Registrar & Share Transfer Agent as well as the Share Department of the Company, and are being quarterly reviewed by the SRC.

The Company has appointed M/s Link Intime India Pvt. Ltd., a SEBI Registered independent agency, as Registrar & Share Transfer Agent for handling Demat as well as Physical Share Transfer and registry work of the Company.

Details of Investors Grievances and Redressal:

During the year, there were few requests from shareholders for routine corporate actions viz., Change of Address/supply of copy of Annual Report/ Splitting/ Consolidation/ Dematerialization and Dematerialization of Shares etc. All requests were attended promptly and no complaint was pending as at the end of the year.

III. Nomination & Remuneration Committee

In compliance of Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee.

The terms of reference of the committee inter alia include Succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria's, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The terms of the reference of the Committee would be to review and recommend compensation payable to the Executive Directors and also to formulate and administer Employees Stock Option Scheme, including the review and grant of options to eligible employees under the

scheme. The Committee shall also ensure the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers. The overall function of the Committee would also consist of the following:

- To Assist the Board of Directors in ensuring that affordable, fair and effective compensation policies are implemented.
- To Approve and make recommendations to the Board in respect of Directors' fees, Salary Structure and actual compensation (inclusive of Performance based incentives and benefits) of the Executive Director(s).
- To Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees.
- To Review and approve the change in terms and conditions of the ESOP.
- To Review and approve the criteria for selection and appointment of Non-Executive Directors.

Composition of Committee:

The Committee comprises of Three members, namely, Mr. K.L. Daga Chairman, Mr. R. C. Soni Member, Mr. K.N. Garg as Member. On resignation of Mr. R.C. Soni, the Audit Committee was reconstituted and comprises Mr. K.L. Daga Chairman, Mr. Krishnabhavanam Ramachandran Manoj Kumar Member, Mr. K.N. Garg as Member.

Meeting Details

During the financial year 29.05.2018, 14.08.2017, 14.11.2017, 14.02.2018 Nomination & Remuneration Committee Meeting was held.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the financial year 2017-18, as per the requirements of Listing Agreement, is part of Directors' report

General Body Meetings

The Annual General Meetings for the last three years were held as follows:

Year	Venue	Date	Day	Time
2016-17	Regd. Office: G 405 TO G 412, Sigma Soft Tech Park, Ramagondanahalli Village, Varthur Hobli, Bangalore Bangalore KA 560066 IN	30th September, 2017	Saturday	11.00 AM
2015-16	Regd. Office: G 405 TO G 412, Sigma Soft Tech Park, Ramagondanahalli Village, Varthur Hobli, Bangalore Bangalore KA 560066 IN	30th September, 2016	Friday	11.00 AM.
2014-15	Regd. Office: 62, AG's Layout, New Bel Road, Bangalore - 560054	29 th September, 2015	Monday	11.00 AM

All the resolutions including special resolutions as set out in the respective notices were passed by the shareholders

DISCLOSURES:

Related Party Transactions:

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the website of the Company.

CEO / CFO Certification

Mr. Kailash Narayan Garg, Director of the Company have certified to the Board with regard to the compliance made by them in terms of regulation 27(2) of LODR and the certificate forms part of Annual Report. The Company complies with all the requirements of the LODR including the mandatory requirements of Regulation 27 of the Listing Obligation Disclosure Requirements, 2015.

Particulars of Loans, guarantees or investments U/S 186 of Companies Act, 2013

During the period under review, the loans, advance and guarantees were provided by the Company under the provisions of Section 186 of Companies Act, 2013 is given in the balance sheet and schedule of Loans and Advances.

Vigil Mechanism

In terms of section 177(9) of the companies Act, 2013 read with Rule 7 of The companies (Meeting of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement your company has established a vigil mechanism for directors and employees to report genuine concerns of the company with adequate safeguards against victimization of persons who use such mechanism. The details of establishment of such mechanism will be disclosed on the company's website www.stiproducs.com.

MEANS OF COMMUNICATION

(i) Quarterly and Half-yearly financial results

The Quarterly, Half yearly and Annual Results of the Company are available on the website of the Company www.stiproducs.com. The Quarterly Results and Annual Results of the Company are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement.

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports etc. Members also have the facility of raising queries/making complaints on share related matters through a facility provided on the Company's website.

The Company has a dedicated help desk with email ID: globalstone1987@gmail.com in the Secretarial Department for providing necessary information to the investors.

(ii) The presentation made to institutional investors or to the analysts

There were no specific presentation made to the investors or analysts during the year

9. GENERAL SHAREHOLDER INFORMATION:**(a) AGM date, time and venue:**

Annual General Meeting scheduled to be held on 26th September, 2018 Wednesday, at 03:00 P.M. at Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road Banglaore Bangalore KA 560066 IN.

(b) Financial Year: The Financial Year is from 1st April to 31st March.

Tentative Schedule

Unaudited Results for quarter ending June 30, 2018	- 14th August, 2018
Unaudited Results for quarter ending September 30, 2018	- 14th Nov., 2018
Unaudited Results for quarter ending December 31, 2018	- 14th Feb, 2019
Unaudited Results for year ending March 31, 2019	- 30th May, 2019
AGM for year ending March 31, 2019	- 30 th September, 2019

(c) Book Closure period: Share Transfer Register will be closed from 19th September, 2018 to 25th September, 2018 (Both Days Inclusive).

(d) Dividend payment date: Not Applicable

(e) Stock Exchange where securities are listed:

- (1) Bombay Stock Exchange Limited, and
- (2) Bangalore Stock Exchange Limited.
- (3) Ahmadabad Stock Exchange Limited.

- (4) Madras Stock Exchange Limited.
 (5) Madhya Pradesh Stock Exchange Limited.

(f) **Stock Code:** 515115

(g) **ISIN:** INE057G01019

(h) **Stock Market Data at BSE:**

The shares of the Company are listed at two stock Exchanges. However the Shares were not traded on any Stock Exchange during the financial year 2017-18, hence the High and Low stock quotations are not available.

Shareholding Pattern as on 31stMarch, 2018

Category	No. of shares held	% of holding
A. Promoter's Holding		
1. Promoters		
- Indian Promoters	2988680	24.91
- Foreign Promoters	3560000	29.67
2. Persons acting in concert	0	0.0000
Sub-total (1+2)	6548680	54.57
B. Non-Promoter's Holding		
1. Institutional Investors		
- Mutual Fund and UTI	509600	4.25
- Banks, Financial Institutions, Insurance Companies	300	0.00
- FII	0	0.0000
2. Others		
- Bodies Corporate	0	0
- Individual	2767230	23.06
- NRI's/QCB's	000	0.04
- Any Other	674190	5.62
Grand Total	12000000	100.0000

Quarterly Audit of Share Capital

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Company Secretary in practice with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and is also placed before the Board of Directors on a quarterly basis.

Registered Transfer Agents (RTA):

For share transfers and other communication relating to share certificates, Dividend and change

of address:

Bangalore Office:

M/s. Link Intime India Pvt. Ltd. 543/A,
7th Main, Hanumanthnagar, Bangalore
– 560 019
Ph.No.080-26509004,
Email : bangalore@linkintime.co.in

Mumbai Office:

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai –
400 078
Ph. No. 022 – 2596 3838
Email : binod.rai@ linkintime.co.in

The Demat request as well as request for transfer / transmission may primarily be sent to the Registrar and Share Transfer Agent as above. Requests or complaint in other matters such as unpaid / Unclaimed Dividend, copy of Annual Report, Change of Address, Nomination, Mandate need to be sent to Company's Share Deptt. at its Regd. Office. at No. G 405 TO G 412, Sigma Soft Tech Park, Ramagondanahalli Village, Varthur Hobli, Bangalore Bangalore KA 560066 IN Investors Relations:

All complaints received from shareholders have been attended. The complaints are generally replied in 8-10 days from the date of receipt. The Investors / members may write for their queries to Share Department of the Company.

Names of Depositories in India for Dematerialization of Equity shares

Central Depository Services (India) Limited. (CDSL)

Share Transfer System:-

The Shares transfers are registered and returned within a period of 10 days of receipt if documents are in order. All requests for dematerialization of shares are processed and confirmed to the depositories, CDSL within 7 working days. The share transfers are approved by the Share Transfer Committee which meets as and when required.

As per SEBI Directives Company has appointed M/s Link Intime India Pvt Ltd Mumbai, with Bangalore Branch as common agency to handle physical transfer of shares as well as in electronic mode also.

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO SHAREHOLDING:

Slab of Shareholding (No. of Shares)	No. of Shareholders	%	Nos. of Shares	%
1-500	11498	95.39	1731010	14.42
501-1000	304	2.53	259100	2.15
1001-2000	110	0.91	168400	1.40
2001-3000	34	0.28	87100	0.72
3001-4000	15	0.13	53100	0.44

4001-5000	22	0.18	104600	0.87
5001-10000	33	0.27	247700	2.06
10001 & above	37	0.31	9348990	77.94
Total	12053	100.00	12000000	100.00

Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2018. The Company's Chairman Declaration to this effect forms a part of this report

Code for Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers / designated employees. The Code ensures the prevention of dealing in shares by persons having access to Unpublished Price Sensitive Information

Legal Proceedings:

There is no legal proceeding pending against the Company.

Address for Correspondence: All correspondences should be addressed to

GLOBAL STONE INDIA LIMITED

**Regd: Off: G 405 TO G 412, Sigma Soft Tech Park, Ramagondanahalli Village, Varthur Hobli, Bangalore
Bangalore KA 560066 IN**

E-Mail : globalstone1985@gmail.com; Websit www.globalstoneindia.net

Compliance Certificate of the Auditors:

The Company has obtained a certificate from the statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) 2015.

**For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED**

Sd/-

sd/-

Indore
14th August, 2018

MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)

MR. VIVEK LOIWAL
(Director)
(DIN: 01345114)

Management Discussion and Analysis Report

For the year under review, the business operations of the Company was processing of Granite Stones. The Company has seen many ups and downs in last four decades. At present, the Company does not have any business activities.

a. Industry structure and developments

The Company has seen many ups and downs in last four decades. During the year under review, the Company could not operate its business satisfactorily due to non-availability of any business opportunity.

b. Performance

There were no operational activities in the company so Net Revenue from Operations for the year ended March 31, 2018 was at Nil. Other income :NIL

c. Concerns

India is a self-pay market, which coupled with widespread low affordability poses a significant challenge to the Iron and Steel industry in general. The unpredictability of the Patent environment prevalent in the country adds to concerns of the research-oriented pharmaceutical industry.

d. Outlook

The management of the Company expects to commence operations at any other alternate place and therefore any turning around of the Company in the near future is very likely. Now, the Company has recommenced trading activity for old stocks and various other business activities. The Company expects to enhance its business activities in the days to come.

e. Internal Control System and their adequacy

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

External audit consultants review the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects.

The Audit Committee of the Board of Directors approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on anon-going basis.

Committee of the Board of Directors following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

f. Vigil Mechanism

The Company is in process of establishing Whistleblower Policy and Vigil Mechanism to deal with instances of fraud and mismanagement. The Whistleblower Policy and Vigil Mechanism will be uploaded on the website of the Company.

g. Personnel

As on date no employee working in the Company. All the dues of erstwhile employees of the Company have been amicably settled.

The Company has always followed the policy of continuous upgradation of its employees. Development of available Human Resources by imparting regular on the job training has been given an important thrust in the HRD policy of the Company.

For and on behalf of Board of Directors
GLOBAL STONE INDIA LIMITED

Sd/-

sd/-

Indore
14th August, 2018

MR. KAILASH NARAYAN GARG
(Director)
(DIN: 00008402)

MR. VIVEK LOIWAL
(Director)
(DIN: 01345114)

Independent Auditors' Report

To the Members

Global Stone India Limited

(CIN: - L51909KA1985PLC006812)

I. Report on the Financial Statements

We have audited the attached financial statements of **Global Stone India Limited** (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

IV. Opinion

a. Basis of Qualified opinion

(i) Refer Note No 29, regarding non redemption of 15 lakhs preference Shares, due for redemption during the year in non compliance with section 55 (3) of Companies Act, 2013, the consequential monetary impact of which is presently unascertainable.

(ii) Refer Note No 36, regarding non provision of obsolescence in value of inventory of spares and consumables lying unmoved since long amount of which is unascertainable and consequently over statement of inventory and understatement of loss for the year to is also unascertainable.

(iii) Refer Note No. 42 regarding the preparation of accounts on the assumption of going concern even though no manufacturing operation and business activities have been carried out during the financial year keeping in view of the managements' effort to revive the Company.

iv) Refer Note No. 43 regarding non confirmation of balances of long term and Short term borrowings and other current liabilities. The effect of above on the losses of the current year and on long term and Short term borrowings and other current liabilities is presently unascertainable.

v) Refer Note No 37 regarding non compliance by the Company with Section 177 and Section 203 of the Act in respect of constitution and conduct of various Committees and their meetings and employment of a full-time Company Secretary on its rolls respectively.

vi) Refer Note No. 6 regarding Debenture redemption and interest payable, no list of amount payable to whom and interest thereon is available. The effect of above on the Losses of the current year and other current liabilities is presently unascertainable.

vii) Refer Note No. 13, "Balance with Bank", No confirmation from bank available for our verification. The effect of above on the losses of current year is presently unascertainable.

b. In our opinion and to the best of our information and according to the explanations given to us, subject to the notes described in the para (IV) (a) Basis for Qualified opinion, 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 31st March 2018;

(b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

V. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to the extent applicable to the Company during the year under review.

2. Further to our comments in the Annexure referred to in 1. Above as per the requirements of Section 143(3) of the Act, we report as follows:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the respective directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

(f) Refer Note No 34 regarding non compliance by the Company with the requirement Section 203 of the Act in the matter of employing a full time Company secretary.

(g) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i) the Company does not have any pending litigations which have impact on its financial position in its financial statements.

ii) the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A K P S & Company

Chartered Accountants

Firm Registration No. 009710C

Place: Indore

Date: 29/05/2018

CA (Dr.) Ashok Pahwa

Partner

Membership No. 077665

Annexure to the Auditors' Report

(Referred to in paragraph IV(1) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under:

(i) There were no fixed assets with the Company at any time during the year.

(ii) a) During the year, the management has conducted physical verification of inventories at regular intervals, which in our opinion is reasonable.

b) The Company is maintaining proper records of inventory during the year. The discrepancies noticed between the physical and book balances have been properly dealt with in the books of accounts.

(iii) a) The Company during the year has given unsecured loan to one body corporate covered in the register ought to be maintained under Section 189 of the Act. The maximum and closing balances in respect of the said loans were Rs. 8.26 Lakhs.

According to the information and explanations given to us and based on the audit procedures conducted by us, we are prejudicial to the Company's interest due to the fact that the loans have been granted without charging any interest

b) The above loans given are recoverable on demand. The parties are regular in repayment of the said loans wherever such demand for recovery was made by the Company. As per the records, there was no overdue amount in respect of the said loans.

c) In our opinion, the Company is taking the reasonable steps to recover the principal.

(iv) As per the records of the Company during the year, the Company has not given any loans/ guarantees to or made any investment or provided any security within the purview of the section 185.

However, the Company has not strictly complied with the provision of Section 186 with respect to loans & advances granted to bodies corporate, before enactment of the Act, which pending regularization as at the close of the year, the monetary impact of the same on deposits, Loans and advances and on loss of the company is presently unascertainable

(v) According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the companies (Acceptance of Deposit) Rules, 2015 with regard to the deposit accepted from the public are not applicable.

(vi) The Central Government has not prescribed for maintenance of cost records under section (1) of Section 148 of the Act for any of the services rendered by the Company.

(vii) a) As per the records verified by us and as explained to us, the Company has been regular in depositing undisputed statutory dues involving Income-tax with the appropriate authorities. There were no arrears under the above heads which were due for more than six months from the date they became payable as at the close of the year. Keeping in view the present operations of the Company, statutes relating to Employees' State Insurance, Sales-tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty and Cess are not applicable to the Company during the year under review.

b) As per the books of accounts of the Company, no disputed amounts payable in respect of Income-tax and other material statutory dues.

(viii) Based on the records maintained, the Company has not borrowed from Banks/financial Institutions during the year. Further, no amount was borrowed by the company through Debenture during the current year as well as in the previous years.

(ix) Based upon the audit procedure performed and the information and explanation given by the management, the Company has not raised any money during the year through initial/ future public offer (including debt instruments). Also, the Company has not availed any term loan during the current year; hence the matter of application of the same does not rise.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management

(xi) As per the Company's records, no managerial remuneration has been paid/provided for during the year under review.

(xii) The Company is not a Nidhi Company during the year under review and hence, the under Nidhi Rules 2014 is not applicable the company.

(xiii) As per the information and explanations given during the course of our verification, in our opinion, all transaction with the related parties made by the Company were compliance with Section 188 pf the Act, to the extent applicable to the Company were during the year. However, the Company has not complied with the section 177 of the Act, with regards to constitution of the audit committee (refer Note no. 23(a) of the Financial statements.

(xiv) During the year, the Company has not made any preferential allotment or private placement of share or convertible debenture and hence the requirement of Section 42 of the Act is not applicable.

(xv) As per the information and explanation provide to us, during the year, the Company has not entered into any non- cash transaction with directors or persons connected with the directors within the purview of section 192 of the Act are not applicable.

(xvi) As per the information and explanations provided to us and based on the overall operations of the Company, during the year, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For A K P S & Company

Chartered Accountants

Firm Registration No. 009710 C

Place: Indore

Date: 29/05/2018

Sd/-

CA (Dr.) Ashok Pahwa

Partner

Membership No.077665

GLOBAL STONE INDIA LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018					
(Currency in Indian Rupees)					
PARTICULARS	NOTES	31ST MARCH, 2018	31ST MARCH, 2017	AS AT 31.03.08	31ST MARCH, 2016
INCOME					
Revenue from Operations	15	-	-		42,695,324
Other Income	16	-	-	135,186,934	86,236
Total Income (I)		-	-	135,186,934	42,781,560
EXPENSES					
Purchase of traded goods	17	-	-		48,926,358
(Increase)/decrease in inventories of traded goods		-	-		(4,440,765)
Employee Benefits Expense	18	-	-		1,395,998
Finance Charges	19	-	36,512		5,419
Other Expenses	20	461,857	194,653		990,250
Depreciation	9	-	-		2,272
Total Expenses (II)		461,857	231,165	-	46,879,532
Profit for the year before Tax	(1 - II)	(461,857)	(231,165)	135,186,934	(4,097,972)
Tax Expenses					
Current Tax		-	-	3,900,000	-
Taxes of Earlier Years		-	-		100,000
Deferred Tax				20,817	320,653
				(1,155)	
Profit/(Loss) for the period		(461,857)	(231,165)	135,166,117	(4,418,625)
Other Comprehensive Income For The Year					
A) i) Items that will not be reclassified to Profit & Loss					
ii) Fair Value changes in Financial Assets					
iii) Deferred Income tax relating to these items					
		-	-	-	-
B) Items that will be reclassified to Profit & Loss					
		-	-	-	-
Other Comprehensive income for the year		-	-	-	-
Total Comprehensive income for the year		(461,857)	(231,165)	135,166,117	(4,418,625)
Earning per equity share					
Basic		(0.040)	(0.020)	8.183	(0.268)
Diluted		(0.040)	(0.020)	8.183	(0.268)
Notes Forming Part Of Financial Statement	1-44				
As per our Report of Even Date For AKPS & Co. Chartered Accountants Firm Reg No. 009710C		For and on behalf of the Board of Directors of Global Stone India Limited			
sd/-	sd/-	sd/-			
CA (Dr.) Ashok Pahwa (Partner)	K.N.Garg (Director)	K.L. Daga (Director)			
Membership No. 077665	DIN:00008402	DIN: 00031920			
Place :- Indore					
Date :- 29/05/2018	sd/-				
	Abhishek Pokharna (Company Secretary)				

GLOBAL STONE INDIA LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018			
(Currency in Indian Rupees)			
Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017
A. Cash Flow from Operating Activities			
Profit Before Tax and Extraordinary items	(461,857)		(231,165)
(As per Profit and Loss Account)			
Adjustments for:			
Depreciation	-		-
Remeasurements of Defined benefits obligation recognised in other comprehensive income	-		-
Operating Profit before Working Capital Changes		(461,857)	(231,165)
Adjustments for:			
(Increase)/Decrease in Inventories		-	-
(Increase)/Decrease in Sundry Debtors		-	-
(Increase)/Decrease in Short Term Loans and Advances		110,757,756	-
(Increase)/Decrease in Other Current Assets		37,746	-
(Increase)/Decrease in Other Receivable		-	-
Increase/(Decrease) in Trade Payables		-	(20,662)
Increase/(Decrease) in Current Liabilities		(460)	(67,446)
(Increase)/Decrease in Balance with Statutory Authorities		-	-
Cash Generated From Operations		-	-
Less: Income Tax Paid of earlier year		-	-
Net Cash from / (Used in) Operating Activities A		110,333,185	(319,273)
Cash Flow from Investing Activities			
Receipt of Security Deposit		-	-
purchase of Fixed assets		-	-
Sale of Investments		-	-
Net Cash from / (Used in) Investing Activities B		-	-
Cash Flow from Financing Activities			
Proceed from long Term Borrowings		(110,333,185)	202,371
Repayment of Long Term Borrowings		-	-
Net Cash from Financial Activities C		(110,333,185)	202,371
Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)		-	(116,902)
Cash and Cash Equivalents - Opening Balance		1,048,851	1,165,753
Cash and Cash Equivalents - Closing Balance		1,048,851	1,048,851
As per our Report of Even Date	For and on behalf of the Board of Directors		
For AKPS & Co.	of Global Stone India Limited		
Chartered Accountants			
Firm Reg No. 009710C			
sd/-	sd/-		sd/-
CA (Dr.) Ashok Pahwa	K.N.Garg		K.L.Daga
(Partner)	(Director)		(Director)
Membership No. 077665	DIN:00008402		DIN: 00031920
Place :- Indore			
Date :- 29/05/2018			
	sd/-		
	Abhishek Pokharna		
	(Company Secretary)		

GLOBAL STONE INDIA LIMITED					
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018					
(Currency in Indian Rupees)					
PARTICULARS	31ST MARCH, 2018		31ST MARCH, 2017		
2 Share Capital					
Authorized					
12,000,000 Equity Shares of Rs. 10/- each (Previous year 12,000,000 Equity Shares of Rs. 10/- each)		120,000,000		120,000,000	
1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each (Previous year 1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each)		150,000,000		150,000,000	
Total Authorized Share Capital		270,000,000		270,000,000	
Issued, & Subscribed Share Capital					
12,000,000 Equity Shares of Rs. 10/- each (Previous year 12,000,000 Equity Shares of Rs. 10/- each)		120,000,000		120,000,000	
1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each (Previous year 1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each)		150,000,000		150,000,000	
Total Issued & Subscribed Share Capital		270,000,000		270,000,000	
Paid Share Capital					
12,000,000 Equity Shares of Rs. 10/- each (Previous year 12,000,000 Equity Shares of Rs. 10/- each)		120,000,000		120,000,000	
Less:- Calls Unpaid					
By Others		281,136		281,136	
	(A)	119,718,864		119,718,864	
1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each (Previous year 1,500,000 15% Cumulative 15 years Convertible redeemable preference Shares of Rs. 100/- each)		150,000,000		150,000,000	
	(B)	150,000,000		150,000,000	
Total Paid Up Capital	(A)+(B)	269,718,864		269,718,864	
a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period					
Equity shares of Rs. 10 each					
		31st March, 2018		31st March, 2017	
Particulars		Numbers	Rs.	Numbers	Rs.
At the beginning of the period		12,000,000	120,000,000	12,000,000	1,200,000,000
Issued during the period		-	-	-	-
Bought back during the period		-	-	-	-
Outstanding at the end of the period		12,000,000	120,000,000	12,000,000	1,200,000,000
b. Reconciliation of preference shares outstanding at the beginning and at the end of the reporting period					
Preference shares of Rs. 100 each					
		31st March, 2018		31st March, 2017	
Particulars		Numbers	Rs.	Numbers	Rs.
At the beginning of the period		1,500,000	150,000,000	1,500,000	150,000,000
Issued during the period		-	-	-	-
Bought back during the period		-	-	-	-
Outstanding at the end of the period		1,500,000	150,000,000	1,500,000	150,000,000
c. Terms/rights attached to equity shares					
The Company has only one class of Equity Shares having par value of Rs. 10 Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.					
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.					
d. Details of shareholders holding more than 5% shares in the company					
Equity shares of Rs. 10 each fully paid		31st March, 2018		31st March, 2017	
Name of Shareholder		Numbers	% holding in the class	Numbers	% holding in the class
Danfia Holdings		2,660,000	22.17%	2,660,000	22.17%
ABN Amro Bank N V (A/c European Eco .Com)		1,500,000	12.50%	1,500,000	12.50%
Trust Ci.Investments Ltd		900,000	7.50%	900,000	7.50%
Total		5,060,000	42.17%	5,060,000	42.17%

GLOBAL STONE INDIA LIMITED				
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018				
		(Currency in Indian Rupees)		
3 Reserve & Surplus				
Particulars	31st March, 2018	31st March, 2017	31st March, 2017	
Capital Reserve				
Balance as per last financial statements	-	-	-	-
Less: Utilized for bonus issue/fresh equity shares	-	-	-	-
Closing balance	-	-	-	-
Surplus/(deficit) in the Statement of Profit and Loss				
Balance as per last financial statements	(267,855,094)	(267,623,929)	(267,577,929)	(267,577,929)
Profit/ (loss) for the year	(461,857)	(231,165)	(46,000)	(46,000)
Less: Appropriations	-	-	-	-
Total Surplus/(deficit) in the Statement of Profit and Loss	(268,316,951)	(267,855,094)	(267,623,929)	(267,623,929)
Other Comprehensive Income				
Closing balance	(268,316,951)	(267,855,094)	(267,623,929)	(267,623,929)
4 Borrowings				
PARTICULARS	31st March, 2018	31st March, 2017		
East West Finance Private Limited	825,962	-		
Steel Tubes of India Ltd	19,562,379	-		
Conventions Hotels India Pvt Ltd.	-	139,754,646		
Total Trade Payables	20,388,341	139,754,646		
5 Trade Payables				
PARTICULARS	31st March, 2018	31st March, 2017		
Audit Fees Payable - Shyam Malpani and Associates	1,206,375	1,206,375		
Total Trade Payables	1,206,375	1,206,375		
6 Other Financial Liabilities (Long Term)				
PARTICULARS	31st March, 2018	31st March, 2017		
Debenture redemption and interest payable	1,004,719	1,009,579		
Total Other Financial Liabilities	1,004,719	1,009,579		
7 Long Term Provisions				
PARTICULARS	31st March, 2018	31st March, 2017		
Audit Fees Payable - Shyam Malpani and Associates	46,000	46,000		
Total Long Term Provisions	46,000	46,000		
8 Short Term Provisions				
PARTICULARS	31st March, 2018	31st March, 2017		
Audit Fees Payable - AKPS & Co	44,400	30,000		
Consultancy Fees Payable	10,000	20,000		
Total Short Term Provisions	54,400	50,000		
11 Long Term Loans and Advances				
PARTICULARS	31st March, 2018	31st March, 2017		
Karishma Herbal Private Limited	19,800,000	19,800,000		
STI Products India Limited	853,849	853,849		
Others	-	-		
Total Long Term Loans and Advances	20,653,849	20,653,849		

GLOBAL STONE INDIA LIMITED			
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018			
12	Other Non Current Assets		
		(Currency in Indian Rupees)	
	PARTICULARS	31st March, 2018	31st March, 2017
	TDS Receivable	-	37,746
	East West Finance Private Limited		8,167,952
	Steel Tubes of India Ltd		865,168
	Total Other Non Current Assets	-	9,070,866
13	Cash and Cash Equivalents		
	PARTICULARS	31st March, 2018	31st March, 2017
	Cash on hand	16,768	16,768
	Balance with bank	1,032,083	1,032,083
	Total Cash And Cash Equivalents	1,048,851	1,048,851
14	Short Term Loans and Advances		
	PARTICULARS	31st March, 2018	31st March, 2017
	Alstone International		(22,244)
	Convention Hotels		39,280,000
	Mplex Networks Pvt Ltd		71,500,000
	Loan and advances	-	-
	Total Short Term Loans And Advances	-	110,757,756

GLOBAL STONE INDIA LIMITED								
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018								
10	INVESTMENTS							
	Particulars	As at		As at		As at		
		March 31, 2018		March 31, 2017		April 1, 2016		
		Face Value	QTY	Value	QTY	Value	QTY	Value
	Non Trade Investments (at cost)							
	Quoted							
	Equity Instruments							
	Total Value of Quoted Investments			-		-		-
	Unquoted							
	Equity Shares							
	Total Value of Unquoted Investments			-		-		-
	Total of Long Term Investments			-		-		-
	Less: Provision for Diminution in the value of Investment			-		-		-
	Net Value of Investment			-		-		-

GLOBAL STONE INDIA LIMITED			
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018			
(Currency in Indian Rupees)			
15	Revenue From Operations		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Revenue from operation	-	-
	Total Revenue from Operations	-	-
16	Other Income		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Other Income	-	-
	Total Other Income	-	-
17	Purchase of Traded Goods		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Purchahses	-	-
	Total Purchase of Traded Goods	-	-
18	Employee benefit expenses		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Salaries	-	-
	Director Remuneration including sitting fees	-	-
	Staff welfare expenses	-	-
	Total Employee Benefit Expenses	-	-
19	Finance Charges		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Bank Charges	-	36,512
	Interest Expense	-	-
	Total Finance Charges	-	36,512
20	Other Expenses		
	PARTICULARS	31ST MARCH, 2018	31ST MARCH, 2017
	Short Provision for tax	37,746	-
	Rent , Rates & Taxes	-	24,000
	Travelling & Conveyance	-	22,274
	Legal & Professional Fees	384,979	86,764
	Website Expenses	3,732	-
	Meeting Expenses	-	31,615
	Payment to Auditor		
	Audit Fees	30,000	30,000
	Tax on Fees	5,400	
		57	
	Total Other Expenses	461,857	194,653

GLOBAL STONE INDIA LIMITED							
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018							
NOTE 21- FIRST TIME ADOPTION OF IND AS							
21.1	Transition to Ind AS						
<p>The Company has adopted The Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act 2013 from April 1, 2017 and accordingly financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS, prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder. These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet as at 1 April 2016 (the transition date).</p> <p>In preparing the opening Ind AS balance sheet as at 1st April 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The impact of transition has been made in the Reserves as at 1st April 2016 in accordance with the Ind AS 101 and the figures of the previous year ended 1st April 2016 and 31st March 2017 have been presented/restated after incorporating the applicable Ind AS adjustments.</p> <p>An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.</p>							
21.2	Reconciliations between previous GAAP and Ind AS						
<p>Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows, from as reported in accordance with previous GAAP. The following tables represent the reconciliations from previous GAAP to Ind AS.</p>							
21.3	Reconciliation of Balance Sheet as per previous GAAP and Ind AS *						
PARTICULARS	Reference Explanation	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Adjustment	Ind AS	Regrouped IGAAP	Adjustment	Ind AS
ASSETS							
Non Current Assets							
Property, Plant & Equipments		-	-	-	-	-	-
Income Tax Asset (Net)		-	-	-	-	-	-
Deferred tax Asset (Net)	(i)	-	-	-	-	-	-
Financial Assets							
Loans		20,653,849	-	20,653,849	111,611,605	-	111,611,605
Investment		-	-	-	-	-	-
Others Financial assets		-	-	-	-	-	-
Trade receivables		-	-	-	-	-	-
Other Non Current Assets		9,070,866	-	9,070,866	37,746	-	37,746
Total Non Current Assets		29,724,715	-	29,724,715	111,649,351	-	111,649,351
Current Assets							
Inventories		2,399,048	-	2,399,048	2,399,048	-	2,399,048
Financial Assets							
Investment		-	-	-	-	-	-
Trade receivable		-	-	-	-	-	-
Cash and Cash Equivalents		1,048,851	-	1,048,851	1,165,753	-	1,165,753
Loans and Advances		110,757,756	-	110,757,756	19,800,000	-	19,800,000
Others Financial assets		-	-	-	-	-	-
Other current assets		-	-	-	-	-	-
Total Current Assets		114,205,655	-	114,205,655	23,364,801	-	23,364,801
Total Assets		143,930,370	-	143,930,370	135,014,152	-	135,014,152
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		269,718,864	-	269,718,864	269,718,864	-	269,718,864
Other equity		(267,855,094)	-	(267,855,094)	(267,623,929)	-	(267,623,929)
		1,863,770	-	1,863,770	2,094,935	-	2,094,935
LIABILITIES							
Non Current Liabilities							
Financial Liabilities							
Borrowings		139,754,646	-	139,754,646	130,519,157	-	130,519,157
Trade Payable		1,206,375	-	1,206,375	1,206,375	-	1,206,375
Other financial liabilities		1,009,579	-	1,009,579	1,009,579	-	1,009,579
Provisions		46,000	-	46,000	158,950	-	158,950
Current Liabilities							
Financial Liabilities							
Short term borrowings		-	-	-	-	-	-
Trade Payable		-	-	-	20,662	-	20,662
Other financial liabilities		-	-	-	-	-	-
Other current liabilities		-	-	-	4,494	-	4,494
Short term Provision		50,000	-	50,000	-	-	-
Total Current Liabilities		142,066,600	-	142,066,600	132,919,217	-	132,919,217
Total Equity & Liabilities		143,930,370	-	143,930,370	135,014,152	-	135,014,152
* for the purpose of the above disclosure, figures for the previous GAAP have been reclassified to conform presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act 2013							

GLOBAL STONE INDIA LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018

21.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

PARTICULARS	Reference Explanation	Regrouped IGAAP	Adjustment	Ind AS
Continuing operations				
Revenue from operations		-	-	-
Other Income		-	-	-
Expenses				
Cost of materials consumed		-	-	-
Purchase of Stock-in-Trade		-	-	-
Changes in inventories of Stock-in-Trade		-	-	-
Employees benefits expense		-	-	-
Finance Costs		36,512	-	36,512
Depreciation & Amortisation expenses		-	-	-
Other Expenses		194,653	-	194,653
		231,165	-	231,165
Profit before tax		(231,165)	-	(231,165)
Income tax expenses				
-Current tax		-	-	-
-Deferred tax		-	-	-
Total tax expenses		-	-	-
Profit for the year		(231,165)	-	(231,165)
Other comprehensive income				
A) Items that will not be reclassified to Profit & Loss				
-Fair Value changes in Financial Assets		-	-	-
-Income tax relating to these items		-	-	-
Total comprehensive income for the year		(231,165)	-	(231,165)

* The IGAAP figures have been reclassified to confirm to the Ind AS presentation requirements for the purpose of this note

21.5 Reconciliation of Total Equity as at 31st March 2017 and 1 April 2016

PARTICULARS	Refer Note	As at 31st March 2018	As at 1st April 2016
Other equity as per previous GAAP		(267,855,094)	(267,623,929)
Fair value Adjustments of Financial Assets		80,008,317	79,939,268
Proportionate allocation of Income Tax Expenses		(80,008,317)	(79,939,268)
Other Equity as per Ind AS		(267,855,094)	(267,623,929)

The Equity share capital component of Total Equity has no change from previous GAAP, Hence not considered above

21.6 Impact of the Ind As adoption on the statement of cash flow for the year ended March 31, 2017

PARTICULARS	Refer Note	Regrouped IGAAP	Adjustment	Ind AS
Net cash flow from operating activities		(319,273.00)	-	(319,273.00)
Net cash flow from Investing activities		-	-	-
Net cash flow from financing activities		-	-	-
Net increase/(decrease) in cash and cash equivalents		(319,273.00)	-	(319,273.00)
Cash and cash equivalents as at April 01,2016		1,165,753.00	-	1,165,753.00
Cash and cash equivalents as at March 31,2017		1,048,851.00	-	1,048,851.00

* The GAAP figures have been reclassified to confirm to the Ind AS presentation requirements for the purpose of this note

Note 22 Explanatory Notes to First Time Adoption are as follows:

(a) Fair Valuation of Investments

Under the previous GAAP, investments in equity were classified as long- term investments or current investments or Stock in trade based on the intended holding. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in Trade were carried at lower of cost and fair value.

(b) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

(c) Tax Implications

Tax impact includes deferred tax impact, wherever applicable as per provisions of Ind AS 12 (Income Taxes), on account of difference between previous GAAP and Ind AS.

Note 23 : Contingent Liabilities and Commitments

In accordance with Ind AS 37 the company has no outstanding contingent liabilities and commitments in purview of the mentioned IndAS

GLOBAL STONE INDIA LIMITED	
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018	
NOTE 24:- FINANCIAL RISK MANAGEMENT	
(a) Risk Management Framework	
In the ordinary course of business, the Company is exposed to a different extent to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, price risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.	
(b) Credit Risk	
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in financial instruments.	
The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.	
Trade and Other Receivables	
Credit risk is the risk that a customer may default or not meet its obligations to the company on a timely basis, leading to financial losses to the Company. The management has an advance collection /credit policy criteria in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Before accepting a new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits separately for each individual customer. The gross carrying amount of trade receivables as at 31st March 2018 aggregates NIL (Previous year ended 31st March 2017 NIL) and only insignificant trade receivables are due for more than six months from the reporting date. The Company reviews for any required allowance for impairment that represents its expected credit losses in respect of trade receivables.	
Investments are reviewed for any fair valuation loss on periodically basis and necessary provision/fair valuation adjustments has been made based on the valuation carried by the management to the extent available sources, the management does not expect any investment counterparty to fail to meet its obligations.	
Trade Receivable, Trade Payable, Short Term Borrowings and Short Term Loans and Advances balances are subject to confirmation and reconciliation.	
(c) Liquidity Risk management	
Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.	
Note 25 : Employee Benefits	
Since there were no employees with the Company during the year, no retirement benefits were provided in the books within the purview of Ind AS - 19, 'Employee Benefits'	
Note 26: Valuation of investments in Unquoted shares	
As the intention is to hold the unquoted securities for sale in short term and in absence of flow of periodic data, absence of liquidity and market related data closing stock of unquoted shares are valued at cost.	

GLOBAL STONE INDIA LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018

Note 27. FAIR VALUE MEASUREMENTS**Financial instruments by category**

PARTICULARS	March,31, 2018			March,31, 2017			April, 01, 2016		
	FVOCL	Amortised Cost	Cost	FVOCL	Amortised Cost	Cost	FVOCL	Amortised Cost	Cost
Financial Assets									
Investments	-	-	-	-	-	-	-	-	-
Loans					110,757,756			19,800,000	
Trade Receivable									
Cash and cash equivalents		1,048,851			1,048,851			1,165,753	
Other Current Financial Assets									
Total	-	1,048,851	-	-	111,806,607	-	-	20,965,753	-
Financial Liabilities									
Borrowings									
Trade Payables								20,662	
Other current financial liabilities								4,494	
Total	-	-	-	-	-	-	-	25,156	-

FAIR VALUE HIERARCHY

(a) This section explain the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value. The Company has classified its financial instruments into the three levels prescribed under the accounting standard

Financial assets and liabilities measured at fair value

PARTICULARS	March,31, 2018			March,31, 2017			April, 01, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Investments	-								
Loans						110,757,756			19,800,000
Trade receivable									
Cash and Cash Equivalents			1,048,851			1,048,851			1,165,753
Others Financial assets									
Financial Liabilities									
Short term borrowings									
Trade Payable									20,662
Other financial liabilities									

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All the resulting fair value estimates are included in level 2 or level 3, where the fair value have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Fair value Estimations

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of Ind AS 107 "Financial Instruments:Disclosure". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in a arm's length transaction other than in forced or liquidation sale. As no readily available market exists for a large part of the Company's Financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risk attributable to the instrument. The estimates presented herein are not necessarily indicative of the amount the Company could realise in a market exchange from the sale of its full holding or a particular instrument.

Dividend/Interest-bearing Investments

Fair value is calculate based on discounted expected future principles and interest cash flows. The carrying amount on the Company's investment are valued at fair value on the basis of fair market rate with reference to the investment with similar credit risk level and maturity period at the reporting date.

Trade & other receivable / Payables

The management assessed that Trade Receivables, Cash and Cash equivalents, Bank Balances, Deposits, other non derivative current financial assets, Short term borrowings, Trade payables, Non derivative Current Financial Liabilities approximate their carrying amount largely due to the short-term maturities of these intruments.

Note 1: Significant Accounting Policies**1.1 Basis of Accounting:**

The Financial Statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The financial statements have been prepared and presented in Indian rupees.

1.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.3 Inventory

Inventories are valued at lower of the cost or net realizable value. For this purpose cost includes direct material duties and taxes.

1.4 Revenue Recognition

All expenses and revenue are accounted for on accrual basis except wherever stated otherwise.

1.5 Fixed Assets and Depreciation:

No fixed assets are owned by the company hence not shown in account during the period of audit.

As no fixed asset is owned by the company, hence no depreciation is charged by company during the period of audit.

1.6 Borrowing Costs

Borrowing costs attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.7 Investments

All long term investments are stated at cost, less any diminution in the value, if any, other than temporary.

1.8 Employee Benefits:

Since no remuneration is payable to directors hence no liability for retirement benefits arises and consequently no provision is needed.

1.9 Taxation

i) Current tax is determined as the amount of tax payable in respect of taxable incomes for the year based on applicable tax rates and provisions.

ii) Deferred tax is recognised on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal on one or more subsequent periods and is measured using tax rates that have been enacted or substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realization in future. Deferred tax assets/ liabilities are reviewed on yearly basis to reassess their realization or otherwise.

1.10 Impairment of Assets

The Company identifies Impairable assets based on cash generated unit concept at the year end in terms of paragraphs -impairment of assets Ind AS 36 for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. Impairment loss when crystallizes is charged against revenue of the year.

1.11 Contingent Liabilities

Disputed liabilities and claims against the Company including claims raised by various revenue authorities (e.g. Sales Tax, Income Tax, etc.), pending in appeal/court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes on Accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

1.12 Inventory Valuation

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

1.13 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes on Accounts (Continued)

28. (a) In accordance with Ind AS 37 the company has no outstanding contingent liabilities and commitments in purview of the mentioned Ind AS except as mentioned in point 25 (b) below.

(b) Arrears of preference dividend on 1,500,000, 15% Cumulative Convertible Redeemable Preference Shares of Rs.100 each Rs. 4050 lakhs (Previous Year Cumulative Rs. 3825 lacs)

29. The Company has issued 1,500,000, 15% Cumulative Convertible Redeemable Preference Shares of Rs.100 each on 27th January 2000. The said shares are convertible in to equity shares as decided by the management on or before 26th January 2015 along with the arrears of dividend, if any but not converted yet.

30. In the opinion of the management, the Current Assets and Loans and Advances are realizable at the values stated in the financial statements in the ordinary course of business and adequate provision for all known liabilities has been made in the accounts.

31. No Remuneration was paid / provided in respect of the directors during the current as well as the previous year.

32. Since there were no employees with the Company during the year, no retirement benefits were provided in the books within the purview of Ind AS - 19, 'Employee Benefits'.

33. Computation of Earnings Per Share (Basic and diluted):

Description	Current Year	Previous Year
Amount used as numerator (Profit/Loss) (Rs.)	(461,857)	(231,166)
Denominator (No. of Equity Shares) (Nos.)	12,000,000	12,000,000
Nominal value per Equity share (Rs.)	10	10
Earnings Per Share (Rs.)	(0.04)	(0.02)

34. The provision for the current tax has not been made keeping in view of losses during the year. Further no provision towards deferred tax has been made since there are no timing differences at any time during the year.

35. The Company, in earlier years, has not received advances against various purchase orders for Supply & Commissioning of works.

36. The inventory with this value is lying in the books since long time but no provision of obsolescence is made as the value of inventory is uncertainable.

37. During the year, the Company has complied with the provisions of Sections 177 and 203 of the Companies Act, 2013 in respect of constitution and conduct of various Committees and their meetings and employment of a full-time Company Secretary on its rolls respectively.

38. Details of amounts due to Micro, Small and Medium Enterprises under the head Current liabilities, to be given under the Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company and relied upon by the auditors- Nil (Previous Year - Nil).

39. Related Party Disclosures:

Related party disclosure as required by Ind AS-24 'Related Party Disclosures' is as given below:

Names of the related Parties and description of the relationship:

- | | | |
|-----------------------------------|---|-------------------------------|
| (i) Subsidiary/ Fellow Subsidiary | : | None |
| (ii) Key Management Personnel | : | Mr. K.N Garg
Mr. R.C. Soni |

Mr. K.L. Daga

Mrs. Hiba Shaikh

(iii) Relatives of Key Management : None
Personnel

(iv) Enterprises owned or significantly : STI Products India Ltd.
Influenced by Key management
personnel or their relatives
(Associates)

(Amt Rs. in Lacs)

Closing Balances	Key management Personnel		Associates	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Loans & Advances	-	-	196.62	8.54
Total			196.62	8.54

Note: Related party relationships are identified by the Company and relied upon by the auditors.

40. Auditor's remuneration excluding service tax / GST is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Audit Fees	30,000	30,000
Total	30,000	30,000

41. Other Information

- i) Earnings in Foreign currency on account of export of goods calculated on FOB basis **Nil** (Previous Year - Nil).
- ii) CIF Value of goods imported **NIL** (Previous Year **NIL**).
- iii) Expenditure in Foreign currency: **NIL** (Previous Year - Nil).

42. Even though no manufacturing operations and business activities have been carried out during the year, the accounts of the Company have been prepared on a going concern basis keeping in view the management's active efforts to revive the Company.

43. Balances appearing under Short term loans and advances, long term loans and advances Short term borrowings and other current liabilities are subject to confirmation and consequential reconciliation, if any, from the respective lenders. The effect of which will be considered in the year of such reconciliation.

44. Previous year's figures have been regrouped wherever necessary to conform to that of current year's presentation.

For and on behalf of the Board of Directors

For Global Stone India Limited

Place: Indore

Date: 29th May, 2018

Sd/-
K.N.Garg
Director
DIN:00008402

sd/-
K.L.Daga
Director
DIN:00031920

Attendance Slip

**33rd Annual General Meeting, on 26th September, 2018 at Suite-B, Lakeview Farm
Ramagondanahalli, Varthur, Main Road, Bangalore- 560066**

Regd. Folio No.		* DP ID:	
No. of Equity Shares held		* Client ID:	

Name of the Shareholder	
Name of Proxy	

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 33rd Annual General Meeting of the Company on Wednesday, 26th September, 2018 at **Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road Bangalore-560066**

If Member, please sign here

If Proxy, please sign here

Note: This form should be signed and handed over at the Meeting Venue.

*** Applicable for investors holding shares in electronic form.**

Form No. MGT - 11

Proxy Form

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

CIN L51909KA1985PLC006812
 Name of the company GLOBAL STONE INDIA LIMITED
 Registered Office Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road
 Bangalore-560066

Name of the member(s)	
Registered address	
E-mail Id	
Folio No/Client Id	
DP Id	

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

1. Name _____ E-mail Id _____
 Address _____ Signature _____

or failing him

2. Name _____ E-mail Id _____
 Address _____ Signature _____

or failing him

3. Name _____ E-mail Id _____
 Address _____ Signature _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, 26th September, 2018 at at Suite-B, Lakeview Farm Ramagondanahalli, Varthur Main Road Bangalore-560066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	To consider and adopt the Audited financial statement of the Company for the financial year ended 31st March, 2018, the Reports of the Directors and Auditors thereon.

2	To approve the appointment of Mr. Kailash Narayan Garg, who retires by rotation and, being eligible, seek re-appointment.
3	To approve the appointment of Mr. Kailash Narayan Garg as Managing Director of the Company
4	To regularize the appointment of Mr. Krishnabhavanam Ramachandran Manoj Kumar as Non-executive independent director of the company

Signed this _____ of _____, 2018