GOLDSTONE
TECHNOLOGIES
PEOPLE PROCESS TECHNOLOGY

9-1-83 & 84,
Amarchand Sharma Complex,
S.D. Road, Secunderabad - 500 003,
Telangana, INDIA.
Tele : +91-40-40313285/86/87/88
Fax : +91-40-3912 0023
URL : www.goldstonetech.com
GSTIN: 36AAACG7478F1ZF
CIN : L72200TG1994PLC017211
E-mail Id : corporate@goldstonetech.com

01st October, 2018

To,
The BSE Ltd
National Stock Exchange of India Limited

Dear Sir(s),

Sub: Annual Report u/r 34 (1) of SEBI (LODR) Regulations 2015

Name of the Entity	:	**Goldstone Technologies Ltd.**
Scrip Code on BSE	:	**531439**
Scrip ID on NSE	:	**GOLDTECH**

Pursuant to regulation 34 (1) of the SEBI (LODR) Regulations, 2015, please find the attached the Annual Report of the Company for the Financial Year 2017-18 duly approved and adopted by the members of the Company at 24th Annual General Meeting of the Company held on 28th September, 2018 at 4.30 P.M at Plot No.1 & 9, IDA, Phase -II, Cherlapally, Hyderabad-500 051.

Kindly take on record the same.

Thanking You

Yours faithfully
For **Goldstone Technologies Limited**

GOLDSTONE TECHNOLOGIES LIMITED

Thirumalesh T
Company Secretary

GOLDSTONE
TECHNOLOGIES

Analytics and Business Intelligence

IT Consulting, Off Shore Support & Staffing

Technical Support

24th Annual Report 2017-2018

CONTENTS

CORPORATE INFORMATION

Board of Directors:

Mr. K.S. Sarma, IAS (Retd.)
Mr. V. Venkata Ramana
Ms. Sukhjinder Kaur@
Mr. L.P. Sashikumar
Mr. Clinton Travis Caddell
Mr. Ch. Sudhakar Reddy*
Mr. P.S. Parthasarathy#
Ms. Janaki Kondapi, IAS (Retd.)^

Board Committees

Audit Committee:

Mr. K.S. Sarma, IAS (Retd.)
Mr. V. Venkata Ramana
Ms. Sukhjinder Kaur@
Mr. Clinton Travis Caddell%
Ms. Janaki Kondapi, IAS (Retd.)^

Nomination and Remuneration Committee:

Mr. K.S.Sarma, IAS (Retd.)
Mr V Venkata Ramana
Ms. Sukhjinder Kaur@
Mr. L.P. Sashikumar
Ms. Janaki Kondapi, IAS (Retd.)^

Stakeholders Relationship Committee:

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

Key Managerial Personnel;

Mr.Ch.Sudhakar Reddy;	Managing Director*
Mr. P.S. Parthasarathy;	Managing Director#
Mr. Vithal V S S N K Popuri;	Chief Financial Officer
Mr. Thirumalesh T;	Company Secretary & Compliance Officer$
Ms. Ramyanka Yadav K;	Company Secretary & Compliance Officer**

Statutory Auditors:

M/s. PCN & Associates
Chartered Accountants
(Formerly, Chandra Babu Naidu & Co.,)
Plot No.12, "N" Heights Ground Floor,
Software Layout Unit, Cyberabad,
Hyderabad- 500 081.

Principal Bankers:

Central Bank of India
CITI Bank.

Registrars & Share Transfer Agents:

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

Stock Exchanges where Company's Securities are listed:

BSE Limited
National Stock Exchange of India Limited

Registered Office:

9-1-83 & 84, Amarchand Sharma Complex,
S.D. Road, Secunderabad – 500 003
Telangana, INDIA .
Tel. 91-40-27807640/0742/1910.
Fax No. 040-39120023.
www.goldstonetech.com,
E-Mail: corporate@goldstonetech.com
CIN: L72200TG1994PLC017211

@ Appointed w.e.f. 02.09.2017
* Appointed as Additional Director w.e.f. 07.04.2017 and as Managing Director w.e.f. 27.05.2017
# Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017
^ Resigned w.e.f 30.05.2017
% Ceased to be Member of the Committee in the course of reconstitution dated 13.09.2017.
$ Mr. Thirumalesh T appointed as Company Secretary & Compliance officer w.e.f. 14.02.2018
**Ms. Ramyanka Yadav K terminated as Company Secretary & Compliance officer w.e.f. 13.02.2018.

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of Goldstone Technologies Limited will be held on Friday the 28th day of September, 2018 at 4.30 P.M. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31st, 2018, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Clinton Travis Caddell who retires by rotation and being eligible, offers him-self for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Ms.Sukhjinder Kaur as Director of the Company**

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

   "RESOLVED THAT pursuant to Section 161(4) and all other applicable provisions, if any, of The Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors)Rules, 2014, Ms. Sukhjinder Kaur (DIN:07926721) who was appointed by the Board, in the casual vacancy caused by Ms. Janaki Kondapi, as Independent Director (Non-Executive Category) of the Company from September 2, 2017 to September 26, 2019 and whose appointment as such be and is hereby approved by the members in the General Meeting.

   "**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to perform all such acts and deeds as may be necessary, proper or expedient to give effect to this resolution."

4. **Approval to continue Mr. K S Sarma, as Non-Executive Independent Director.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

   "**RESOLVED THAT** pursuant to Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure requirements) (Amendment) Regulations, 2018, approval of the members of the Company be and is hereby granted to Mr. K S Sarma (DIN: 01505787), who attains the age of 75 years (DOB: 01.07.1944) for continuation of holding of office as Non-Executive Independent Director, up to the expiry of his present term of office i.e., September 26, 2019, on the existing terms and conditions as mentioned in the resolution passed on September 27, 2014."

   "**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to perform all such acts and deeds as may be necessary, proper or expedient to give effect to this resolution."

5. **Fixation of the amount of fee to be paid by the member / shareholder of the Company for delivery of any document through a particular mode**

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

"**RESOLVED THAT** pursuant to Section 20 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, and pursuant to the recommendations of the Stakeholders Relationship Committee and the Board, consent of the members of the Company be and is hereby accorded to collect a sum of Rs.10/- for every single side page from the respective member/ shareholder for service of document (to the extent allowed under The Companies Act, 2013 and all other applicable laws and regulations) to him / her/it in a particular mode as requested."

"**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to perform all such acts and deeds as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD
For GOLDSTONE TECHNOLOGIES LIMITED

Sd/-
Thirumalesh T
Company Secretary

Place: Secunderabad
Date : 13.08.2018

NOTES:-

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 3, 4 & 5 of the Notice, is annexed hereto. The relevant details as required under regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of persons seeking appointment/ re-appointment as Directors under Item No. 2, 3 and 4 of the Notice, are also annexed.

2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company**. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.

6. **The Securities and Exchange Board of India has instructed all the Listed Companies to collect copy of PAN and bank account details of all shareholders holding shares in physical form. Please provide a copy of PAN card and original cancelled cheque leaf / attested bank passbook showing name of account holder either to the Company or the RTA.**

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. The Register of Members and Transfer Books of the Company shall remain closed from 22nd September, 2018 to 28th September, 2018 (both days inclusive) for the purpose of ensuing Annual General Meeting.

9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting

10. The Annual Report of the Company for the year 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Annual Report is also available on the Company's website, viz. www.goldstonetech.com.

11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the e-mail address through the following link; http://www.aarthiconsultants.com/GoGreen.html Please note that as a Member of the Company, you are entitled to receive all such communication in physical form, upon request.

12. **INSTRUCTIONS FOR E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 21st September, 2018 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Tuesday, 25th September, 2018 (09:00 hrs) and will end on Thursday, 27th September, 2018 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

1. The e-voting facility will be available at the link www.evotingindia.com during the voting period.
2. The procedure and instructions for e-voting are as follows:

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

i. The shareholders should log on to the e-voting website www.evotingindia.com.

ii. Click on Shareholders.

iii. Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for the relevant "Goldstone Technologies Limited" on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. **Note for Non – Individual Shareholders and Custodians**

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

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

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

B. In case of members receiving the physical copy of notice of 24th Annual General Meeting (for members whose e-mail ids are not registered with the Company/Depositories):

i. Please follow all the steps from Sl.No. A(i) to Sl.No. (xviii) to cast vote

C. General Instructions:

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 21st September, 2018 (cut off date).

ii. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, then voting done by such member will be treated as invalid.

iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, Mr. Prathap Satla, Practicing Company Secretary having his office at H.No.6-3-1238/15/1, Flat No.301, 3rd Floor, Elite Heights, Somajiguda, Hyderabad-500082 so as to reach on or before the conclusion of the 24th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to cs@goldstonetech.com by mentioning their Folio No. / DP ID and Client ID.

iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.

v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

vi. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll and through e-voting will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.goldstonetech.com and on the website of www.cdslindia.com the results shall simultaneously be communicated to the Stock Exchanges.

vii. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within 48 hours of the conclusion of AGM.

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

ITEM NO. 3

As per section 149 of the Companies Act, 2013 and the Rule 3 and 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 any intermittent vacancy of Woman Director or Independent Director shall be filled up by the Board at the earliest but not later than immediate Board meeting or three months from the date of such vacancy, whichever is later. As per Section 161 (4), if the office of any director appointed by the company in general meeting is vacated before his/her term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board. Further, any person so appointed shall hold office up to the date to which director in whose place he or she is appointed would have held office if it had not been vacated.

Ms. Janaki Kondapi, appointed as an Independent Director of the Company with effect from 13th November, 2015 to 26th September, 2019. However due to pre occupation of Ms. Janaki Kondapi, she had resigned from the position of Director of the Company with effect from 30th May, 2017.

Therefore, in order to comply with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulation,2015 and upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on 02nd September 2017, appointed Mrs. Sukhjinder Kaur, as Non- Executive Independent Director of the Company with effect from 02nd September, 2017 to 26th September, 2019 for the remaining term of Ms. Janaki Kondapi as had she not resigned as the Director of the Company.

None of the Director(s), Key Managerial Personnel or their relatives, except Mrs. Sukhjinder Kaur to whom the resolution relates, is interested or concerned financially or otherwise in the resolution.

ITEM NO. 4

The Shareholders of the Company in their Annual General Meeting held on September 27, 2014 appointed Mr. K S Sarma (DIN: 01505787) as Non-Executive Independent Director, not liable to retire by rotation, for a period of 5 years w.e.f September 27, 2014 to September 26, 2019.

It is relevant to mention that Mr. K S Sarma attains an age of 75 years (Date of Birth: 01.07.1944).

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, a Non-Executive Director of 75 years and above can be continued in his office of directorship only on your approval by way of Special Resolution.

It is worth mentioning that he is a retired IAS officer. During his career he worked in various administrative positions with the Government of Andhra Pradesh and Government of India including various fields like financial management and planning, information and broadcasting and education. He worked in the Ministry of Information and Broad-casting and held additional charges of the Post of Director General, Door darshan.etc. He holds a Masters in Science and Masters in Arts from Andhra University.

He has been active and instrumental in the business affairs of the Company and his association will be valuable and positive, which can be counted upon. It's a proven record that the Company has benefitted from his vast experience and wide knowledge.

Accordingly, the Board recommends the resolution for your approval.

Except Mr. K S Sarma, none of the other Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the said resolution.

ITEM NO: 5

The proviso to Section 20(2) of The Companies Act, 2013 requires that, "a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting."

The Stakeholders Relationship Committee and the Board has recommended to fix a sum of Rs.10/-for every single side page for serving the document to the member in a particular mode as requested by the member / shareholder.

The Board recommends the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the said resolution.

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

Sd/-
Thirumalesh T
Company Secretary

Place: Secunderabad
Date :13.08.2018

Additional information on Directors seeking appointment/re-appointment at the Annual General Meeting as required under Secretarial Standard on General Meeting and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	**Ms. Sukhjinder Kaur**	**Mr. Clinton Travis Caddell**	**Mr. K S Sarma**
Date of Birth	29.09.1947	23.01.1977	01.07.1944
Date of Appointment	02.09.2017	30.05.2012	1. First Appointment was on 30.04.2007 as a director liable to retire by rotation. 2. On 27.09.2014, appointed as an Independent Director of the Company for a term of five years not liable to retire by rotation
No. of shares held (As on 31.03.2018)	Nil	Nil	Nil
Expertise in functional areas	She has an experience of morethan 40 years in the field of media and broadcasting she was a retired Director of Indian Broad-casting Services (Commercial and Marketing) .She has a vast experi-ence in Broadcasting, Administra-tion, Management, Marketing and she has conducted media orienta-tion programs for mother and child care for UNICEF. She is a member of the Committee for reviewing programs and advertising codes under the Cable & TV Networks (Regulation) Act 1995.	Rich experience in the field of Archi-tecture and Design, Networking, Struc-tures, Algorithms, Software, Engineer-ing, Data base, Discrete, Math and Object Oriented programming.	He is a retired IAS officer. During his career he worked in various levels such as Joint Secretary, Special Secretary and Principal Secretary with Govt of Andhra Pradesh be-fore going on deputation to the Government of India. He worked in the Ministry of In-formation and Broad-casting and held addition charges of the Post of Director General, Door darshan etc.,
List of Directorships in Companies (other than Goldstone Technologies Limited) on 31.03.2018	Nil	Nil	Mjunction Services Limited.

Name of the Director	Ms. Sukhjinder Kaur	Mr. Clinton Travis Caddell	Mr. K S Sarma
Chairman/ Member of the Committee of the Board of Directors of Companies (other than Goldstone Technologies Limited) on 31.03.2018	Nil	Nil	M/s. Mjunction Services Limited. Audit Committee: Member Nomination and Remuneration Committee: Chairperson
Relationship between Directors inter-se	No relation with any of the Directors on the Board.	Relative to Mr.L.P.Sashikumar, Director of the Company.	No relation with any of the Directors on the Board.
Details of remuneration saught to be paid and the remuneration last drawn by such person	Refer Corporate Governance Report		
Number of Board Meetings attended during the Financial Year 2017-18	Refer Corporate Governance Report		

Directors' Report

To
The Members
Goldstone Technologies Limited

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company and the Audited Financial Accounts for the year ended on March 31, 2018.

FINANCIAL PERFORMANCE:

The financial performance of the Company for the year ended on March 31, 2018, is summarized as below:

(Rs. In Millions)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	250.86	215.12	356.14	371.70
Total Expenses	237.03	220.00	357.15	389.22
Operating Profit (PBIDT)	23.51	3.62	8.73	(8.93)
Interest	3.16	0.80	3.20	0.84
Depreciation & Amortization expense	3.77	4.02	3.79	4.04
Profit before Tax	16.58	(1.20)	1.74	(13.81)
Current Tax	3.67	0	(2.13)	0.36
Deferred Tax	(11.34)	(13.07)	(11.34)	(13.07)
Profit for the Year	24.25	11.87	15.21	(1.10)
Other Comprehensive Income				
Re-measurement of gains on defined benefit plan	2.16	1.70	2.17	1.70
Income tax effect	(0.60)	(0.56)	(0.60)	(0.56)
Total Comprehensive Income for the Year	25.81	13.01	17.33	(3.82)
Equity Share Capital (1,87,82,066 Shares of Rs 10/- each; Previous year 1,87,82,066 Shares of Rs 10/- each)	187.82	187.82	187.82	187.82
E.P.S (After Prior Period Items) (Rupees)	1.29	0.63	0.81	(0.06)
Net Worth	266.55	240.74	431.59	414.26
Book Value (Face Value of Rs. 10/- each)	14.19	12.82	22.98	22.06

GENERAL REVIEW OF OPERATIONS

During the year under review, your Company has achived a consolidated turnover of Rs.356.14 Million as compared to Rs.371.70 Million for the previous financial year. The Standalone turnover was Rs.250.86 Million as against a turnover of Rs.215.12 Million during the previous year. The

Consolidated Net Profit/(Loss) for the year 2017-18 Rs.15.21 Million in comparison with Net Profit / (Loss) (Rs.1.10) Million during the previous year and the Standalone Net Profit/ (Loss) is Rs.24.25 Million during the year and in comparison with Net Profit / (Loss) Rs.11.87 Million during the previous year.

TRANSFER TO GENERAL RESERVES:

No amount has been transferred to Reserves during the year.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of Business during the year.

DIVIDEND

During the year, the Company does not have adequate profits and hence, your Board has not recommended any dividend for the financial year 2017-18.

SHARE CAPITAL;

The Paid up capital as on 31st March 2018 was Rs.18,78,20,660 (having 1,87,82,066 Equity Shares @Rs 10/- each). During the year under review the company has not issued any shares either to the public or to the promoters. The Company nither issued shares with differential voting rights nor granted stock options/ sweat equity.

As on March 31, 2018, except Mr. L.P. Sashikumar having 757 shares, none of the other Directors of the Company holds shares or convertible instruments of the Company.

ADOPTION OF INDIAN ACCOUNTING STANDARDS:

The company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 from April 1st, 2017 for the preparation and presentation of the financial statements. Consequently, the Financial Statements of the previous year have had to be restated to confirm the provisions of IndAS.

The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 39 to the Standalone Financial Statements and Note 38 to the Consolidate Financial Statements.

CHANGES IN THE DIRECTORS:

During the year under the review the following changes were made.

- Mr. P.S Parthasarathy resigned as Managing Director w.e.f 26th May, 2017 but continued as Non Executive Director of the Company. Later he resigned from the office of Non Executive Directorship w.e.f 31st August, 2017.
- Ms.Janaki Kondapi resigned as Independent Non Executive Director w.e.f 30th May, 2017. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on 02nd September 2017, appointed Mrs. Sukhjinder Kaur, as Non- Executive Independent Director of the Company w.e.f 02nd September, 2017 to 26th September, 2019 i.e., for the remaining term of Ms. Janaki Kondapi.

Mr. Clinton Travis Caddell retires by rotation at the 24th Annual General Meeting and being eligible offers himself for re-appointment.

All Independent directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

KEY MANAGERIAL PERSONNEL:

During the year under the review, the following changes were made:

- Ms. Ramyanka Yadav K, terminated as Company Secretary and Compliance Officer w.e.f. 13.02.2018
- Mr. Thirumalesh T was appointment as Company Secretary and Compliance Officer w.e.f. 14.02.2018

BOARD EVALUATION;

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

REMUNERATION POLICY;

The Board has, on the recommendation of the Nomination & Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel and other employees and their remuneration.

The Nomination and Remuneration Policy and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of this Report.

MEETINGS:

During the year under review, 8 (Eight) Board Meetings, 5 (Five) Audit Committee, 5 (Five) Nomination and Remuneration Committee Meetings, 4 (Four) Stakeholder Relationship Committee Meetings and 1 (One) Independent Directors meeting were convened and held. The details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS;

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had 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;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES AND ASSOCIATES;

As on 31st March 2018 the company have the following two wholly owned subsidiaries;

a) Staytop Systems Inc having its Registered office situated at 9660 Falls of Neuse Rd., Ste. 138 Unit 161, Raleigh, North Carolina, 27615 and

b) Staytop Systems and Software Pvt Ltd having its registered office situated at 9-1-83 & 84, Amarchand Sharma Complex, Sarojini Devi Road, Secunderabad, Telangana - 500003.

Till date Staytop Systems and Software Pvt Ltd have no business operations.

During the year, no further investments were made in the subsidiaries.

Other than the above, no other company has become an Associate or Joint Venture during the year under review.

Further as per the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed a policy on Material Subsidiaries as approved by the Board and the same has been uploaded on the Company's website http://www.goldstonetech.com/investor-corner.php

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures in form AOC-1 is appended as **"Annexure - 1"** to the Board`s report.

CONSOLIDATED FINANCIAL STATEMENTS:

During the year, the Board of Directors ('the Board') reviewed the affairs of the Subsidiaries. In accordance with Section 129 (3) of the Companies Act, 2013 and applicable Accounting Standards we have prepared consolidated financial statements of the Company and its subsidiaries which will form part of the Annual Report.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

DEPOSITS:

The deposits covered under Chapter V of The Companies Act, 2013 were neither accepted during the year nor remained unpaid/unclaimed as at the end of the financial year 2017- 18. As such, there has been no default in repayment of deposits or payment of interest thereon at the beginning or at the end of the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of Sec 135 of Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board.

As your company doesn't fall under the provisions of sec 135 of Companies Act, 2013, hence it is not applicable to company.

INSURANCE:

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

STATUTORY AUDITORS:

Your Company in its Annual General meeting held on 28th September, 2017, pursuant to the provisions of the Section 139 and other applicable provisions of the Companies Act, 2013, appointed M/s. P C N & Associates, {Formerly, M/S. Chandra Babu Naidu & Co} (FRN: 016016S), Chartered Accountants, as Statutory Auditors of the Company to hold office up to the conclusion of 28th Annual General Meeting to be held in the year 2022.

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

The Report of the Auditors for the year ended 31st March, 2018 forming part of this Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS;

Details of Loans, Guarantees and Investments covered under the provisions of Sec 186 of The Companies Act, 2013 are given in Note 29 of Standalone Financial Statements and Note 28 of Consolidated Financial Statements.

RELATED PARTY TRANSACTIONS;

There are no related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

No related parity transactions entered into at arms length basis or not by the company during the year.

Consequently, disclosures in Form AOC-2 pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 are not required.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website http://www.goldstonetech.com/investor-corner.php

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

SECRETARIAL AUDIT AND REPORT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. VCSR & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the Financial Year 2017-18 is annexed herewith as **"Annexure - 2"** to the Board Report.

SECRETARIAL STANDARDS:

The Company complies with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

RISK MANAGEMENT POLICY:

In terms of the requirement Section 134 (3) (n) and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with relevant provisions of the Companies Act 2013, the Company is implementing all measures to mitigate and manage the risk including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

At present the company has not identified any element of risk which may threaten the existence of the company.

CODE OF CONDUCT:

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

PREVENTION OF INSIDER TRADING:

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

i) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders;

ii) Code of Practices & Procedures for fair disclolsure of unpublished price sensitive Information;

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

OTHER POLICIES UNDER SEBI (LODR) REGULATIONS 2015;

The Board has formulated and adopted the following policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

All the above policies are hosted on the website of the Company http://www.goldstonetech.com/investor-corner.php

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As per the provisions of the Section 177 (9) & (10) of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board adopted a Vigil Mechanism called `Whistle Blower Policy' for directors and employees to report to the management /Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of company`s code of conduct or ethics policy.

The Vigil Mechanism provides adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit committee in exceptional cases. Further it has also been uploaded on the Company`s web site: http://www.goldstonetech.com/investor-corner.php

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

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

The Company has complied with the provisions relating to the constitution of Internal Compliants Committee.

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

EXTRACT OF ANNUAL RETURN:

In pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the extract of Annual Return in form MGT-9 is annexed herewith as "**Annexure - 3**" to the Boards' Report.

STOCK EXCHANGE LISTING:

Presently, the Company's Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company confirms that it has paid Annual Listing Fees due to all the Stock Exchanges where the Company's securities are listed for the year 2018-19.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

As per the Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are attached as "**Annexure - 4**" and "**Annexure - 5"** respectively, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance.

MANAGING DIRECTOR AND CFO CERTIFICATION:

As required under the SEBI (LODR) Regulations, 2015, the Managing Director and the CFO Certification is attached to the Corporate Governance Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR i.e., 31.3.2018, TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE BOARD'S REPORT:

There were no material changes and commitments affecting the financial position of the company between the end of the financial year i.e. 31.03.2018 and date of this report.

PARTICULARS OF CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Information on conservation of energy, technology absorption, foreign exchange and outgo as required under sec 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Account) Rules, 2014 is annexed herewith as "**Annexure - 6"**.

PARTICULARS OF EMPLOYEES AND REMUNERATION:

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the Shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company upto the date of the 24th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Manegerial Personnel) Rules, 2014 is given in **Annexure-7** and forms part of this Report.

PERSONNEL:

Personnel relations have remained very cordial during the period.

GOING CONCERN STATUS:

There were no significant and material orders passed by Regulators or Courts or Tribunal impacting the Company's going concern status and / or its future operations.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Sd/-	Sd/-
L P Sashikumar	**Ch.Sudhakar Reddy**
Director	Managing Director
DIN: 00016679	DIN: 02191226

Place: Secunderabad
Date : 13.08.2018

Annexure- 1

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	1	2
1.	**Name of the Subsidiary**	**STAYTOP SYSTEMS, INC.**	**STAYTOP SYSTEMS AND SOFTWARE PVT LTD.,**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2017 to March 2018	April 2017 to March 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :	US$ For Profit & Loss Each US$ is Rs.64.54 & For Balance sheet Each US$ is Rs.65.0746	INR
4.	Share capital	INR 78,090	INR 100,000
5.	Reserves & Surplus	INR 16,51,28,301	NIL
6.	Total Assets	INR 18,17,35,734	INR 100,000
7.	Total Liabilities	INR 18,17,35,734	INR 100,000
8.	Investments	NIL	NIL
9.	Turnover	INR 10,93,11,120	NIL
10.	Profit/(Loss) before taxation	INR (1,48,32,404)	NIL
11.	Provision for taxation	INR (57,97,376)	NIL
12.	Profit/(Loss) after taxation	INR (90,35,028)	NIL
13.	Proposed Dividend	NIL	NIL
14.	% of Shareholding	100%	100%

Names of Subsidiaries which are yet to commence operations : Staytop Systems and Software Pvt. Ltd.

Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B": Associates and Joint Ventures-NIL

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**- Not Applicable**

Annexure-2

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To
The Members
GOLDSTONE TECHNOLOGIES LIMITED
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. GOLDSTONE TECHNOLOGIES LIMITED (herein 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information 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 March 31, 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 the Company for the financial year ended on March 31, 2018 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;

II. The Securities Contract (Regulation) Act, 1956 ('SCRA") and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

V. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (as amended upto 2011);

   c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period)

   d. 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; (Not Applicable to the Company during the Audit Period)

Other Laws applicable specifically to the Company namely:

1. Information Technology Act, 2005 and the Rules made there under,
2. Software Technology Parks of India Rules made there under,
3. The Trade Marks Act, 1999.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Company has complied with the clauses of Equity Listing Agreements entered into with Stock Exchanges.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out incompliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least Seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

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 during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For VCSR & Associates
Company Secretaries

Sd/-
(Ch. Veeranjaneyulu)
Partner
CP No. 6392

Place: Hyderabad
Date: 10.08.2018

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

(Annexure)

To
The Members
GOLDSTONE TECHNOLOGIES LIMITED
Hyderabad.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, were followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VCSR & Associates
Company Secretaries

Sd/-
(Ch. Veeranjaneyulu)
Partner
CP No. 6392

Place: Hyderabad
Date: 10.08.2018

GOLDSTONE TECHNOLOGIES

Annexure-3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

of

GOLDSTONE TECHNOLOGIES LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200TG1994PLC017211
Registration Date	18th March 1994
Name of the Company	Goldstone Technologies Limited
Category / Sub-Category of the Company	Public Limited / Limited by Shares
Address of the Registered Office and contact details	9-1-83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad 500003 Phone No : 040 27807640/0742 Fax No : 040 39120023 Email Id : cs@goldstonetech.net Website : www. goldstonetech.com
Whether listed company	Yes BSE Limited National Stock Exchange of India Limited
Name, Address and contact details of Registrar & Transfer Agents (RTA)	Aarthi Consultants Private Limited 1-2-285, Domalaguda, Hyderabad 500 029 Phone No: 040-27638111/4445 Fax: 040-27632184 E-mail id : info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / services	% to total turnover of the company
A.	**Standalone Turnover**		
1.	Information Technologies and enabled services	62099	76.51%
2.	Software License	62091	23.49%
B.	**Consolidated Turnover**		
1.	Information Technologies and enabled services	62099	83.24%
2.	Software License	62091	16.76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. N0	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Appli-cable Section
1.	Staytop Systems Inc. Address; 9660 Falls of Neuse Rd., Ste. 138 Unit 161, Raleigh, North Carolina, 27615	EIN 77-0472088	Subsidiary	100%	2 (87) (ii)
2.	Staytop Systems and Software Pvt Ltd Address; 9-1- 83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad 500003	U72200TG 2008PTC060684	Subsidiary	100%	2 (87) (ii)

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

Category of shareholders	No of shares held at the beginning of the year i.e. as on 01-04-2017				No of shares held at the end of the year i.e. as on 31-03-2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoter									
(1)Indian									
a. Individual/HUF	1,14,281	0	1,14,281	0.61	1,14,281	0	1,14,281	0.61	0
b. Central Govnment	0	0	0	0	0	0	0	0	0
c. State Government	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	34,19,872	0	34,19,872	18.21	34,19,872	0	34,19,872	18.21	0
e. Banks /FI	0	0	0	0					
f. Any others	0	0	0	0	0	0	0	0	0
Sub-Totals (A)	35,34,153	0	35,34,153	18.82	35,34,153	0	35,34,153	18.82	0
2. Foreign									
a.NRIs Individuals	0	0	0	0	0	0	0	0	0
b.Other individuals	0	0	0	0	0	0	0	0	0
c.Bodies Corporate	0	0	0	0	0	0	0	0	0
d.Banks/Fiis	0	0	0	0	0	0	0	0	0
e.Any Others	0	0	0	0	0	0	0	0	0
Sub Totals (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	35,34,153	0	35,34,153	18.82	35,34,153	0	35,34,153	18.82	0
(B) Public Shareholding									
(1) Institutions									
a. Mutual Funds/ UTI	0	1,700	1,700	0.01	0	1,700	1,700	0.01	0

Category of shareholders	No of shares held at the beginning of the year i.e. as on 01-04-2017				No of shares held at the end of the year i.e. as on 31-03-2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b. Banks/Financial Institutions	2,900	0	2,900	0.02	2,900	0	2,900	0.02	0
c.Central Govt	0	0	0	0	0	0	0	0	0
d.State Govt	0	0	0	0	0	0	0	0	0
e.Venture Capital Funds	0	0	0	0	0	0	0	0	0
h.Foreign institutional investors	0	0	0	0	0	0	0	0	0
g.Insurance Companies	0	0	0	0	0	0	0	0	0
h.Foreign Ventures Capital Investors	0	0	0	0	0	0	0	0	0
i.Other (Specify)	0	0	0	0	0	0	0	0	0
Subtotal B (1)	2,900	1,700	4,600	0.03	2,900	1,700	4,600	0.03	0
(2) Non-Institutions									
a.Bodies Corporates									
i.Indian	27,71,728	9,500	27,81,228	14.81	27,20,862	9500	27,30,362	14.54	(0.27)
ii.Overseas	0	0	0	0	0		0	0	0
b. Individuals									
i.Individual shareholding nominal share Capital upto Rs 1 lakh	55,06,843	1,69,259	56,76,102	30.22	55,44,969	1,64,959	57,09,928	30.40	0.18
ii. Individual shareholding nominal share Capital excess of Rs 1 lakh	55,63,380	0	55,63,380	29.62	56,18,736	0	56,18,736	29.92	0.30
c. others (NBFC registered with RBI	650	0	650	0	27,500	0	27,500	0.15	0.15
Foreign Bodies	0	0	0	0	0	0	0	0	0
Non- resident Indian	6,49,151	1,20,800	7,69,951	4.10	6,57,481	1,20,800	7,78,281	4.15	0.05
Clearing members	4,51,902	0	4,51,902	2.41	3,78,406	0	3,78,406	2.01	(0.4)
Trusts	100	0	100	0	100	0	100	0	0
SUB totals B(2)	1,49,43,754	2,99,559	1,52,43,313	81.16	1,49,48,054	2,95,259	1,52,43,313	81.16	0
Total Public shareholding									
(B)=B(1)+B(2)	1,49,46,654	3,01,259	1,52,47,913	81.18	1,49,50,954	2,96,959	1,52,47,913	81.18	0
c. Share held by Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,84,80,807	3,01,259	1,87,82,066	100.00	1,84,85,107	2,96,959	1,87,82,066	100.00	0

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in share during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	M/s Trinity Infraventures Limited	34,19,872	18.21	0	34,19,872	18.21	0	0
2.	Mrs. L Preetha Priyadarshini	1,13,524	0.60	0	1,13,524	0.60	0	0
3.	Mr. L P Sashikumar	757	0.00	0	757	0.00	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name of the Promoter	Change in %
1.	Trinity Infraventures Limited	Nil
2.	Mrs. L Preetha Priyadarshini	Nil
3.	Mr. L P Sashikumar	Nil

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

Sl No	Name of the Shareholders	Shareholder at the beginning of the year as on 1.4.2017		Shareholder at the end of the year as on 31.03.2018		Change in Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	Newtech Stewing Precision Engineering Pvt Ltd	9,20,762	4.90	9,20,762	4.90	0	0
2.	Velvet Infratech Pvt Ltd	5,60,000	2.98	5,60,000	2.98	0	0
3.	Kunal M Dalal	5,07,000	2.69	5,07,000	2.69	0	0
4.	Moturu Chandra Sekhar	4,17,974	2.22	4,17,974	2.22	0	0
5.	Arcadia Share & Stock Brokers Pvt Ltd	3,02,514	1.61	3,02,514	1.61	(850)	0.00
6.	MVS Ananthakrishnan	2,95,400	1.30	2,95,400	1.30	0	0
7.	Bull Investments (Madras) Pvt Ltd^	2,32,970	1.24	2,32,970	1.24	0	0
8.	Santosh Vijay Vargiya	3,15,000	1.67	2,25,000	1.20	(90,000)	(0.47)
9.	Khande Pitchaiah	2,02,518	1.08	2,02,518	1.08	0	0
10.	Mahalakshmi Khande	1,72,693	0.92	1,72,963	1.08	29,825	0.16
11.	Hemkumar Duvvuru*	2,02,000	1.07	0	0	2,02,000	1.07

^ Not in the List of Top 10 Shareholders as on 01.04.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2018

* Ceased to be in the List of Top 10 Shareholders as on 31.03.2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2017

v) Shareholding of Directors and Key Managerial Personnel:

The details of the shareholding of **Directors and Key Managerial Persons** of the Company are as under.

Sl. No.	For Each of the Directors	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
A	**DIRECTORS**							
1.	Mr. K S Sarma	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
2.	Mr.V.Venkata Ramana	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
3.	Mr. Clinton Travis Caddell	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
4.	Mr. L P Sashikumar	757	0	01.04.2017 31.03.2018	Nil	NA	757	0
5.	#Ms. Janaki Kondapi	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
6.	~Ms. Sukhjinder Kaur	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
B.	**KEY MANAGERIAL PERSONNEL (KMP)**							
1.	* Mr. P.S. Parthasarathy	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
2.	^Mr. Ch. Sudhakar Reddy	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
3.	@Ms. Ramyanka Yadav K	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
4.	$Mr. Thirumalesh T	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA
5.	Mr. Vithal VSSNK Popuri	Nil	NA	01.04.2017 31.03.2018	Nil	NA	Nil	NA

resigned as Independent Director w.e.f. 30.05.2017

~ Appointed as Independent Director w.e.f. 02.09.2017

* Resigned from the office of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

^ Appointed as Additional Director w.e.f. 07.04.2017 and Managing Director w.e.f. 27.05.2017

@ Ms. Ramyanka Yadav K terminated as Company Secretary w.e.f 13.02.2018

$ Mr. Thirumalesh T was appointed as a Company Secretary w.e.f. 14.02.2018

V. INDEBTEDNESS

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

Rs. In Millions

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	14.07 0.00 0.00	117.39 0.00 0.00	0.00 0.00 0.00	131.46 0.00 0.00
Total (i+ii+iii)	14.07	117.39	0.00	131.46
Change in Indebtedness during the financial year · Addition · Reduction	7.56 0.77	0.00 75.46	0.00 0.00	7.56 76.23
Net Increase/(Decrease)	6.79	(75.46)	0.00	(68.67)
Indebtedness at the end of the financial year Principal Amount Interest due but not paid Interest accrued but not due	20.86 0.00 0.00	41.93 0.00 0.00	0.00 0.00 0.00	62.79 0.00 0.00
Total (i+ii+iii)	**20.86**	**41.93**	**0.00**	**62.79**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. In Millions

Sl. No	Particulars of Remuneration	Name of MD		Total Amount
		Mr. P.S. Parthasarathy (resigned w.e.f. 26.05.2017)	Mr. Ch.Sudhakar Reddy (Appointed w.e.f. 27.05.2017)	
1.	Gross salary (P.A) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	0.36	0.00	0.36
2.	Stock Option	--		--
3.	Sweat Equity	--		--

4.	Commission - as % of profit - others, specify…	--		--
5.	Others, please specify – Employer's PF Contrinutions	0.01	0.00	0.01
	(A) Total Remuneration Fixed	2.42	0.00	2.42
	(B) Total Remuneration Paid	0.37	0.00	0.37
	Ceiling as per the Act			

B. Remuneration to other directors: Rs.In Millions

Sl. No.	Particulars of Remuneration	Name of the Independent Director				Name of Non Executive & Non Independent Director			Total Amount
1.	Directors	Mr.K S Sarma	Mr.V V Ramana	# Ms.Janaki Kondapi	~ Ms. Sukhjinder Kaur	Mr.L.P.Sashi kumar	Mr.Clinton Travis Caddell	*Mr.Ch Sudhakar Reddy	
	· Fee for attending board / committee meetings · Commission · Others, please specify	0.225	0.27	0.075	0.12	0.18	0	0.015	0.885
	Total	0.225	0.27	0.075	0.12	0.18	0	0.015	0.885
	Overall Ceiling as per the Act	A company may pay a sitting fee to a director that shall not exceed Rs. 1 Lakh per meeting of the Board or committee							

resigned as Director w.e.f. 30.05.2017

~ Appointed as Director w.e.f. 02.09.2017

* Appointed as Director w.e.f. 07.04.2017 and as Managing Director w.e.f. 27 .05.2017. The Company has paid sitting fee when he was a Director.

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager/Whole-time Director

Rs. In Millions

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS		CFO	Total
			Ms. Ramyanka Yadav K (terminated w.e.f. 13.02.2018	Mr. Thirumalesh T (Appointed w.e.f. 14.02.2018)	Mr. Vithal VSS NK Popuri	
1	Gross salary (P.A) a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	0.28	0.17	2.80	3.25

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS		CFO	Total
			Ms. Ramyanka Yadav K (terminated w.e.f. 13.02.2018	Mr. Thirumalesh T (Appointed w.e.f. 14.02.2018)	Mr. Vithal VSS NK Popuri	
2	Stock Option	--	0.00	0.00	0.00	0.00
3	Sweat Equity	--	0.00	0.00	0.00	0.00
4	Commission - as % of profit - Others, specify…	--	0.00	0.00	0.00	0.00
5	Others, please specify (employer's Contribution to EPF)	--	0.01	0.01	0.02	0.04
	Total Remuneration Fixed	--	0.29	0.18	2.82	3.29
	Total Remuneration Paid	--	0.29	0.18	2.82	3.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - 4

CORPORATE GOVERNANCE

1. Company's Philosophy;

Your Company is committed to the highest standards of corporate governance. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built high standards of ethics, transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

Your Company aims to achieve the objective of enhancing the shareholders' value by ensuring effective relationship with stakeholders and protecting their interests. The Company believes that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders which will bring sustained corporate growth and long term benefit to all.

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

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

2. Board of Directors

a) Composition and category of Directors

The Board of Goldstone Technologies Limited comprises of Six (6) Directors as on the date of this report. To ensure transparent and professional conduct of board procedures in all aspects and related thereto 3 out of 6 Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Constitution of the Board is as follows:

Sl. No.	Name of the Director	Category & Designation
1.	Mr. K S Sarma	Non-Executive Independent Director
2.	Mr. V. Venkata Ramana	Non-Executive Independent Director
3.	~Ms. Sukhjinder Kaur	Non-Executive Independent Director
4.	Mr. L.P. Sashikumar	Promoter & Non-Executive Director
5.	Mr. Clinton Travis Caddell	Promoter & Non-Executive Director
6.	@Mr. Ch. Sudhakar Reddy	Executive & Managing Director
7.	*Mr.P.S.Parthasarathy	Promoter & Managing Director
8.	^Ms. Janaki Kondapi	Non-Executive Independent Director

~ Appointed as Director w.e.f. 02.09.2017

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017

* Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

^ resigned as Director w.e.f. 30.05.2017

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

b) Attendance of each Director at the Board Meetings and the last AGM

The table hereunder gives the attendance record of the Directors at the eight (8) Board Meetings held during the year 2017-18 and the last Annual General Meeting (AGM) held on 28th September 2017:

Name of the Director	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last AGM
Mr. K S Sarma	8	7	Yes
Mr. V. Venkata Ramana	8	8	No
~Ms. Sukhjinder Kaur	4	4	No
Mr. L.P. Sashikumar	8	7	Yes
Mr. Clinton Travis Caddell	8	2	No
@Mr. Ch. Sudhakar Reddy	7	5	Yes
*Mr.P.S.Parthasarathy	3	3	NA
^Ms. Janaki Kondapi	2	2	NA

~ Appointed as Director w.e.f. 02.09.2017

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017

* Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

^ resigned as Director w.e.f. 30.05.2017

c) Number of other Boards or Board Committees in which he/she is a member or Chairperson

Name of the Director	Number of Other Directorships%	Number of Other Board, Committees$	
		Chairmanship	Membership
Mr. K S Sarma	1	Nil	1
Mr. V. Venkata Ramana	Nil	Nil	Nil
~Ms. Sukhjinder Kaur	Nil	Nil	Nil
Mr. L.P. Sashi Kumar	Nil	Nil	Nil
Mr. Clinton Travis Caddell	Nil	Nil	Nil
@Mr. Ch. Sudhakar Reddy	Nil	Nil	Nil
*Mr.P.S.Parthasarathy	3	Nil	Nil
^Ms. Janaki Kondapi	Nil	Nil	Nil

% Excluding Goldstone Technologies Limited, Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

$ Only Audit Committee and Stakeholders' Relationship Committee are considered as per Regulation 26 of SEBI (LODR) Regulations, 2015.

~ Appointed as Director w.e.f. 02.09.2017

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017

* Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

^ resigned as Director w.e.f. 30.05.2017

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees as specified in Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 across all the Companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

d) Number of Board Meetings held, dates on which held

During the Financial Year 2017-18, the Board of Directors met 8 (Eight) times on the following dates:

07th April 2017, 25th May 2017, 31st August 2017, 02nd September 2017, 13th September 2017, 13th December 2017, 14th February 2018 and 08th March 2018.

The maximum gap between any of the two consecutive meetings did not exceed 120 days.

e) There are no Inter-Se relationships between the Board Members except Mr.L.P.Sashikumar and Mr. Clinton Travis Caddell who hold near relationship.

f) Shares held by Non- Executive Directors

S. No.	Name of the Director	Number of Equity Shares
1.	Mr.K.S.Sarma	Nil
2.	Mr.V Venkata Ramana	Nil
3.	^Ms. Janaki Kondapi (Resigned w.e.f 30.05.2017)	Nil
4.	Clinton Travis Caddell	Nil
5.	Mr. L.P. SashiKumar	757
6.	*Ms. Sukhjinder Kaur (Appointed w.e.f 02.09.2017)	Nil

g) The letter(s) of appointment of the above Independent Directors and the details of the familiarization programmes imparted to the Independent Directors are disclosed on the website of the company i.e. www.goldstonetech.com

3. Audit Committee:

a) Brief description of terms of reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee as contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 177 of the Companies Act, 2013, are as follows:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient & credible;

b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fees and also approval for payment for any other services;

c. Reviewing with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:

    i. Matters required to be included in the Directors responsibility statement to be included in the Directors Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    ii. Changes, if any, in accounting policies and practices and reasons for the same;

    iii. Major accounting entries involving estimates based on the exercise of judgment by management;

    iv. Qualifications in draft audit report;

    v. Significant adjustments made in the financial statements arising out of audit findings;

    vi. The going concern assumption;

    vii. Compliance with accounting standards;

    viii. Compliance with stock exchange and legal requirements concerning financial statements; and,

    ix. Disclosure of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

e. Reviewing with the management, performance of statutory and internal auditors, the adequacy and compliance of internal control systems;

f. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

g. Discussion with internal auditors any significant findings and follow up thereon;

h. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

i. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

j. Reviewing the Company's financial and risk management policies;

k. Review of information by Audit Committee:

    i. Management Discussion & Analysis of financial condition and results of operations;

    ii. Statement of significant related party transactions submitted by the management;

    iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;

    iv. Internal audit reports relating to internal control weaknesses;

    v. The appointment, removal and terms of remuneration of the chief internal auditor.

l. review and monitor the auditor's independence and performance, and

m. effectiveness of audit process;

n. examination of the financial statement and the auditors' report thereon;

o. approval or any subsequent modification of transactions of the company with related parties;

p. scrutiny of inter-corporate loans and investments;

q. valuation of undertakings or assets of the company, wherever it is necessary;

r. evaluation of internal financial controls and risk management systems;

s. monitoring the end use of funds raised through public offers and related matters.

t. Examine the reasons for substantial defaults in the payment to the depositors, Members (in case of non-payment of declared dividends) and creditors.

u. Reviewing the functioning of whistle blower mechanism, in case the same exists.

v. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate.

w. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

b) The composition of the Audit Committee and particulars of meetings attended by the members are as follows:

The Audit Committee consists of 3 (Three) Directors as on 31.03.2018. All of them are Independent Directors. Accordingly, the Composition of the Audit Committee is in conformity with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Designation	No. of meetings held	No. of meetings attended
Mr. K S Sarma	Chairperson	5	4
Mr. V. Venkata Ramana	Member	5	5
*Ms. Sukhjinder Kaur	Member	2	2
#Mr. Clinton Travis Caddell	Member	3	1
^Ms.Janaki Kondapi	Member	1	1

* Became member of the Committee on 13.09.2017

\# ceased to be member of the committee in the course of reconstitution dated 13.09.2017

^ Became member of the Committee on 14.02.2017 and resigned w.e.f. 30.05.2017

c) The Audit Committee was reconstituted on 13.09.2017 by inducting Ms. Sukhjinder Kaur as a member and Mr. Clinton Travis Caddell, Ms.Janaki Kondapi ceased to be the members of the Committee

d) Five Committee meetings were held during the year 25th May 2017, 31st August 2017, 13th September 2017, 13th December 2017, 14th February 2018. The necessary quorum was present at all meetings.

4. Nomination and Remuneration Committee;

a) Brief description of terms of reference

The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee as contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Sub Section (1) of Section 178 of the Companies Act 2013, are as follows;

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

b) The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members are as follows:

The Nomination and Remuneration Committee consists of Four (4) Directors as on 31.03.2018, out of which Three (3) are Independent Directors.

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. K S Sarma	Chairperson	5	4
Mr. V. Venkata Ramana	Member	5	5
*Mrs. Sukhjinder Kaur	Member	1	1
^Ms.Janaki Kondapi	Member	2	2
Mr. L.P.Sashikumar	Member	5	4

* Became member of the Committee on 13.09.2017

^ Became member of the Committee on 12.08.2016 and resigned w.e.f. 30.05.2017

c) The Nomination and Remuneration Committee was reconstituted on 13.09.2017 by inducting Ms. Sukhjinder Kaur as a member and Mr. Ms.Janaki Kondapi ceased to be the member of the Committee

d) Five Committee meetings were held during the year ended 31st March, 2018 i.e. on 07th April 2017, 25th May 2017, 31st August 2017, 02nd September 2017, 13th December 2017. The necessary quorum was present at all meetings.

e) Evaluation:

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

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

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

i) Separate Meeting of Independent Directors:

The Independent directors of the Company at its meeting held on 08th March 2018

(a) reviewed the performance of the non-independent directors and Board,

(b) reviewed the performance of the Chairperson of the Company and

(c) assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

All the Independent Directors as on 08th March 2018 attended the meeting.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the company etc., and the evaluation was made. The Members of the Committee evaluated all the directors. The Independent Directors decided that since the performance of the Non-Independent Directors (including Managing Director) is good, the term of their appointment be continued.

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

ii) Evaluation by Board:

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

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

iii) Familiarization Programme for Independent Directors;

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

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

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

- Companies Act 2013 viz. Related Party Transactions and its impact on the Company's Operations etc.
- SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. - Applicability of the Indian Accounting Standards (IAS) etc.

iv) Board Diversity:

Pursuant to the relevant provisions of the Companies Act, 2013 and regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has framed a policy which is available on the Company's website at http://www.goldstonetech.com/investor-corner.php on Board diversity pursuant to that devised policy of the company is having optimum combination of Directors from the different areas / fields like Productions, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. Further Board consists of three independent directors having vast experience in different areas including finance including a woman director,

5. Remuneration of Directors

a) There are no pecuniary transactions with any non-executive director of the Company.

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

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

Criteria of selection of Non Executive Directors

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

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

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

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

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

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

c) Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings. Commission may be paid with in monitoring limit approved by the shareholders subject to the limit not exceeding 1% of the profits of the Company computed as per applicable provisions of the Act.

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

Non-Executive Directors are paid sitting fee for attending the Board and Committee meetings.

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

CEO & Managing Director - Criteria for selection / appointment

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

Remuneration for the CEO & Managing Director

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

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

The remuneration of the Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

Remuneration Policy for the Senior Management Employees]

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

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

Remuneration Policy

The remuneration policy is to pay compensation and benefits adequately, so as to attract, motivate and retain talent. The Company follows a compensation of fixed pay. Performance of the individuals measured through the annual appraisal process. There was no Employee Stock Option Scheme during the financial year ended March 31, 2018.

Details of Remuneration and other terms of appointment of Directors

All Directors except Managing Director are the Non-Executive Directors

(NEDs), they are paid sitting fees for attending either Board or its Committee meetings except Shareholders/Investors' Grievance Committee Meeting. The Company reimburses the out of pocket expenses incurred by the Directors for attending meetings.

Shareholdings of the Directors in the Company as on March 31, 2018:

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

Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2017-18:

(In Rupees)

Name of the Director	Category	Sitting fee	Salary	Benefits	Total
Mr. K S Sarma	Independent Director	2,25,000	-	-	2,25,000
Mr. V Venkata Ramana	Independent Director	2,70,000	-	-	2,70,000
*Ms. Sukhjinder Kaur	Independent Director	1,20,000	-	-	1,20,000
Mr. L P Sashikumar	Promoter & Non-Executive Director	1,80,000	-	-	1,80,000
Mr.Clinton Travis Caddell	Promoter & Non-Executive Director	0	-	-	
@Mr.Ch. Sudhakar Reddy	Managing Director	15,000	-	-	15,000
#Mr.P.S.Parthasatathy	Promoter & Managing Director	0	3,60,000	10,000	3,70,000
^Ms.Janaki Kondapi	Independent Director	75,000	-	-	75,000

* Appointed w.e.f 02.09.2017.

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017.

\# Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017.

^ Resigned w.e.f 30.05.2017.

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

There was no Employee Stock Option Scheme during the financial year ended 31st March, 2018.

6. Stakeholders Relationship Committee:

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

i. The Stakeholders Relationship Committee of the Company consists of Three (3) directors as on 31.03.2018, two of whom are Independent Directors.

ii. The Composition of the Stakeholders Relationship Committee and the number of meetings attended by its members is given below.

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. K S Sarma	Chairperson	4	3
Mr. V Venkata Ramana	Member	4	4
Mr. L P Sashikumar	Member	4	3
^Ms.Janaki Kondapi	Member	1	1

^ Became a member of the Committee on 12.08.2016 and resigned w.e.f. 30.05.2017

iii. Four Stakeholders Relationship Committee Meetings were held during the year ended 25th May 2017, 31st August 2017, 13th December 2017, 14th February 2018. The necessary quorum was present at all meetings.

iv. Details of investor complaints received and redressed during the year 2016- 17 are as follows.

Opening Balance	Received during the Year	Resolved during the Year	Closing Balance
Nil	2	2	Nil

v. Name and Designation of Compliance Officer Mr. Thirumalesh T, Company Secretary & Compliance Officer

7. General Body Meetings

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

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

Year	No. of Meeting	Day, Date and Time of the Meeting
2016-17	23rd AGM	Thursday, September 28 2017 at 4:30 P.M.
2015-16	22nd AGM	Friday, September 30, 2016 at 3.00 P.M
2014-15	21st AGM	Tuesday , September 29, 2015 at 03.00 P.M

ii) During the previous three Annual General Meetings of the Company, Special Resolutions were passed as specified below.

No. of AGM	Item on which special resolution was passed
23rd AGM (2016-17)	NIL
22nd AGM (2015-16)	NIL
21st AGM (2014-15)	Yes - Appointment of Mr.P.S.Parthasarathy as the Managing Director of the Company for a period of Two (2) Years

iii) Resolutions passed during the year through Postal Ballot: **NIL**

8. Means of Communication

a) Quarterly results:

The quarterly Unaudited and the Annual Audited Financial Results as approved and taken on record are immediately intimated to the stock exchanges, where the equity shares of the Company are listed.

b) Newspapers wherein results normally published:

These financial results are normally published in the Financial Express (National Newspaper) and Nava Telangana (Regional Newspaper).

c) Any website, where displayed:

Quarterly/Half Yearly / Annual Audited Results, Annual Reports, Investor information, Policies etc are displayed on the Company's website www.goldstonetech.com under the Investors section.

d) **Whether it also displays official news releases:** No

e) **Presentations made to institutional investors or to the analysts :** Nil

9. General Information for Shareholders

a) Annual General Meeting will be held on Friday, the 28th day of September, 2018 at 4.30 P.M. at Plot No. 1 & 9 IDA, Phase II, Cherlapally, Hyderabad – 500 051.

b) Financial Year (F.Y): 1st April to 31st March.

c) Dividend Payment date: Not Applicable

d) Dates of Book Closure will be from 22nd September 2018 to 28th September, 2018(both days inclusive).

e) Listing on Stock Exchanges:

Stock Exchange	Address	Security Id / Symbol	Scrip Code	ISIN
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	GOLDTECH	531439	INE805A01014
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai-400 051	GOLDTECH	NA	

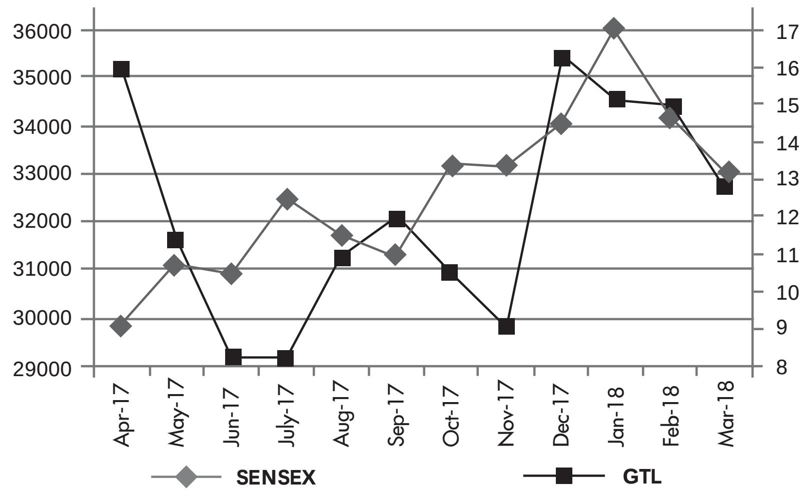
The Annual Listing Fee for the FY 2018-19 were paid to both the Stock Exchanges.

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

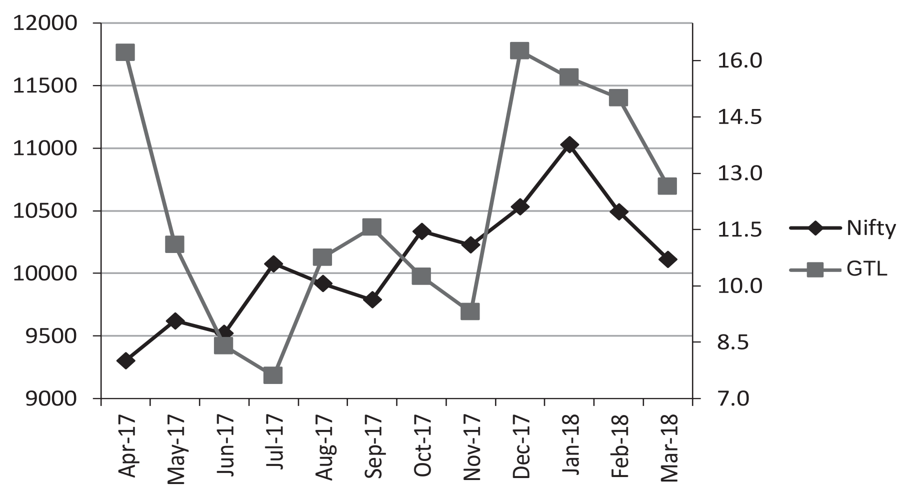
2017-18	BSE			NSE		
Month	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
Apr, 17	18.55	10.64	7,51,834	18.25	10.65	3,10,905
May, 17	16.80	11.35	5,13,382	16.50	11.10	2,75,795
June, 17	10.79	7.20	8,02,865	10.55	7.15	6,22,230
July, 17	8.80	7.61	76,253	8.75	7.40	2,01,638
Aug, 17	12.65	8.00	5,48,889	12.60	7.95	4,23,216
Sep, 17	15.54	10.81	3,63,206	15.50	10.40	3,14,323
Oct, 17	13.50	9.90	1,62,871	13.60	9.60	1,62,659
Nov, 17	10.70	8.55	1,58,091	10.65	8.65	1,74,708
Dec, 17	16.23	9.06	8,50,298	16.25	8.60	6,90,175
Jan, 18	19.65	13.95	6,59,473	20.00	13.70	10,55,982
Feb, 18	16.70	13.25	1,61,632	16.50	12.80	3,03,338
Mar, 18	15.65	11.70	1,37,132	15.65	11.80	1,74,724

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

GTL Share price performance against Sensex



GTL Share price performance against Nifty



h) Registrar and Transfer Agents:

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

i) Share Transfer System:

Trading of equity shares on BSE and NSE is permitted only in dematerialized form. The Company's Registrar and Transfer Agent is the common agency to look after physical and Demat share work. The shares lodged for transfer at the registrar are processed and returned to shareholders within the stipulated time.

j) Distribution of Shareholding as on March 31, 2018:

i) **According to Category of Shareholders**

Category	No. of Shareholder		No. of Shares	
	Total	%	Total	%
1 – 5000	7448	75.04	12,34,535	6.57
5001 – 10000	1,047	10.55	9,03,081	4.81
10000 – 20000	576	5.80	9,10,157	4.85
20000 – 30000	243	2.45	6,32,290	3.37
30001 – 40000	116	1.17	4,12,353	2.20
40001 – 50000	118	1.19	5,61,354	2.99
50001 – 100000	203	2.05	15,18,596	8.09
100001 and above	174	1.75	1,26,09,700	67.14
TOTAL	9,925	100.00	1,87,82,066	100.00

ii) **According to number of equity shares held:**

Category	No. of shares	% to share capital
Promoters	35,34,153	18.82
Mutual Funds and UTI	1,700	0.01
Insurance Companies	0	0
Banks	2,900	0.02
FIIs	0	0
Private Corporate Bodies	27,30,362	14.54
Indian Public	1,13,28,664	60.31
NRIs / OCBs	7,78,281	4.14
Trust	100	0.00
Clearing Members	378406	2.01
NBFC	27,500	0.15
Grand Total	**1,87,82,066**	**100.00**

k) Dematerialization of shares and liquidity:

1,84,72,607 Equity Shares representing 98.35 % of the company's share capital are dematerialized as on March 31, 2018.

The Securities and Exchange Board of India has mandated that shares which are lodged for transfer are mandatorily be in dematerialized form with effect from December 5, 2018. Hence, we request shareholders whose shares are in the physical mode to dematerialize their shares before December 5, 2018 and update their bank details with the respective depository participants to enable us to provide better service

The particulars of dematerialization are as follows:

Sl. No.	Category	Total No. of Shares	% of Equity
1	PHYSICAL	3,09,549	1.65
2	NSDL	1,27,55,289	67.91
3	CDSL	57,17,318	30.44
	Total	**1,87,82,066**	**100.00**

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

l) As on March 31, 2018, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments

m) **Compliance Officer** : Thirumalesh T
Company Secretary & Compliance Officer
Tel: 91 - 40-27807640;
Fax: 91 - 40-39120023/39100012
E-mail:cs@goldstonetech.com

n) **Location of Software Divisions/ facilities :**

Registered Office : 9-1-83 & 84, Amarchand Sharma Complex,
S D Road, Secunderabad, Telangana– 500 003

Corporate Office : 2nd Floor, GNR's Insignia Building,
Image Garden Road,
Madhapur, Hyderabad-500081.

9660 Falls of Neuse Rd, Ste. 138 Unit 161,
Raleigh, North Carolina, 27615,
United States of America.

o) **Address for Correspondence** : Goldstone Technologies Limited
9-1-83 & 84, Amarchand Sharma Complex
S D Road, Secunderabad - 500 003.

p) **Investor Relations:** All the queries received from shareholders during the financial year 2017-18 have been responded to. The Company generally replies to the queries within a week of their receipt.

q) **Nomination Facility:** Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to contact the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029.

10. Other Disclosures

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large

As per the Accounting Standards issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Note 30 of Standalone Financial Statements and Note 29 of Consolidated Financial Statements. However, these transactions are not likely to have potential conflict with the interests of the Company at large.

b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

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

There were no instances of non-compliances by the Company, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee

As per the provisions of the Section 177 (9) & (10) of the Companies Act 2013, read with the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board adopted `Whistle Blower Policy' for directors and employees to report the management / Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of company`s code of conduct or ethics policy. The Vigil Mechanism also provided adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit committee in exceptional cases further it has also been uploaded on the Company`s web site; www.goldstonetech.com.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

Company has complied with all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Board has taken cognizance of the non-mandatory requirements of Regulation 27 of the Listing Regulations and shall consider adopting the same at an appropriate time.

e) Policy for determining 'material subsidiaries'

The policy on determination of material subsidiaries is displayed on the website of the Company i.e. www.goldstonetech.com

f) Policy on dealing with related party transactions:

The policy on dealing with related party transactions is displayed on the website of the Company i.e. www.goldstonetech.com

g) Management Discussion and Analysis Report

The Report on Management Discussion and Analysis is annexed to the Directors' Report and forms part of this Annual Report

h) **Share Capital Audit**: A firm of qualified Company Secretaries is conducting the Secretarial Audit on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i) **Code of conduct:** The Code of Ethics and Business Conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.goldstonetech.com. In addition to the above as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule IV of the Companies Act, 2013 duties of the Independent Directors and code of Independent Directors have been placed on the website of the Company www.goldstonetech.com .

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

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

l) **Remuneration Policy;** The remuneration policy is to pay compensation and benefits adequately, so as to attract, motivate and retain talent. The Company follows a compensation of fixed pay. Performance of the individuals is measured through the annual appraisal process. There was no Employee Stock Option Scheme during the financial year ended March 31, 2017.

11. The status of compliance with discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

a. Non-Executive Chairman's Office: The Company did not appoint any Non-Executive Chairman but the Board elects a Chairman for each of its meeting.

b. Shareholders' Rights: The quarterly and half-yearly financial performance are submitted to the Stock Exchange(s), published in newspapers and hosted on the website of the Company. Even the significant events are promptly and immediately informed to the Stock Exchange(s). Hence, none of these are sent to the shareholders separately.

c. Modified opinion(s) in audit report: The Company's financial statements for the year 2017-18 do not contain any audit qualification.

d. Separate posts of Chairperson and Chief Executive Officer: The Company has appointed neither a Chairperson nor Chief Executive Officer. But, the Company has appointed a Managing Director and the Board elects a Chairman for each of its meeting.

e. Reporting of Internal Auditor: The Internal Auditors report directly to the Audit Committee.

12. Certificate from Chief Executive Officer and Chief Financial Officer of the Company

The Compliance Certificate, as specified in Part B of Schedule II under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, from the Managing Director and Chief Financial Officer was placed before the Board of Directors of the Company in its meeting held on May 25, 2018 is annexed to the Corporate Governance Report.

13. Declaration signed by Managing Director

The Declaration, in terms of Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Managing Director is annexed to the Corporate Governance Report.

14. Compliance Certificate from a Practicing Chartered Accountant

The Company has obtained, in terms of Part E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Compliance Certificate from a Practicing Chartered Accountant is annexed to the Corporate Governance Report.

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

15. Disclosure with respect to demat suspense account / unclaimed suspense account: Nil

16. Disclosure with respect to funds transferred to IEPF Account

Section 124 of The Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 warrants that any dividend remaining unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account is to be credited to Investor Education and Protection Fund (IEPF). Further, the shares on which the dividend has not been paid or claimed for seven consecutive years shall be transferred to IEPF.

Company has not paid any divided in Financial Years 2009-10, 2010-11, 2011-12. Therefore no such amount was due which should be transferred to IEPF Account.

For and on behalf of the Board

	Sd/-	Sd/-
	L P Sashikumar	**Ch.Sudhakar Reddy**
Place: Secunderabad	Director	Managing Director
Date : 13.08.2018	DIN: 00016679	DIN: 02191226

CERTIFICATE FROM THE MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

We, Mr. Ch.Sudhakar Reddy, Managing Director and Mr. Vithal VSSNK Popuri, Chief Financial Officer certify that

we have reviewed financial statements and the cash flow statement for year ended 31st March, 2018 and to best of our knowledge and belief:

- The results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- The results 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 period which are fraudulent, illegal or violative of the Company's code of conduct.

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

We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the period;

(2) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial results; and

(3) there were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Secunderabad	Sd/-	Sd/-
Date : 30.05.2018	**Mr.Ch.Sudhakar Reddy**	**Vithal VSSNK Popuri**
	Managing Director	CFO
	DIN: 02191226	

Declaration as required pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing obligations and disclosure requirements), Regulations, 2015

I hereby declare that all the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2018.

For and on behalf of the Board

Sd/-

Place: Secunderabad
Date : 30.05.2018

Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Certificate on Compliance of Corporate Governance

To
The Members of
Goldstone Technologies Limited

1. We have examined the compliance of conditions of Corporate Governance by **M/s. Goldstone Technologies Limited** ("the Company"), for the year ended on March 31, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P C N & Associates
Chartered Accountants
FRN: 016016S

Sd/-
Chandra Babu M
Partner
Membership No. 227849

Place: Hyderabad
Date: 13.08.2018

Annexure -5

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

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

Industry Structure, Development and Outlook

Outlook for India in 2018

Notwithstanding global headwinds and uncertainties, the National Association of Software and Solutions Companies (Nasscom) has projected a growth rate of 7-9 per cent for the IT and BPO industry in 2018-19 in the country as against 7.8 per cent in 2017-18.

The exports would be at $137 billion dollars in 2018-19 as against $126 billion dollars in 2017-18. The industry is expecting to add one lakh jobs in 2018-19. The overall IT-BPO industry size would be adding $14-16 billion.

The domestic industry is expected to grow by 10-12 per cent, with contribution from this sector growing to $28-29 billion in 2018-19 from $26 billion in the current financial year.

Growing at 20 per cent year on year, the association had pared the growth rate from 8-10 per cent in the previous year owing to global headwinds and restriction on movement of human resources.

Source: The Hindu Business Line

https://www.thehindubusinessline.com/info-tech/nasscom-pegs-growth-for-2018-19-at-7-9/article22804578.ece

- Worlwide business analytics software market was valued at ~USD 42 billion in 2014 and is forecasted to reach ~USD 73 billion by 2020 at a CAGR of ~10 %
- The Indian Analytics software and services market today is worth USD 1 billion and pegged to grow 3X by 2020
- The Indian Analytics software market generated revenues of USD 144 million in 2014 and is expected to grow at a CAGR of ~17% going forward
- With 400 companies, India is quickly emerging as an analytics product hub – over 10% of all start – ups in India focus on analytics.
- While enterprise BI platforms currently generate almost half of Indian analytics product revenues; marketing analytics, niche solutions and domain/vertical products are experiencing fastest growths.
- Acceleration of funding in Indian analytics product industry - Approx ~USD 400 million invested in the past 1.5 years
- The Indian Analytics industry is expected to grow significantly in the future, driven by increased demand for cloud based and predictive analytics solutions.

Business Intelligence (BI) and Analytics;

Over the next few years, data and analytics programs will become even more mission-critical throughout the business and across industries. This research rounds up Gartner's top 100 predictions that are relevant to CIOs,

CDOs, and data and analytics leaders to enhance their strategic plans.

With remarkable advancements, business intelligence software solutions continue to gain momentum in the marketplace.

Gartner identified the following three business intelligence trends, to help make sound buying decisions when it comes to BI software.

Augmented Analytics driven by AI becoming fashionable and functional: Gartner's February 2018 Magic Quadrant on Analytics and BI Platforms cites the newest disruption in the market is augmented analytics (AA) driven by artificial intelligence (AI). By siccing machine learning on ever greater amounts of aggregated data, companies are mining ever selective actionable insights.

Augmented Analytics-backed BI will yield stronger return on investment: As BI software evolves toward all-out machine-driven data diving, augmented analytics will place a cost premium on solutions that can deliver it. Pundits predict that the analytics delivered and their corresponding insights will be worth the cost. Or said another way, the ROI will be more valuable than the added expense.

"Alexa" will make her entrance into ever more platforms: Because of augmented analytics' emergence, it's no surprise Gartner predicts 90% of business intelligence platforms will feature natural-language generation and artificial intelligence by 2020. Likewise, Gartner predicts "50% of analytical queries will be generated via search, natural-language processing or voice, or will be automatically generated."

A brave new world, indeed?

Machine Learning:

Popular culture is fueling a dystopian view of what artificial intelligence can do. But while research and technology continue to improve, machine learning is rapidly becoming a valuable supplement for the analyst, providing assistance and driving efficiency.

By automating simple, yet, labor intensive tasks like basic math, analysts gain time to think strategically about the business implications of their analysis and plan for next steps. Secondly, it helps the analyst stay in the flow of their data. Without stopping to crunch numbers, analysts can ask the next questions to drill deeper.

Machine learning's potential to aid an analyst is undeniable, but it's critical to recognise that it should be embraced when there are clearly defined outcomes. While there might be concern over being replaced, machine learning will supercharge analysts and make them more precise and impactful to the business.

The promise of Natural Language Processing (NLP):

Gartner predicts that by 2020, 50 percent of analytical queries will be generated via search, natural language processing (NLP), or voice. NLP will empower people to ask more nuanced questions of data and receive relevant answers that lead to better insights and decisions.

Simultaneously, developers and engineers will make greater strides in exploring how people use NLP by examining how people ask questions – from instant gratification to exploration. The biggest analytic gains will come from tackling this ambiguity and understanding the diverse workflows that NLP can augment.

The opportunity will arise not from placing NLP in every situation, but making it available in the right workflows so it becomes second nature to those using it.

Location of Things will drive IoT innovation:

As a subcategory of IoT, the "location of things," covers devices that sense and communicate their geographic position. Capturing this data allows users to consider the added context of a device's location when assessing activity and usage patterns.

This technology can be used to track assets, people and even interact with mobile devices like smartwatches or badges to provide more personalized experiences. As it relates to data analysis, location-based figures can be viewed as an input versus an output of results.

If the data is available, analysts can incorporate this information to better understand what is happening, where it is happening, and what they should expect to happen.

- Executive Management, Operations, and Sales are the three primary roles driving Business Intelligence (BI) adoption in 2018.
- Dashboards, reporting, end-user self-service, advanced visualization, and data warehousing are the top five most important technologies and initiatives strategic to BI in 2018.
- Small organizations with up to 100 employees have the highest rate of BI penetration or adoption in 2018.

- Organizations successful with analytics and BI apps define success in business results, while unsuccessful organizations concentrate on adoption rate first.
- 50% of vendors offer perpetual on-premises licensing in 2018, a notable decline over 2017. The number of vendors offering subscription licensing continues to grow for both on-premises and public cloud models.
- Fewer than 15% of respondent organizations have a Chief Data Officer, and only about 10% have a Chief Analytics Officer today.

Source: https://www.betterbuys.com/bi/7-business-intelligence-software-market-trends/

Opportunities, Threats, Risks and Concerns:

Goldstone Technologies continues to focus on rapid growth opportunities in the technology sector. The business and analytics domain remains our core priority area for the next few years. We are keen on transitioning to the next level of BI solutions by integrating our services and offering a complete package of analytics.

With the digital boom, it is predicted that 80 per cent of incremental expenditures over the next decade may be driven by digital technologies. Goldstone Technologies excited to dive into the digital revolution and be a part of this enormous digital change. We are exploiting opportunities within the digital domain that add value to our existing portfolio of services.

We have forged meaningful partnerships with our peers and customers to provide effective solutions to businesses. Our relentless focus on superior customer engagement has helped us become the partner of choice.

Our association and experience with business intelligence has given us an added advantage in becoming a successful implementation partner for Tableau. We continue to be one of the premium partners with Tableau, rated as the top visualization tool by Gartner in their latest release.

Few challenges that we will need to overcome during this growth phase

- Increasing shift of the adoption towards 'subscription' and 'term' models against the earlier 'perpetual' models – while this is the right direction of shift, might cause a short term dip in the business revenues
- Taking on a more customer centric approach with focus on customization
- Many competing products and solutions in the market –more choices for customers
- Retention of customers by providing continuing value additions
- Reinvent and optimize traditional offerings along with integrating new services

Analysis of financial performance of the company:

The Consolidated Revenues for the year were Rs.356.14 Million as against the previous year Consolidated Revenues of Rs.371.70 Millions. The Standalone Revenues for the year were Rs.250.86 Million as against Rs.215.12 Millions of previous year. The Consolidated EBITDA for the period was Rs.8.73 Millions as against Consolidated negative (EBITDA) of (Rs.8.93) Millions during the previous year and the Standalone EBITDA was Rs.23.51 Millions against the previous year's Standalone EBITDA of Rs.3.62 Millions. The consolidated Profit Before Tax for the FY 2017-18 was Rs.1.74 Million as compared to Consolidated Profit (Loss) Before Tax of (Rs.13.81) Million in the previous year and Standalone Profit Before Tax was Rs.16.58 Million as compared to Standalone Profit (Loss) Before Tax of (Rs. 1.20) Million during the previous year. The Consolidated Profit After Tax for the year was Rs.15.21 Millions as against Consolidated Profit (Loss) After Tax of (Rs.1.10) Millions in the previous year, the Standalone Profit After Tax for the year was Rs.24.25 Millions as against Standalone Profit After Tax of Rs.11.87 Millions in previous year. However, the Consolidated Total Other Comprehensive Income for the year was Rs.17.33 Millions as against

Consolidated Total Other Comprehensive Income (Loss) of (Rs.3.82) Millions in the previous year and the Standalone Total Other Comprehensive Income for the year was Rs.25.81 Millions as against Standalone Total Other Comprehensive Income of Rs.13.01 Millions during the previous year.

Liquidity and capital resources:

There is no change in Shareholders' funds during the financial year 2017-18.

The secured loans as at 31 March 2018 stood at Rs. 20.86 Millions as against Rs.14.07 Millions in the previous year.

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

Internal Control & Systems:

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes & corporate policies are duly complied with, the internal audit function has been structured to continuously review adequacy and efficacy of the internal controls. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

Human Resource Development:

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company's Corporate HRD policy emphasizes on continuous, increased quality and commitment of its employees in order to succeed in the achievement of the corporate goals. The company provides employee development opportunities by conducting training programs to equip the employees with upgraded skills enabling them to adapt to the contemporary technological advancements.

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

Cautionary Statement:

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

Annexure – 6

PARTICULARS OF CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required as per Section 134 (3) (m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy:

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

B. Technology Absorption:

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

C. Foreign Exchange Earnings and Outgo:

Rs. In Millions

Particulars	2017-18	2016-17
Foreign Exchange Earnings	127.34	29.29
Foreign Exchange Outgo	38.25	29.93

Annexure -7

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

a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non Executive Director*	Ratio to Median Remuneration
Mr. K S Sarma	Not Applicable
Mr. V. Venkata Ramana	Not Applicable
~Ms. Sukhjinder Kaur	Not Applicable
Mr. L.P. Sashikumar	Not Applicable
Mr. Clinton Travis Caddell	Not Applicable
^Ms. Janaki Kondapi	Not Applicable
Executive Director	Not Applicable
#Mr.P.S.Parthasarathy	1.92:1$
@Mr. Ch.Sudhakar Reddy	Not Applicable

* Non-Executive directors are not having any specific remuneration other than receiving sitting fees for attending the Board Meetings.

$ For arriving fairly accurate ratio, Median Remuneration of Employees is calculated for 2 months as cessation of Mr. P. S. Parthasarthy from the position of Managing Director took place w.e.f. 26.05.2017.

~ Appointed as Director w.e.f. 02.09.2017

^ Resigned as Director w.e.f. 30.05.2017

\# Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017

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

Name of the person	Percentage increase in remuneration
@Mr. Ch.Sudhakar Reddy	Not Applicable
#Mr.P.S.Parthasarathy	Not Applicable
Mr. Vithal V S S N K Popuri	Nil
~Mr. Thirumalesh T	Not Applicable

@ Appointed as Additional Director w.e.f. 07.04.2017 and as a Managing Director w.e.f 27.05.2017

\# Resigned from the position of Managing Director w.e.f 26.05.2017 and resigned as Director w.e.f. 31.08.2017

~ Appointed as Company Secretary w.e.f 14.02.2018

c) **The percentage increase in the median remuneration of employees in the financial year:** 0.86%

d) **The number of permanent employees on the rolls of company:** 164 on 31st March, 2018

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

The average increase in salaries of employees other than managerial personnel in 2017-18 was 9.00%, and Percentage increase in the managerial remuneration for the year was Nil.

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

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/s GOLDSTONE TECHNOLOGIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **M/s GOLDSTONE TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we further report that:

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

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

   c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under.

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

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

      i. The Company has no pending litigations which could have impact on its financial position.

      ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For **P C N & Associates.,**
(Formerly known as Chandra Babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Sd/-
Chandra Babu .M
Partner
Membership No. 227849

Place: Hyderabad
Date : 30-05-2018

Annexure "A" to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of M/s GOLDSTONE TECHNOLOGIES LIMITED on the Standalone Ind AS Financial Statements for the year ended 31 March 2018, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a Service Company primarily rendering software services. Accordingly, it does not hold any Physical Inventories. Thus, this clause of the CARO order is not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.

iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties, covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.

v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the act for any of the service rendered by the company.

vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employee's State Insurance, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;

(b) There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31 March 2018 for a period of more than 6 months for the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of, Wealth Tax, Income tax, Service Tax, Sales Tax and Excise Duty which have not been deposited on account of any disputes.

viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public officer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the Provisions of clause 3(xii) of the order are not applicable to the company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant Rules issued there under.

xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For **P C N & Associates.,**
(Formerly known as Chandra babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Sd/-
Chandra Babu .M
Partner
Membership No. 227849

Place: Hyderabad
Date : 30-05-2018

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of M/s GOLDSTONE TECHNOLOGIES LIMITED ('the company') as of 31 March 2018 in conjunction with our audit of IND AS Financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting:

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For **P C N & Associates.,**
(Formerly known as Chandra babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Sd/-
Chandra Babu .M
Partner
Membership No. 227849

Place: Hyderabad
Date : 30-05-2018

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	100.33	103.40	103.61
Financial assets				
Investments	5	92.76	92.76	92.76
Loans	6	1.41	1.41	1.41
Deferred tax assets, net	7	25.79	15.05	2.54
		220.29	**212.62**	**200.32**
Current assets				
Financial assets				
Trade receivables	8	68.60	55.68	47.16
Cash and cash equivalents	9	10.43	6.30	13.56
Other bank balances	10	3.16	3.15	6.90
Loans	6	2.62	70.22	66.93
Others	11	2.42	2.04	2.12
Current tax assets, net	12	66.91	53.36	36.84
Other current assets	13	7.21	5.98	4.66
		161.35	**196.73**	**178.17**
Total assets		**381.64**	**409.35**	**378.49**
Equity and Liabilities				
Equity				
Equity share capital	14	187.82	187.82	187.82
Other equity	15	78.73	52.92	39.90
Total equity		**266.55**	**240.74**	**227.72**
Non-current liabilities				
Financial Liabilities				
Borrowings	16	0.78	1.63	-
Provisions	17	15.03	13.89	12.85
Other non-current liabilities	20	41.93	117.39	117.39
		57.74	**132.91**	**130.24**
Current liabilities				
Financial Liabilities				
Borrowings	16	19.23	11.67	0.21
Trade payables	18	28.69	17.29	13.48
Other financial liabilities	19	0.85	0.87	0.07
Other current liabilities	20	5.94	3.15	4.30
Provisions	17	2.64	2.72	2.47
		57.35	**35.70**	**20.53**
Total liabilities		**115.09**	**168.61**	**150.77**
Total equity and liabilities		**381.64**	**409.35**	**378.49**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Note	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue from operations	21	250.86	215.12
Other income	22	2.75	3.68
Total income		**253.61**	**218.80**
Expenses			
Cost of materials consumed	23	48.02	36.26
Employee benefits expense	24	160.95	153.36
Depreciation and amortization expense	25	3.77	4.02
Finance costs	26	3.16	0.80
Other expenses	27	21.13	25.56
Total expense		**237.03**	**220.00**
Profit before tax		16.58	(1.20)
Tax expenses			
Current tax	28	3.67	-
Deferred tax	28	(11.34)	(13.07)
Total tax expense		(7.67)	(13.07)
Profit for the year		**24.25**	**11.87**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains on defined benefit plan		2.16	1.70
Income-tax effect	28	(0.60)	(0.56)
Other comprehensive income for the year, net of tax		1.56	1.14
Total comprehensive income for the year		**25.81**	**13.01**
Earnings per equity share (nominal value of INR 10) in INR	36		
Basic		1.29	0.63
Diluted		1.29	0.63

Summary of significant accounting policies 3

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GOLDSTONE TECHNOLOGIES

STANDALONE STATEMENT OF CASH FLOWS AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars		For the year ended 31st March 2018	For the year ended 31st March 2017
I. Cash flows from operating activities			
Profit before tax		**16.58**	**(1.20)**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of tangible assets		3.77	4.02
Finance income (including fair value change in financial instruments)		(0.46)	(1.77)
Finance costs (including fair value change in financial instruments)		3.16	0.80
Re-measurement losses on defined benefit plans		2.17	1.70
Operating profit before working capital changes		**25.22**	**3.55**
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets			
Trade receivables		(12.91)	(8.52)
Loans - current		67.60	(3.28)
Other financial assets - current		(0.38)	0.08
Other assets - current		(1.24)	(1.32)
Adjustment for (increase)/decrease in operating liabilities			
Trade payables		11.40	3.81
Other financial liabilities - current		(0.02)	0.80
Other non-current liabilities		(75.46)	-
Other current liabilities		2.79	(1.15)
Provisions		1.06	1.29
Cash generated from operations		**18.06**	**(4.73)**
Income taxes paid		(17.22)	(16.52)
Net cash generated from/(used in) operating activities		**0.84**	**(21.25)**
II. Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles (including capital work in progress)		(0.88)	(3.83)
Sale of property, plant and equipment		0.18	0.02
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net		(0.01)	3.74
Interest received (finance income)		0.46	1.77
Net cash used in investing activities		**(0.25)**	**1.70**

STANDALONE STATEMENT OF CASH FLOWS AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars		For the year ended 31st March 2018	For the year ended 31st March 2017
III. Cash flows from financing activities			
Proceeds from/(repayment of) long-term borrowings, net		(0.85)	1.63
Proceeds from/(repayment of) short-term borrowings, net		7.56	11.46
Interest paid		(3.16)	(0.80)
Net cash provided by financing activities		**3.55**	**12.29**
Net increase in cash and cash equivalents (I+II+III)		4.13	(7.26)
Cash and cash equivalents at the beginning of the year		6.30	13.56
Cash and cash equivalents at the end of the year (refer note below)		**10.43**	**6.30**
Note:			
Cash and cash equivalents comprise:			
Cash on hand		0.03	0.03
Balances with banks:			
- in current accounts		10.40	6.27
		10.43	**6.30**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
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Chartered Accountants
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Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2016	1,87,82,066	187.82
Balance as at March 31, 2017	1,87,82,066	187.82
Balance as at March 31, 2018	**1,87,82,066**	**187.82**

b. Other equity

Particulars	Reserves and Surplus				Total
	Securities premium	Capital reserve	General reserve	Retained earnings	
At April 1, 2016	59.78	218.38	18.30	(256.56)	39.90
Profit for the year				11.87	11.87
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans				1.70	1.70
Income-tax effect				(0.55)	(0.55)
At March 31, 2017	59.78	218.38	18.30	(243.54)	52.92
Profit for the year				24.25	24.25
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans, net of tax				2.17	2.17
Income-tax effect				(0.61)	(0.61)
Balance as of 31 March 2018	59.78	218.38	18.30	(217.73)	78.73

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

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Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

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Goldstone Technologies Limited
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Thirumalesh T
Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

1 General Information

Goldstone Technologies Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Hyderabad (Secunderabad), India. The Company is primarily engaged in the business of IT and ITES services. The Company is listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

2 Basis of preparation of Financial Statements

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The Company's Financial Statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

As these are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Company is provided in Note 39.

The Financial Statements were authorized for issue by the Company's Board of Directors on 30 May 2018.

Details of the Accounting Policies are included in Note 3.

2.2 Basis of measurement

These Financial Statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the Statement of Financial position:

- certain Financial Assets and Liabilities are measured at Fair Value;
- Employee Defined Benefit Assets / (Liability) are recognized as the net total of the fair value of Plan Assets, plus Actuarial Losses, less Actuarial Gains and the present value of the Defined Benefit Obligation;

  Long Term Borrowings are measured at amortized cost using the effective interest rate method.

2.3 Functional Currency

The Financial Statements are presented in Indian Rupees Millions, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees Millions except share data, unless otherwise stated.

2.4 Operating Cycle

All the Assets and Liabilities have been classified as Current or Non-current as per the Company's

Normal Operating Cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets: An Asset is classified as Current when it satisfies any of the following criteria:

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's Normal Operating Cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is Cash or Cash equivalent unless it is restricted from being exchanged or used to settle a Liability for at least twelve months after the reporting date.

Liabilities: A Liability is classified as Current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's Normal Operating Cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the Liability for at least twelve months after the reporting date. Terms of a Liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current Assets / Liabilities include the current portion of Non-current Assets / Liabilities respectively. All other Assets/ Liabilities are classified as Non-current

2.5 Critical accounting judgements and key sources of estimation uncertainty Operating Cycle

In the application of the Company's Accounting Policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of Assets and Liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's Accounting Policies and that have the most significant effect on the amounts recognized in the Financial Statements:

Provision and Contingent Liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For Contingent Losses that are considered probable, an estimated loss is recorded as an accrual in Financial Statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the Financial Statements. Contingencies the likelihood of which is remote are not disclosed in the Financial Statements. Gain Contingencies are not recognized until the Contingency has been resolved and amounts are received or receivable.

Useful lives of Depreciable Assets

Management reviews the useful lives of Depreciable Assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 Measurement of Fair Values

A number of the Company's Accounting Policies and disclosures require the measurement of fair values, for both Financial and Non-financial Assets and Liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted Prices (unadjusted) in active markets for identical Assets or Liabilities.

– Level 2: inputs other than Quoted Prices included in Level 1 that are observable for the Asset or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an Asset or a Liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an Asset or a Liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognized when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the Sale of Goods includes Excise Duty,
- Dividend Income is accounted for when the right to receive the Income is established.
- Difference between the Sale Price and carrying value of Investment is recognized as Profit or Loss on Sale / Redemption on Investment on trade date of transaction.
- Interest Income is accrued on, time basis, by reference to the Principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to that Asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as Finance Leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the Asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the Balance Sheet.

Lease payments under Operating Lease are generally recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a Finance Lease that it is impracticable to separate the payments reliably, then an Asset and a Liability are recognized at an amount equal to the fair value of the underlying Asset; subsequently, the Liability is reduced as payments are made and an imputed finance cost on the Liability is recognized using the Company's incremental borrowing rate.

Minimum Lease payments made under Finance Leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the Liability.

3.3 Foreign Currencies

In preparing the Financial Statements of the Company, transactions in currencies other than the Company's functional currency (Foreign Currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign Currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a Foreign Currency are not retranslated. Exchange differences on monetary items are recognized in Profit or Loss in the period in which they arise.

3.4 Borrowing Costs

Specific Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing Cost includes Interest Expense, Amortization of Discounts, Ancillary Costs incurred in connection with borrowing of funds and exchange difference arising from Foreign Currency Borrowings to the extent they are regarded as an adjustment to the Interest Cost.

3.5 Taxation

Income Tax expense consists of Current and Deferred Tax. Income Tax expense is recognized in the Income Statement except to the extent that it relates to items recognized directly in Equity, in which case it is recognized in Equity.

Current tax

Current Tax is the expected tax payable on the Taxable Income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of Assets and Liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is not recognized for the following temporary differences: the initial recognition of Assets or Liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred Tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset Current Tax Liabilities and Assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax Liabilities and Assets on a net basis or their Tax Assets and Liabilities will be realized simultaneously.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings Per Share

The Company presents Basic and Diluted Earnings Per Share ("EPS") data for its ordinary Shares. The Basic Earnings Per Share is computed by dividing the Net Profit attributable to Equity Shareholders for the period by the weighted average number of Equity Shares outstanding during the year

Diluted earnings per share is computed by dividing the Net Profit attributable to Equity Shareholders for the year relating to the dilutive potential Equity Shares, by the weighted average number of Equity Shares considered for deriving basic Earnings Per Share and the weighted average number of

Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares. Potential Equity Shares are deemed to be dilutive only if their conversion to Equity Shares would decrease the Net Profit Per Share.

3.7 Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-current Assets".

3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentized its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of Assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	5 years
Office Equipment	5 years
Computers - Laptops & Desktops	3 years
Computers - Servers	6 Years
Furniture and Fixtures	10 years
Vehicles - Four Wheelers	8 years
Vehicles - Two Wheelers	10 years
Leasehold Improvements	10 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.10 Intangible Assets and Amortization

Intangible Assets are stated at cost less accumulated amortization and impairment. Intangible Assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable Intangible Asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Software is amortized over a period of three to five years.

3.11 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise Cash at Bank and in Hand and Short-term Deposits with Banks that are readily convertible into Cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting Short-term Cash commitments.

3.12 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net Profit Before Tax is adjusted for the effects of transactions of a 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.

3.13 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognized in the Statement of Profit and Loss over the expected useful life of the Asset.

3.14 Impairment of non Financial Assets

The carrying amounts of the Company's Non-financial Assets, Inventories and Deferred Tax Assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the Asset's recoverable amount is estimated

The recoverable amount of an Asset or Cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future Cash Flows are discounted to their present value using a Pre-tax Discount Rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, Assets are grouped together into the smallest group of Assets that generates Cash Inflows from continuing use that are largely independent of the Cash Inflows of other Assets or groups of Assets (the "cash-generating unit").

An Impairment Loss is recognized in the Income Statement if the estimated recoverable amount of an asset or its Cash-generating unit is lower than its carrying amount. Impairment Losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An Impairment Loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An Impairment Loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of Depreciation or Amortization, if no Impairment Loss had been recognized. Goodwill that forms part of the carrying amount of an Investment in an Associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single Asset when there is objective evidence that the investment in an associate may be impaired.

An Impairment Loss in respect of Equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An Impairment Loss is recognized in the Income Statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.15 Employee Benefits

Short-term Employee Benefits

Short-term Employee Benefits are expensed as the related service is provided. A Liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plans

The Company's contributions to Defined Contribution Plans are charged to the Income Statement as and when the services are received from the employees.

Defined Benefit Plans

The liability in respect of Defined Benefit Plans and other Post-employment Benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Corporate Bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on Government Bonds are used. The current service cost of the Defined Benefit Plan, recognized in the Income Statement in Employee Benefit expense, reflects the increase in the Defined Benefit Obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the Defined Benefit Obligation and the fair value of Plan Assets. This cost is included in employee benefit expense in the Income Statement. Actuarial Gains and Losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Equity in Other Comprehensive Income in the period in which they arise.

Termination Benefits

Termination Benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other Lterm Employee Benefits

The Company's net obligation in respect of other Long Term Employee Benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise.

3.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected Future Cash Flows at a Pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent Liabilities & Contingent Assets

A disclosure for a contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the Financial Statements. However, Contingent Assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the Asset and related Income are recognized in the period in which the change occurs.

3.18 Financial Instruments

a. Recognition and Initial recognition

The Company recognizes Financial Assets and Financial Liabilities when it becomes a party to the contractual provisions of the instrument. All Financial Assets and Liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of Financial Assets and Financial Liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A Financial Asset or Financial Liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial Assets

On initial recognition, a Financial Asset is classified as measured at

– Amortized Cost;

– FVTPL

Financial Assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial Assets.

A Financial Asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold Assets to collect contractual Cash Flows; and

– the contractual terms of the Financial Asset give rise on specified dates to Cash Flows that are solely payments of Principal and Interest on the Principal amount outstanding.

All Financial Assets not classified as measured at amortized cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a Financial Asset that otherwise meets the requirements to be measured at amortized cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets: Business Model Assessment

The Company makes an assessment of the objective of the business model in which a Financial Asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated Policies and Objectives for the Portfolio and the operation of those Policies in practice. These include whether management's strategy focuses on earning contractual Interest Income, maintaining a particular interest rate profile, matching the duration of the Financial Assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the Assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the Business Model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of Financial Assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of Financial Assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the Assets.

Financial Assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets: Assessment whether contractual cash flows are solely payments of Principal and Interest.

For the purposes of this assessment, 'Principal' is defined as the fair value of the Financial Asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the Principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of Principal and Interest, the Company considers the contractual terms of the instrument. This includes assessing whether the Financial Asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of Cash Flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified Assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of Principal and interest criterion if the prepayment amount substantially represents unpaid amounts of Principal and Interest on the Principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a Financial Asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any Interest or Dividend Income, are recognized in Profit or Loss.

Financial Assets at Amortized Cost: These Assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest Income, Foreign Exchange Gains and Losses and Impairment are recognized in Profit or Loss. Any gain or loss on derecognition is recognized in Profit or Loss.

Financial Liabilities: Classification, Subsequent measurement and Gains and Losses

Financial Liabilities are classified as measured at amortized cost or FVTPL. A

Financial Liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net Gains and Losses, including any interest expense, are recognized in Profit or Loss. Other Financial Liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange Gains and Losses are recognized in Profit or Loss. Any Gain or Loss on derecognition is also recognized in Profit or Loss.

c. Derecognition

Financial Assets

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the Financial Asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the Financial Asset.

If the Company enters into transactions whereby it transfers Assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred Assets, the transferred Assets are not derecognized.

Financial Liabilities

The Company derecognizes a Financial Liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a Financial Liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new Financial Liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the Financial Liability extinguished and the new Financial Liability with modified terms is recognized in Profit

d. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the Liability simultaneously.

e. Impairment

The Company recognizes loss allowances for expected credit losses on Financial Assets measured at amortized cost;

At each reporting date, the Company assesses whether Financial Assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A Financial Asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the Financial Asset have occurred.

Evidence that a Financial Asset is credit- impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganization; or

– the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a Financial Asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for Financial Assets measured at amortized cost are deducted from the gross carrying amount of the Assets.

Write-off

The gross carrying amount of a Financial Asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, Financial Assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical Equipment	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Leasehold Improvements	Total
Deemed Cost										
At April 1, 2016 (Refer note a)	76.67	13.35	1.27	0.71	0.72	2.52	2.51	5.33	0.53	103.61
Additions	-	-				0.35		3.48	-	3.83
Deletions	-	-	-	-	-	0.06	-	1.09	-	1.15
At March 31, 2017	76.67	13.35	1.27	0.71	0.72	2.81	2.51	7.72	0.53	106.29
Additions					0.02	0.47	0.03	0.36		0.88
Deletions								0.25		0.25
At March 31, 2018	**76.67**	**13.35**	**1.27**	**0.71**	**0.74**	**3.28**	**2.54**	**7.83**	**0.53**	**106.92**
Accumulated depreciation										
At April 1, 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.83	0.09	0.10	0.08	0.85	0.69	1.31	0.07	4.02
Less: Adjustments	-	-	-	-	-	0.04	-	1.09	-	1.13
At March 31, 2017	-	0.83	0.09	0.10	0.08	0.81	0.69	0.22	0.07	2.89
Charge for the year		0.83	0.09	-	0.09	0.58	0.68	1.43	0.07	3.77
Less: Adjustments								0.07		0.07
At March 31, 2018	**-**	**1.66**	**0.18**	**0.10**	**0.17**	**1.39**	**1.37**	**1.58**	**0.14**	**6.59**
Carrying amount										
At April 1, 2016	76.67	13.35	1.27	0.71	0.72	2.52	2.51	5.33	0.53	103.61
At March 31, 2017	76.67	12.52	1.18	0.61	0.64	2.00	1.82	7.50	0.46	103.40
At March 31, 2018	**76.67**	**11.69**	**1.09**	**0.61**	**0.57**	**1.89**	**1.17**	**6.25**	**0.39**	**100.33**

Note

a) For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

b) Charge on Property, Plant and Equipment: Out of Property, Plant and Equipment, Land and Buildings with a carrying amount of INR 88,361,025 (31-March-2017 - INR 89,191,328; 1-April-2016 - INR 90,021,631) are offered as collateral to secure the Bank Loans of Goldstone Infratech Limited.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
5 Investments			
Non-current investments			
Investments carried at cost			
Unquoted equity shares			
Investments in subsidiaries			
10,000 (March 31, 2017: 10,000; April 1, 2016: 10,000) equity shares in Staytop Systems Inc, USA	92.66	92.66	92.66
9,900 (March 31, 2017: 9,900; April 1, 2016: 9,900) equity shares of `10 each in Staytop Systems and Software Private Limited	0.10	0.10	0.10
Total investments	**92.76**	**92.76**	**92.76**
6 Loans (Unsecured, considered good unless otherwise stated)			
Non-current			
Security deposits	1.41	1.41	1.41
	1.41	**1.41**	**1.41**
Current			
Security deposits	2.62	4.74	1.87
Loans to subsidiary	-	65.48	65.06
	2.62	**70.22**	**66.93**
7 Deferred tax asset, net			
Deferred tax asset			
- Tangible and Intangible assets	10.92	-	-
- Provision allowed under tax on payment basis	4.87	5.13	4.73
- Expected credit loss on financial assets			
- Unabsorbed depreciation	10.00	11.45	6.11
Total	**25.79**	**16.58**	**10.84**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017	1 April 2016
	Deferred tax liability			
	- Tangible and Intangible assets	-	1.53	8.30
	Deferred tax asset, net	**25.79**	**15.05**	**2.54**
8	**Trade receivables**			
	Unsecured, considered good	68.60	55.68	47.16
		68.60	**55.68**	**47.16**
	Less: Allowance for doubtful receivables	-	-	-
	Total trade receivables	**68.60**	**55.68**	**47.16**
9	**Cash and cash equivalents**			
	Balances with banks:			
	- On current accounts	10.40	6.27	13.53
	Cash on hand	0.03	0.03	0.03
	Total cash and cash equivalents	**10.43**	**6.30**	**13.56**
10	**Other Bank balances**			
	Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	3.16	3.15	6.90
	Total other Bank balances	**3.16**	**3.15**	**6.90**
	*Represents Margin Money Deposits against Bank Guarantees			
11	**Others (Unsecured, considered good unless otherwise stated)**			
	Current	2.42	2.04	2.12
	Interest accrued on deposits	**2.42**	**2.04**	**2.12**
12	**Current tax assets, net**			
	Advance taxes and TDS	103.97	86.74	67.19
	Less: Provision for taxes	37.06	33.38	30.35
		66.91	**53.36**	**36.84**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
13 Other assets			
Current assets			
Unsecured, considered good			
Advances other than capital advances			
Staff advances	0.05	0.42	0.36
Supplier advances	-	0.11	0.21
Prepaid expenses	1.80	1.41	1.24
Balances with Government Departments	5.36	4.04	2.85
	7.21	**5.98**	**4.66**
14 Share Capital			
Authorized Share Capital			
50,000,000 (March 31, 2017: 50,000,000; April 1, 2016: 50,000,000) equity shares of Rs.10 each	500.00	500.00	500.00
Issued, subscribed and fully paid-up			
18,782,066 (March 31, 2017: 18,782,066; April 1, 2016: 18,782,066) equity shares of Rs.10/- each fully paid-up	187.82	187.82	187.82
	187.82	187.82	187.82

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2018		31 March 2017	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Outstanding at the beginning of the year	1,87,82,066	187.82	18,782,066	187.82
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,87,82,066	187.82	18,782,066	187.82

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of Equity Shares held	% holding in the class	No. of Equity Shares held	% holding in the class
Trinity Infraventure Limited	34,19,872	18.21%	34,19,872	18.21%

Particulars	31 March 2018	31 March 2017
15 Other equity		
Securities premium		
Opening balance	59.78	59.78
Add: Premium on fresh issue	-	-
Closing balance	**59.78**	**59.78**
Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.		
Capital reserve		
Opening balance	218.38	218.38
Additions during the year	-	-
Closing balance	**218.38**	**218.38**
General reserve		
Opening balance	18.30	18.30
Add: Transfers during the year	-	-
Closing balance	**18.30**	**18.30**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
Retained earnings		
Opening balance	(243.54)	(256.56)
Profit/(loss) for the year	24.25	11.87
Other comprehensive income	1.56	1.15
Less: Transfers to general reserve	-	-
Closing balance	**(217.73)**	**(243.54)**
Total other equity	**78.73**	**52.92**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Retained earnings reflect surplus/deficit after taxes in the profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Particulars	31 March 2018	31 March 2017	1 April 2016
16 Borrowings			
Non-current Borrowings			
Secured loans			
Vehicle loans			
- From Banks (refer note A below)	0.78	1.63	-
Total non-current borrowings	**0.78**	**1.63**	**-**
Current Borrowings			
Secured loans repayable on demand			
- Working capital loans from banks (refer note B below)	19.23	11.67	0.21
Total current borrowings	**19.23**	**11.67**	**0.21**

A. Vehicle loans from Banks:

The Company has the following 3 vehicle loans:

1) Loan of Rs.18,59,000 from Axis Bank for purchase of Toyota Innova secured by the Vehicle Purchased out of the Loan funds. It is repayable in 36 EMI's of INR 59,897/- from 15-August-2016 to 15-July-2019. Current maturities repayable within one year is INR 228,129/-. The loan carries an interest rate of 9.90% per annum.

2) Loan of Rs.4,99,000 from Axis Bank for purchase of Tata Indica secured by the Vehicle Purchased out of the Loan funds. It is repayable in 60 EMI's of INR 10,578/- from 1-October-2016 to 1-September-2021. Current maturities repayable within one year is INR 94,261/-. The loan carries an interest rate of 9.90% per annum.

3) Loan of Rs.4,99,000 from Axis Bank for purchase of Tata Indica secured by the Vehicle Purchased out of the Loan funds. It is repayable in 60 EMI's of INR 10,578/- from 1-October-2016 to 1-September-2021. Current maturities repayable within one year is INR 94,261/-. The loan carries an interest rate of 9.90% per annum.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

B. Working capital loan from Central Bank of India:

The loan is repayable on demand and the loan carries an interest rate of 13% per annum. This loan is secured by hypothecation of the Book Debts of the Company.

Particulars	31 March 2018	31 March 2017	1 April 2016
17 Provisions			
Non-Current			
Provision for employee benefits			
- Gratuity (refer note 33)	10.34	8.94	7.92
- Compensated absences	4.69	4.95	4.93
	15.03	**13.89**	**12.85**
Current			
Provision for employee benefits			
- Gratuity (refer note 33)	0.50	0.41	0.29
- Compensated absences	2.14	2.31	2.18
	2.64	**2.72**	**2.47**
18 Trade payables			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	28.69	17.29	13.48
	28.69	**17.29**	**13.48**
19 Other financial liabilities			
Current maturities of long-term debts	0.85	0.77	-
Employee salaries payable	-	0.10	0.07
	0.85	**0.87**	**0.07**
20 Other liabilities			
Non-current			
Advance received against sale of asset from related party	41.93	117.39	117.39
	41.93	**117.39**	**117.39**
Current			
Advance received from customers	-	1.50	-
Statutory liabilities	5.94	1.65	4.30
	5.94	**3.15**	**4.30**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
21 Revenue from operations		
Revenue from Information technology/Software ser- vicess and Sale of Software Licenses		
Domestic	59.80	31.65
Export	191.06	183.47
	250.86	**215.12**
22 Other income		
Interest on deposits	0.46	1.77
Miscellaneous income	2.29	1.91
	2.75	**3.68**
23 Cost of materials consumed		
Purchase cost of software license	48.02	36.26
	48.02	**36.26**
24 Employee benefits expense		
Salaries, wages and bonus	156.31	133.26
Contribution to provident and other funds	4.05	7.75
Staff welfare expenses	0.59	12.35
	160.95	**153.36**
25 Depreciation and amortization expense		
Depreciation of tangible assets	3.77	4.02
	3.77	**4.02**
26 Finance costs		
Interest on loans	2.62	0.56
Bank charges	0.54	0.24
	3.16	**0.80**
27 Other expenses		
Power/Electricity & Fuel	2.62	2.69
Rent	3.92	2.64
Repairs to office equipment	0.98	0.54
Insurance	0.81	0.93
Car Hire charges & transportation	0.80	0.26
Telephone, Postage and Others	1.84	2.44
Business Promotion Expenses	0.22	0.21
Conveyance & Travelling Expenses	4.72	4.71

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
	Office Maintenance	1.98	1.29
	Printing & Stationery Expenses	0.18	0.32
	Security Charges	0.41	0.22
	Rates & taxes	0.44	1.40
	Tableau Sub Contracting	-	0.72
	Seminar Fee/Training/Legal Fee/Listing Fee	0.92	0.97
	Professional Consultancy fee	3.38	2.35
	Audit Fee	0.48	0.48
	Reimbursement of expenses Auditors	0.04	0.01
	Director Sitting Fee	0.89	0.59
	Vehicle maintenance Charges	0.23	0.40
	Secretarial expenses	0.10	0.14
	Bad debts written off	-	0.16
	Foreign exchange Loss	(4.83)	0.84
	Other expenses	1.00	1.25
		21.13	**25.56**
28	**Tax expenses**		
	Current income tax:		
	Current income tax charge	3.67	-
	Deferred tax:		
	Relating to originating and reversal of temporary differences	(11.34)	(13.07)
	Income tax expense recognized in the statement of profit or loss	**(7.67)**	**(13.07)**
	Deferred tax related to items considered in OCI during the year		
	Re-measurement gains/ (losses) on defined benefit plan	(0.60)	(0.56)
	Income tax charge to OCI	**(0.60)**	**(0.56)**
	Reconciliation of tax expense with the accounting profit multiplied by domestic tax rate:		
	Accounting profit before income tax	16.58	(1.19)
	Tax on accounting profit at statutory income tax rate 20.389% (March 31, 2017: 0%)	3.38	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
Adjustments in respect of items taken to opening equity	(16.20)	-
Adjustments on account of unabsorbed depreciation and carried forward losses	-	(5.35)
Adjustments in respect of deferred tax at higher rates (27.55%)	4.86	-
Others	0.29	(7.72)
Tax expense reported in the statement of profit and loss	**(7.67)**	**(13.07)**

29 Contingent liabilities and commitments

	Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i)	Contingent liabilities:			
	- Corporate guarantees given on behalf of related parties (Refer Note (a) & (b) below	1,082.50	1,097.90	909.00
	- Bank guarantees	1.06	1.26	6.76
ii)	Commitments:			
	- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	Nil	Nil	Nil

(a) The Company offered the Land owned by it to the extent of 26,092 Sq. Yds. situated at Survey No. 249 (Part), 250 (Part) and 251 (part) and Building there on as collateral security to State Bank of India, Commercial Branch, Hyderabad against the credit facilities availed by M/s Goldstone Infratech Ltd., and also given corporate guarantee for Indian Rupees 992.50 Millions. However the Company's liability is restricted to the value of the property offered as collateral security.

(b) Corporate Guarantee given for the credit facilities of Indian Rupees 90 Millions availed by M/s Trinity Infraventures Limited with Allahabad Bank.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

30 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
Subsidiary Companies:	
Staytop Systems, Inc.	Wholly Owned Subsidiary
Staytop Systems and Software Private Limited	Subsidiary
Key Management Personnel (KMP):	
P.S.Parthasarathy	Managing Director - till 26th May 2017
Ch.Sudhakar Reddy	Managing Director - from 27th May 2017
Vithal V S S N K Popuri	Chief Financial Officer
K. Ramyanka Yadav	Company Secretary - Till 30th November 2017
Thirumalesh T	Company Secretary - From 3rd January 2018

b) Details of all transactions with related parties during the year:

Particulars	31-Mar-18	31-Mar-17
i) **Revenue from Subsidiary:**		
Staytop Systems, Inc.	4.04	1.16
ii) **Expenses incurred by the Company on behalf of Subsidiary Company:**		
Staytop Systems, Inc.	5.19	3.89
iii) **Managerial remuneration/ consultancy fee to Key managerial personnel ***	3.66	5.53

* Does not include insurance, which is paid for the Company as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

c) Details of balances receivable from and payable to related parties are as follows:

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i) **Trade receivables:**			
Staytop Systems, Inc.	3.28	0.73	-
ii) **Financial assets - loans:**			
Staytop Systems, Inc.	-	65.48	65.06

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
iii) **Financial liabilities - Others:**			
Trinity Infraventures Ltd.	41.93	117.38	117.38

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

31 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The CODM evaluates the Company's performance and allocates resources on overall basis.

During the year, the Company has two reportable segments , i.e. Information Technology / Software Services and Software License

The segment revenue, profitability, assets and liabilities are as under:

Revenue by segment	For the year ended 31 March 2018
a) Information Technology / Software Services	191.93
b) Software Licenses	58.93
Total revenue	**250.86**
Segment Results	**For the year ended 31 March 2018**
(Profit before Tax & Interest)	
a) Information Technology / Software Services	22.95
b) Software Licenses	0.56
Total:	**23.51**
Less: (i) Interest	3.16
(ii) Unallocable expenditure (Net of Un allocable income)	3.77
Total Profit before tax	**16.58**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Segment Assets, Segment Liabilities & Segment Capital Employed:

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

32 Auditors' remuneration include:

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
	Indian Rupees		
Statutory audit fee (including limited review)	450,000	450,000	450,000
Tax audit fee	25,000	25,000	25,000
Total	**475,000**	**475,000**	**475,000**

33 Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ` 1,000,000.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the amounts recognized in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Opening Balance	**9.35**	**8.22**	**7.08**
Current Service Cost	3.00	3.08	2.78
Past Service Cost	1.15	-	-
Interest Cost	0.66	0.61	0.78
Benefits Paid	(1.15)	(0.86)	(0.67)
Actuarial Gain	(2.17)	(1.70)	(1.75)
Closing Balance	**10.84**	**9.35**	**8.22**
Present value of Projected Benefit Obligation at the end of the year	10.84	9.35	8.22
Fair value of Plan Assets at the end of the year	-	-	-
Net Liability recognized in the Balance Sheet	**10.84**	**9.35**	**8.22**
Current Provision	0.50	0.41	0.29
Non Current Provision	10.34	8.94	7.93

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Expenses recognized in statement of profit and loss	31-Mar-18	31-Mar-17
Service cost	4.15	3.08
Interest cost	0.66	0.61
Gratuity cost	**4.81**	**3.69**
Re-measurement gains/ (losses) in OCI		
Actuarial loss / (gain) due to demographic assumption changes	-	-
Actuarial loss / (gain) due to financial assumption changes	(0.81)	0.43
Actuarial loss / (gain) due to experience adjustments	(1.36)	(2.12)
Return on plan assets greater (less) than discount rate	-	-
Total expenses routed through OCI	(2.17)	(1.69)
Key Actuarial Assumptions:		
Discount rate (per annum)	7.75%	7.20%
Future salary increases	7.00%	7.00%

A quantitative sensitivity analysis for significant assumption and its impact in percentage terms on projected benefit obligation are as follows:

	31-Mar-18	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on projected benefit obligation	-6.15%	5.94%
Impact of decrease in 50 bps on projected benefit obligation	6.75%	-5.63%

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

34 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	`Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

35 Leases

Where the Company is a lessee:

The Company has taken office premises under operating leases. The lease typically run for a term ranging from eleven months to three years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

i) Amounts recognized in statement of profit and loss:

Particulars	31-Mar-18	31-Mar-17
Cancellable lease expense	1.37	2.64
Non - cancellable lease expense	2.55	-
Total	**3.92**	**2.64**

36 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

36 Earnings per share (Continued)

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-18	31-Mar-17
Profit for the year attributable to equity share holders	24.26	11.88
Shares		
Weighted average number of equity shares outstanding during the year – basic	1,87,82,066	1,87,82,066
Weighted average number of equity shares outstanding during the year – diluted	1,87,82,066	1,87,82,066
Earnings per share		
Earnings per share of par value ` 10 – basic (`)	1.29	0.63
Earnings per share of par value ` 10 – diluted (`)	1.29	0.63

37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in interest rate	Effect on profit before tax
March 31, 2018		
INR	+1%	(0.21)
INR	-1%	0.21
March 31, 2017		
INR	+1%	(0.14)
INR	-1%	0.14

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to RS. 68,591,978 (March 31,2017: 55,682,441; April 1, 2016: 47,158,901). Basis the estimate, there is no allowance for expected credit loss provided by the Company.

The top 3 to 5 customers account for more than 50% of the revenue as of March 31, 2018, March 31, 2017 and April 1, 2016. However, since the Company has diversified business in the areas of IT Consulting, IT Staffing, Off-shore Technical Support and Big Data Analytics Software License Sales the concentration risk of revenue would come down in the future

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2018						
Borrowings	19.23	0.20	0.64	0.78		20.85
Trade payables		28.69				28.69
Year ended March 31, 2017						
Borrowings	11.67	0.19	0.58	1.63		14.07
Trade payables		17.29				17.29
As at April 1, 2016						
Borrowings	0.21					0.21
Trade payables		13.48				13.48

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

38 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2018, March 31, 2017 and April 1, 2016 was as follows:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Total equity attributable to the equity shareholders of the Company	266.55	240.74	227.72
As a percentage of total capital	92.74%	94.48%	99.91%
Long term borrowings including current maturities	1.63	2.40	-
Short term borrowings	19.23	11.67	0.21
Total borrowings	20.86	14.07	0.21
As a percentage of total capital	7.26%	5.52%	0.09%
Total capital (equity and borrowings)	**287.41**	**254.81**	**227.93**

39 Explanation on transition to Ind AS

"As stated in Note 2.1, these are the first Standalone Financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its Standalone Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101-first time adoption of Indian Accounting Standards ("Ind AS-101"), with effect from 1 April 2016 ('transition date')

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening standalone Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its standalone Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in standalone financial statement prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Company's financial position and financial performance."

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

A. Mandatory exceptions to retrospective application

"The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".:

1) Estimates: As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance Sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the Standalone Financial Statements that were not required under the Previous GAAP are listed below:

– Impairment of Financial Assets based on the Expected Credit Loss Model.

– Determination of the Discounted Value for Financial Instruments carried at Amortized Cost."

2) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of Financial Assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of Financial Assets accounted at Amortized Cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of Financial Assets based on facts and circumstances that exist on the date of transition. Measurement of the Financial Assets accounted at Amortized Cost has been done retrospectively except where the same is impracticable."

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

1) Property, Plant and Equipment:

The Company has elected to treat previous GAAP carrying value as deemed cost for all items of its property, Plant and Equipment."

2) Intangible Assets and Intangible Assets Under Development:

The Company has elected to treat fair value as deemed cost for all items of intangibles. The aggregate fair value of intangibles where the exemption was availed amounted to ` 233,041,304 with an aggregate adjustment of ` 233,041,304 being recognized to the carrying value reported under the Previous GAAP."

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

3) Business combination:

Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

4) Investments in subsidiaries:

On transition, Ind AS 101 allows an entity to previous GAAP carrying value as deemed cost for investments held in Subsidiaries, Associates and Joint Ventures.

Accordingly, the Company has elected to treat previous GAAP carrying value as deemed cost for its Investments held in its Subsidiaries. "

C. The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

(i) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

Particulars	As at 31 March 2017	As at 1 April 2016
Total Equity as reported under previous GAAP	484.74	535.74
Impact on account of using fair value of Intangible Assets as Deemed Cost	(233.04)	(233.04)
Reversal of Amortization on Intangibles taken at Fair Value as Deemed Cost on transition date	41.49	-
Expected Credit Loss on Financial assets	(47.07)	(47.07)
Reversal of Prior Period Expenses	(5.39)	(27.91)
Total Equity reported under Ind AS	**240.73**	**227.72**

39 Explanation on transition to Ind AS (Continued)

(ii) Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Year ended March 31, 2017
Net Profit under previous GAAP	(51.00)
Reversal of Amortization on Intangibles taken at fair value as deemed cost on transition date	41.49
Reversal of Prior Period Expenses	22.52
Actuarial Gain / Loss on Post Employment Benefit Obligations	(1.70)
Tax effect on above adjustments	0.56
Net Profit under Ind AS	**11.87**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Year ended March 31, 2017
Other Comprehensive Income	
Actuarial Gains / (Losses) on Post-employment Benefit Obligations	1.70
Tax on above	(0.56)
Total Comprehensive Income under Ind AS	**13.01**

40 Standards issued but not effective

The standards issued, but not effective up to the date of issuance of the Financial Statements is disclosed below:

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those Goods or Services. The new standard also will result in enhanced disclosures about Revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, Service Revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after 1 April 2018. The Company intends to adopt Ind AS 115 effective 1 April 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company's recognition of revenues.

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in Foreign Currency and recognition of non-monetary prepayment asset or Deferred Income Liability.

Ind AS 12, Income Taxes - The amendment explains that determining Temporary Differences and estimating probable future Taxable Profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a Venture Capital, Mutual Fund, Unit Trust or similar entities elect to initially recognize the Investments in Associates and Joint Ventures

Ind AS 112, Disclosure of Interests in Other Entities – The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as held for Sale or Discontinued Operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from Investment Property.

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the Financial position, performance or the Cash Flows of the Company.

41 Prior Year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the current year's classification.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of
GOLDSTONE TECHNOLOGIES LIMITED

Report on the Consolidated Ind AS financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **GOLDSTONE TECHNOLOGIES LIMITED** (herein after referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the consolidated Balance Sheet as at March 31, 2018,the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the consolidated Statement of Cash Flow, the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated Ind AS financial position, consolidated Ind AS financial performance (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity of the Group including its subsidiaries in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the Company, as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Statement of Cash Flow and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued there under.

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ' Annexure A'; and

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

   i. The Company has no pending litigations which could have impact on its financial position.

   ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection

Fund by the holding company and the subsidiary company incorporated in India.

Other Matter:

We did not audit the financial statements of one subsidiary company included in the consolidated financial results, whose financial statements/ financial information reflect total assets Rs. 181.74 Millions of as at 31 March, 2018, total revenue of Rs. 109.31 Million for the year ended 31 March, 2018. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based on solely on the reports of the other Auditors.

The consolidated year-to-date financial results of the holding company include the following entities:

(a) Staytop Systems, Inc.

(b) Staytop Systems and Software Private Limited.

For **P C N & Associates.,**
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
Firm Registration No: 016016S

Sd/-
Chandra Babu .M
Partner
Membership No. 227849

Place: Hyderabad
Date : 30-05-2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GOLDSTONE TECHNOLOGIES LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of GOLDSTONE TECHNOLOGIES LIMITED as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GOLDSTONE TECHNOLOGIES LIMITED (hereinafter referred to as the 'Holding Company'), and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Covered entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Covered entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Covered entities, which are companies incorporated in India & outside India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Covered entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **P C N & Associates.,**
(Formerly Known as Chandra Babu Naidu & Co.,)
Chartered Accountants
Firm Registration No: 016016S

Sd/-
Chandra Babu .M
Partner
Membership No. 227849

Place: Hyderabad
Date : 30-05-2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	100.44	103.51	103.61
Goodwill		92.58	92.58	92.58
Financial assets				
Loans	5	1.41	1.41	1.41
Deferred tax assets, net	6	25.79	15.05	2.54
		220.22	**212.55**	**200.14**
Current assets				
Financial assets				
Trade receivables	7	78.93	62.09	58.92
Cash and cash equivalents	8	59.18	147.27	169.60
Other bank balances	9	3.16	3.15	6.90
Loans	5	122.18	123.87	129.86
Others	10	2.42	2.04	2.12
Current tax assets, net	11	66.91	53.36	36.84
Other current assets	12	7.21	5.98	4.66
		339.99	**397.76**	**408.90**
Total assets		**560.21**	**610.31**	**609.04**
Equity and Liabilities				
Equity				
Equity share capital	13	187.82	187.82	187.82
Other equity	14	243.77	226.44	230.26
Equity attributable to the owners of the Company		**431.59**	**414.26**	**418.08**
Non-controlling interest		-	-	-
Non-current liabilities				
Financial Liabilities				
Borrowings	15	0.78	1.63	-
Provisions	16	15.03	13.89	12.85
Other non-current liabilities	19	41.93	117.38	117.38
		57.74	**132.90**	**130.23**
Current liabilities				
Financial Liabilities				
Borrowings	15	19.23	11.67	0.21
Trade payables	17	40.99	35.10	41.83
Other financial liabilities	18	1.94	10.33	11.87
Other current liabilities	19	6.09	3.32	4.35
Provisions	16	2.63	2.73	2.47
		70.88	**63.15**	**60.73**
Total liabilities		**128.62**	**196.05**	**190.96**
Total equity and liabilities		**560.21**	**610.31**	**609.04**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Place: Hyderabad
Date: 30 May 2018

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	20	356.14	371.70
Other income	21	2.75	3.71
Total income		**358.89**	**375.41**
Expenses			
Cost of materials consumed	22	48.02	36.26
Employee benefits expense	23	273.86	314.36
Depreciation and amortization expense	24	3.79	4.04
Finance costs	25	3.20	0.84
Other expenses	26	28.28	33.72
Total expense		**357.15**	**389.22**
Profit before tax		1.74	(13.81)
Tax expenses			
Current tax	27	(2.13)	0.36
Deferred tax	27	(11.34)	(13.07)
Total tax expense		(13.47)	(12.71)
Profit/(Loss) for the year before non-controlling interest		**15.21**	**(1.10)**
Profit/(Loss) attributable to non controlling interest		-	-
Profit/(Loss) attributable to owners of the Parent		15.21	(1.10)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains on defined benefit plan		2.17	1.70
Income-tax effect	27	(0.60)	(0.56)
Other comprehensive income for the year, net of tax		1.57	1.14
Items that will be reclassified to profit or loss:			
Foreign currency translation adjustments		0.56	(3.86)
Income-tax effect		-	-
Total items that will not be reclassified to profit or loss		0.56	(3.86)
Other comprehensive income before non-controlling interest		2.12	(2.72)
Other comprehensive income attributable to non controlling interest		-	-
Other comprehensive income attributable to owners of the Parent		**2.12**	**(2.72)**
Total comprehensive income for the year before non controlling interest		**17.33**	**(3.82)**
Total comprehensive income attributable to non controlling interest		-	-
Total comprehensive income attributable to owners of the Parent		17.33	(3.82)
Earnings per equity share (nominal value of INR 10) in INR	35		
Basic		0.81	(0.06)
Diluted		0.81	(0.06)

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31ST MARCH, ,2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Cash flows from operating activities		
Profit before tax	1.74	(13.81)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	3.79	4.04
Finance income (including fair value change in financial instruments)	(0.46)	(1.77)
Finance costs (including fair value change in financial instruments)	3.20	0.84
Re-measurement losses on defined benefit plans	2.17	1.70
Foreign currency translation reserve	0.56	(3.86)
Operating profit before working capital changes	11.00	(12.86)
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(16.83)	(3.17)
Loans - current	1.69	5.99
Other financial assets - current	(0.38)	0.08
Other assets - current	(1.24)	(1.32)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	5.89	(6.73)
Other financial liabilities - current	(8.39)	(1.53)
Other non-current liabilities	(75.46)	-
Other current liabilities	2.77	(1.03)
Provisions	1.06	1.29
Cash generated from operations	(79.89)	(19.28)
Income taxes paid	(11.43)	(16.88)
Net cash generated from/(used in) operating activities	(91.32)	(36.16)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(0.90)	(3.96)
Sale of property, plant and equipment	0.18	0.02
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.01)	3.74
Interest received (finance income)	0.46	1.77
Net cash used in investing activities	(0.27)	1.57

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31ST MARCH, ,2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
III. Cash flows from financing activities		
Proceeds from/(repayment of) long-term borrowings, net	(0.85)	1.63
Proceeds from/(repayment of) short-term borrowings, net	7.56	11.46
Interest paid	(3.20)	(0.84)
Net cash provided by financing activities	3.51	12.25
Net increase in cash and cash equivalents (I+II+III)	(88.09)	(22.33)
Cash and cash equivalents at the beginning of the year	147.27	169.60
Cash and cash equivalents at the end of the year (refer note below)	59.18	147.27
Note:		
Cash and cash equivalents comprise:		
Cash on hand	0.03	0.03
Balances with banks:		
- in current accounts	59.15	147.24
	59.18	147.27

Summary of significant accounting policies 3

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 31ST MARCH, ,2018

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2016	18,782,066	187.82
Balance as at March 31, 2017	18,782,066	187.82
Balance as at March 31, 2018	**18,782,066**	**187.82**

b. Other equity

Particulars	Reserves and Surplus				Items of Other comprehensive income	Total other equity	Non-controlling interest	Total
	Securities premium	Capital reserve	General reserve	Retained earnings	Foreign currency translation reserve			
At April 1, 2016	59.78	218.38	18.30	(116.83)	50.62	230.26	-	230.26
Profit/(loss) for the year				(1.10)		(1.10)	-	(1.10)
Other comprehensive income								
Re-measurement gains/ (losses) on defined benefit plans				1.70		1.70		1.70
Foreign currency ranslation adjustments					(3.86)	(3.86)		(3.86)
Income-tax effect				(0.56)		(0.56)		(0.56)
At March 31, 2017	59.78	218.38	18.30	(116.79)	46.76	226.44	-	226.44
Profit/(loss) for the year				15.21		15.21	-	15.21
Other comprehensive income								
Re-measurement gains/ (losses) on defined benefit plans, net of tax				2.16		2.16		2.16
Foreign currency translation adjustments					0.56	0.56		0.56
Income-tax effect				(0.60)		(0.60)		(0.60)
Balance as of 31 March 2018	59.78	218.38	18.30	(100.02)	47.32	243.77	-	243.77

Summary of significant accounting policies 3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/-
Ch.Sudhakar Reddy
Managing Director
DIN: 02191226

Sd/-
L.P.Sashikumar
Director
DIN: 00016679

Sd/-
Vithal V S S N K Popuri
Chief Financial Officer

Sd/-
Thirumalesh T
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

1 General Information

Goldstone Technologies Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Hyderabad, India. The Company along with its subsidiaries (hereinafter referred to as "the Group") is primarily engaged in the business of IT and ITES services. The Company is listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

2 Basis of preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Group is provided in Note 38.

The financial statements were authorized for issue by the Group's Board of Directors on 30 May 2018.

Details of the accounting policies are included in Note 3.

2.2 Group Information

The consolidated financial statements of the Group includes subsidiaries listed in the table below

Name of Investee	Principal Activities	Country of Incorporation	Percentage of ownership/ voting rights		
			31/MAR/18	31/Mar/17	31/Mar/16
Staytop Systems, Inc.	IT and ITES	USA	100%	100%	100%
Staytop Systems and Software Private Limited	IT and ITES	India	99%	99%	99%

2.3 Basis of Consolidation

(i) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and its Subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as Subsidiary. The Parent Company together with its Subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) Consolidation of a subsidiaries begins when the Parent Company, directly or indirectly, obtains control over the Subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the Subsidiary. Income and expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the Subsidiary.

(iii) The Consolidated Financial Statements of the Group combines Financial Statements of the Parent Company and its Subsidiary line-by-line by adding together the like items of Assets, Liabilities, Income and Expenses. All intra-group Assets, Liabilities, Income, Expenses and Unrealized Profits/Losses on intra-group transactions are eliminated on consolidation. The Accounting Policies of Subsidiaries have been harmonized to ensure the consistency with the policies adopted by the Parent Company. The Consolidated Financial Statements have been presented to the extent possible, in the same manner as Parent Company's Standalone Financial Statements. Profit or Loss and each component of other Comprehensive Income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the Financial Statements.

(iv) Non-controlling interest represents that part of the total Comprehensive Income and net assets of Subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

(iv) Non-controlling interest represents that part of the total Comprehensive Income and net assets of Subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

(iv) Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the Subsidiary over the Group's share in the net worth of a Subsidiary. For this purpose, the Group's share of Net Worth is determined on the basis of the latest Financial Statements, prior to the acquisition, after making necessary adjustments for material events between the date of such Financial Statements and the date of respective acquisition. Capital Reserve on consolidation represents excess of the Group's share in the Net Worth of a Subsidiary over the cost of acquisition at each point of time of making the Investment in the Subsidiary. Goodwill arising on consolidation is not amortized, however, it is tested for impairment annually. In the event of cessation of operations of a Subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the Subsidiary, over the Group's share in the fair value of the Net Assets of a Subsidiary. Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

2.4 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:· certain Financial Assets and Liabilities are measured at Fair Value;

· employee defined benefit Assets/(Liability) are recognized as the net total of the fair value of Plan Assets, plus Actuarial Losses, less Actuarial Gains and the present value of the Defined Benefit Obligation;

· Long Term Borrowings are measured at amortized cost using the effective interest rate method.

2.5 Functional Currency

The financial statements are presented in Indian Rupees Millions, which is the functional currency of the Group. Functional currency of an entity is the currency of the primary economic environment in which the entity operates

All amounts are in Indian Rupees Millions except share data, unless otherwise stated.

2.6 Operating Cycle

All the Assets and Liabilities have been classified as Current or Non-current as per the Group's normal Operating Cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Assets:

An Asset is classified as Current when it satisfies any of the following criteria:

a) it is expected to be realized in, or is intended for sale or consumption in, the Group's Normal Operating Cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is Cash or Cash Equivalent unless it is restricted from being exchanged or used to settle a Liability for at least twelve months after the reporting date. Liabilities:

A Liability is classified as Current when it satisfies any of the following criteria:

a) it is expected to be settled in the Group's Normal Operating Cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the Liability for at least twelve months after the reporting date. Terms of a Liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current Assets / Liabilities include the current portion of Non-current Assets / Liabilities respectively. All other Assets / Liabilities are classified as Non-current.

2.7 Critical accounting judgements and key sources of estimation uncertainty Operating Cycle

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of Assets and Liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's Accounting Policies and that have the most significant effect on the amounts recognized in the Financial Statements:

Provision and Contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For Contingent Losses that are considered probable, an estimated Loss is recorded as an accrual in Financial Statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent Liabilities in the Financial Statements. Contingencies the likelihood of which is remote are not disclosed in the Financial Statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable. Useful lives of Depreciable Assets Management reviews the useful lives of Depreciable Assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

2.8 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both Financial and Non-financial Assets and Liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted Prices (unadjusted) in active markets for identical Assets or Liabilities.

– Level 2: inputs other than Quoted Prices included in Level 1 that are observable for the Asset or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an Asset or a Liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an Asset or a Liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant Accounting Policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognized when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes Excise Duty.
- Dividend income is accounted for when the right to receive the income is established.
- Difference between the Sale Price and carrying value of Investment is recognized as Profit or Loss on sale / redemption on Investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as Finance Leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other Leases are classified as Operating Leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as Finance Leases. Such Assets are Capitalized at fair value of the Asset or present value of the minimum Lease Payments at the inception of the Lease, whichever is lower. Assets held under Leases that do not transfer substantially all the risks and reward of ownership are not recognized in the Balance Sheet.

Lease payments under Operating Lease are generally recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of Lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the Lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a Finance Lease that it is impracticable to separate the payments reliably, then an Assets and a Liabilities are recognized at an amount equal to the fair value of the underlying Asset; subsequently, the Lis reduced as payments are made and an imputed Finance Cost on the Liability is recognized using the Group's incremental borrowing rate.

Minimum Lease payments made under Finance Leases are apportioned between the Finance Charge and the reduction of the outstanding Liability. The Finance Charge is allocated to each period during the Lease term so as to produce a constant periodic rate of interest on the remaining balance of the Liability.

3.3 Foreign Currencies

In preparing the Financial Statements of the Group, transactions in currencies other than the Group's functional Currency (Foreign Currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign Currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of Historical Cost in a Foreign Currency are not retranslated. Exchange differences on monetary items are recognized in Profit or Loss in the period in which they arise.

3.4 Borrowing Costs

Specific Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the Asset is ready for its intended use and borrowing costs are being incurred. A qualifying Asset is an Asset that necessarily takes a substantial period of time to get ready for its intended use. All other Borrowing Costs are recognized as an expense in the period in which they are incurred. Borrowing Cost includes Interest Expense, Amortization of Discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from Foreign Currency borrowings to the extent they are regarded as an adjustment to the Interest Cost.

3.5 Taxation

Income Tax expense consists of Current and Deferred tax. Income Tax expense is recognized in the Income Statement except to the extent that it relates to items recognized directly in Equity, in which case it is recognized in Equity.

Current Tax

Current Tax is the expected Tax payable on the Taxable Income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to Tax payable in respect of Previous Years

Deferred tax

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of Assets and Liabilities for financial reporting purposes and the amounts used for Taxation purposes. Deferred Tax is not recognized for the following temporary differences: the initial recognition of Assets or Liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to Investments in Subsidiaries and jointly controlled Entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred Tax is measured at the Tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset Current

Tax Liabilities and Assets, and they relate to Income Taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle Current Tax Liabilities and Assets on a net basis or their Tax Assets and Liabilities will be realized simultaneously.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings Per Share

The Group presents Basic and Diluted Earnings Per Share ("EPS") data for its ordinary shares. The Basic Earnings Per Share is computed by dividing the Net Profit attributable to Equity Shareholders for the period by the weighted average number of Equity Shares outstanding during the year. Diluted Earnings Per Share is computed by dividing the Net Profit attributable to Equity Shareholders for the year relating to the dilutive potential Equity Shares, by the weighted average number of Equity Shares considered for deriving Basic Earnings Per Share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares. Potential Equity Shares are deemed to be dilutive only if their conversion to Equity Shares would decrease the Net Profit per Share.

3.7 Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an Asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-current Assets".

3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

The Group has componentized its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of Assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	5 years
Office Equipment	5 years
Computers - Laptops & Desk-tops	3 years
Computers - Servers	6 Years
Furniture and Fixtures	10 years
Vehicles - Four Wheelers	8 years
Vehicles - Two Wheelers	10 years
Leasehold Improvements	10 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.10 Intangible Assets and Amortization

Intangible Assets are stated at Cost less Accumulated Amortization and Impairment. Intangible Assets are amortized over their respective estimated useful lives on a Straight-line basis, from the date that they are available for use.

Amortization.

The estimated useful life of an identifiable Intangible Asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Software is amortized over a period of three to five years.

3.11 Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise Cash at Bank and in Hand and Short-term Deposits with Banks that are readily convertible into Cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting Short-term Cash commitments.

3.12 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby Net Profit Before Tax is adjusted for the effects of transactions of a 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 Group are segregated.

3.13 Government Grants

Government Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognized in the Statement of Profit and Loss over the expected useful life of the Asset.

3.14 Impairment of Non Financial Assets

The carrying amounts of the Group's Non-financial Assets, Inventories and Deferred Tax Assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the Asset's recoverable amount is estimated.

The recoverable amount of an Asset or Cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future Cash Flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Asset or the cash-generating unit. For the purpose of impairment testing, Assets are grouped together into the smallest group of Assets that generates cash inflows from continuing use that are largely independent of the cash inflows of Other Assets or Groups of Assets (the "Cash-generating unit").

An Impairment Loss is recognized in the Income

Statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment Losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An Impairment Loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the Asset's carrying amount does not exceed the carrying amount that would have been determined, net of Depreciation or Amortization, if no Impairment Loss had been recognized. Goodwill that forms part of the carrying amount of an Investment in an Associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the Investment in an Associate is tested for impairment as a Single Asset when there is objective evidence that the investment in an associate may be impaired.

An Impairment Loss in respect of Equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An Impairment Loss is recognized in the Income Statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.15Employee Benefits

Short-term Employee Benefits

Short-term Employee Benefits are expensed as the related service is provided. A Liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the Employee and the obligation can be estimated reliably.

Defined Contribution Plans

The Group's contributions to Defined Contribution Plans are charged to the Income Statement as and when the services are received from the employees.

Defined Benefit Plans

The Liability in respect of Defined Benefit Plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the Defined Benefit Obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on Government Bonds are used. The current service cost of the Defined Benefit Plan, recognized in the Income Statement in Employee Benefit Expense, reflects the increase in the Defined Benefit Obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the Net Balance of the Defined Benefit Obligation and the fair value of Plan Assets. This cost is included in Employee Benefit Expense in the Income Statement. Actuarial Gains and Losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other Long-term Employee Benefits

The Group's net obligation in respect of other Long Term Employee Benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise.

3.16 Provisions

A Provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future Cash Flows at a Pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent Liabilities & Contingent Assets

A disclosure for a Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the Financial Statements. However, Contingent Assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs

3.18 Financial Instruments

a. Recognition and Initial recognition

The Group recognizes Financial Assets and Financial Liabilities when it becomes a party to the contractual provisions of the instrument. All Financial Assets and Liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of Financial Assets and Financial Liabilities that are not at fair value through Profit or Loss, are added to the fair value on initial recognition.

A Financial Asset or Financial Liability is initially measured at fair value plus, for an item not at fair value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial Assets

On initial recognition, a Financial Asset is classified as measured at

– amortized cost;– FVTPL

Financial Assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing Financial Assets.

A Financial Asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the Asset is held within a business model whose objective is to hold assets to collect contractual Cash Flows; and
- the contractual terms of the Financial Asset give rise on specified dates to Cash Flows that are solely payments of Principal and Interest on the Principal amount outstanding.

All Financial Assets not classified as measured at amortized cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a Financial Asset that otherwise meets the requirements to be measured at amortized cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a Financial Asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the

  Financial Assets to the duration of any related liabilities or expected cash outflows or realizing Cash Flows through the sale of the Assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the Assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of Financial Assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of Financial Assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the Assets.

Financial Assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets: Assessment whether contractual cash flows are solely payments of Principal and Interest

For the purposes of this assessment, 'Principal' is defined as the fair value of the Financial Asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of Principal and Interest, the Group considers the contractual terms of the instrument. This includes assessing whether the Financial Asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a Financial Asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Assets: Subsequent measurement and gains and losses

Financial Assets at FVTPL: These Assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Profit or Loss.

Financial Assets at Amortized Cost: These Assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Profit or Loss. Any gain or loss on derecognition is recognized in Profit or Loss.

Financial Liabilities: Classification, Subsequent measurement and gains and losses

Financial Liabilities are classified as measured at amortized cost or FVTPL. A Financial Liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Profit or Loss. Other Financial Liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and Foreign Exchange Gains and Losses are recognized in Profit or Loss. Any gain or loss on derecognition is also recognized in Profit or Loss.

c. Derecognition

Financial Assets

The Group derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the Financial Asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the Financial Asset.

If the Group enters into transactions whereby it transfers Assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred Assets, the transferred Assets are not derecognized.

Financial Liabilities

The Group derecognizes a Financial Liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a Financial Liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new Financial Liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the Financial Liability extinguished and the new Financial Liability with modified terms is recognized in profit.

d. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Impairment

The Group recognizes loss allowances for expected credit losses on Financial Assets measured at amortized cost;

At each reporting date, the Group assesses whether Financial Assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the Financial Asset have occurred.

Evidence that a Financial Asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial Asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for Financial Assets measured at amortized cost are deducted from the gross carrying amount of the Assets.

Write-off

The gross carrying amount of a Financial Asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical Equipment	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Leasehold Improve-ments	Total
Deemed Cost										
At April 1, 2016 (Refer note a)	76.67	13.35	1.27	0.71	0.74	2.28	2.73	5.33	0.53	103.61
Additions	-	-				0.48		3.48	-	3.96
Deletions	-	-	-	-	-	0.06	-	1.09	-	1.15
At March 31, 2017	76.67	13.35	1.27	0.71	0.74	2.70	2.73	7.72	0.53	106.42
Additions					0.02	0.49	0.03	0.36		0.90
Deletions						-		0.25		0.25
At March 31, 2018	76.67	13.35	1.27	0.71	0.76	3.19	2.76	7.83	0.53	107.07
Accumulated depreciation										
At April 1, 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.83	0.09	0.10	0.08	0.87	0.69	1.31	0.07	4.04
Less: Adjustments	-	-	-	-	-	0.04	-	1.09	-	1.13
At March 31, 2017	-	0.83	0.09	0.10	0.08	0.83	0.69	0.22	0.07	2.91
Charge for the year		0.83	0.09	-	0.08	0.61	0.68	1.43	0.07	3.79
Less: Adjustments								0.07		0.07
At March 31, 2018	-	1.66	0.18	0.10	0.16	1.44	1.37	1.58	0.14	6.63
Carrying amount										
At April 1, 2016	76.67	13.35	1.27	0.71	0.74	2.28	2.73	5.33	0.53	103.61
At March 31, 2017	76.67	12.52	1.18	0.61	0.66	1.87	2.04	7.50	0.46	103.51
At March 31, 2018	76.67	11.69	1.09	0.61	0.60	1.75	1.39	6.25	0.39	100.44

Note

a) For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

b) Charge on Property, Plant and Equipment:

Out of Property, Plant and Equipment, Land and Buildings with a carrying amount of INR 88,361,025 (31-March-2017 - INR 89,191,328; 1-April-2016 - INR 90,021,631) are offered as collateral to secure the Bank Loans of Goldstone Infratech Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017	1 April 2016
5	**Loans (Unsecured, considered good unless otherwise stated)**			
	Non-current			
	Security deposits	1.41	1.41	1.41
		1.41	**1.41**	**1.41**
	Current			
	Security deposits	2.62	4.74	1.87
	Other advances	119.56	119.13	127.99
		122.18	**123.87**	**129.86**
6	**Deferred tax asset, net**			
	Deferred tax asset			
	- Tangible and Intangible assets	10.92	-	-
	- Provision allowed under tax on payment basis	4.87	5.13	4.73
	- Expected credit loss on financial assets			
	- Unabosorbed Depreciation	10.00	11.45	6.10
	Total	**25.79**	**16.58**	**10.83**
	Deferred tax liability			
	- Fair valuation of financial liabilities	-	1.53	8.29
	Deferred tax asset, net	**25.79**	**15.05**	**2.54**
7	**Trade receivables**			
	Unsecured, considered good	78.93	62.09	58.92
		78.93	**62.09**	**58.92**
	Less: Allowance for doubtful receivables	-	-	-
	Total trade receivables	**78.93**	**62.09**	**58.92**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017	1 April 2016
8	**Cash and cash equivalents**			
	Balances with banks:			
	- On current accounts	59.15	147.24	169.57
	Cash on hand	0.03	0.03	0.03
	Total cash and cash equivalents	**59.18**	**147.27**	**169.60**
9	**Other Bank balances**			
	Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	3.16	3.15	6.90
	Total other Bank balances	**3.16**	**3.15**	**6.90**
	*Represents Margin Money Deposits against Bank Guarantees			
10	**Others (Unsecured, considered good unless otherwise stated)**			
	Current			
	Interest accrued on deposits	2.42	2.04	2.12
		2.42	**2.04**	**2.12**
11	**Current tax assets, net**			
	Advance taxes and TDS	103.97	86.74	67.19
	Less: Provision for taxes	37.06	33.38	30.35
		66.91	**53.36**	**36.84**
12	**Other assets**			
	Current assets			
	Unsecured, considered good			
	Advances other than capital advances			
	Staff advances	0.05	0.41	0.35
	Supplier advances	-	0.11	0.21
	Prepaid expenses	1.80	1.41	1.24
	Balances with Government Departments	5.36	4.05	2.86
		7.21	**5.98**	**4.66**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017	1 April 2016
13	**Share Capital**			
	Authorized Share Capital			
	50,000,000 (March 31, 2017: 50,000,000; April 1, 2016: 50,000,000) equity shares of Rs.10 each	500.00	500.00	500.00
	Issued, subscribed and fully paid-up			
	18,782,066 (March 31, 2017: 18,782,066; April 1, 2016: 18,782,066) Equity Shares of Rs.10/- each fully paid-up	187.82	187.82	187.82
		187.82	187.82	187.82

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2018		31 March 2017	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	1,87,82,066	187.82	1,87,82,066	187.82
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,87,82,066	187.82	1,87,82,066	187.82

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Trinity Infraventure Limited	34,19,872	18.21%	34,19,872	18.21%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
14	**Other equity**		
	Securities premium		
	Opening balance	59.78	59.78
	Add: Premium on fresh issue	-	-
	Closing balance	**59.78**	**59.78**
	Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.		
	Capital reserve		
	Opening balance	218.38	218.38
	Additions during the year	-	-
	Closing balance	**218.38**	**218.38**
	General reserve		
	Opening balance	18.30	18.30
	Add: Transfers during the year	-	-
	Closing balance	**18.30**	**18.30**
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
	Foreign currency translation reserve		
	Opening balance	46.77	50.62
	Add: Transfers during the year	0.56	(3.86)
	Closing balance	**47.33**	**46.76**
	Retained earnings		
	Opening balance	(116.78)	(116.83)
	Profit/(loss) for the year	15.21	(1.09)
	Other comprehensive income	1.55	1.14
	Less: Transfers to general reserve	-	-
	Closing balance	**(100.02)**	**(116.78)**
	Total other equity	**243.77**	**226.44**
	Retained earnings reflect surplus/deficit after taxes in the profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
15 Borrowings			
Non-current Borrowings			
Secured loans			
Vehicle loans			
- From Banks (refer note A below)	0.78	1.63	-
Total non-current borrowings	**0.78**	**1.63**	**-**
Current Borrowings			
Secured loans repayable on demand			
- Working capital loans from banks (refer note B below)	19.23	11.67	0.21
Total current borrowings	**19.23**	**11.67**	**0.21**

A. Vehicle loans from Banks:

The Company has the following 3 vehicle loans:

1) Loan of Rs.18,59,000 from Axis Bank for purchase of Toyota Innova secured by the Vehicle Purchased out of the Loan funds. It is repayable in 36 EMI's of INR 59,897/- from 15-August-2016 to 15-July-2019. Current maturities repayable within one year is INR 228,129/-. The loan carries an interest rate of 9.90% per annum.

2) Loan of Rs.4,99,000 from Axis Bank for purchase of Tata Indica secured by the Vehicle Purchased out of the Loan funds. It is repayable in 60 EMI's of INR 10,578/- from 1-October-2016 to 1-September-2021. Current maturities repayable within one year is INR 94,261/-. The loan carries an interest rate of 9.90% per annum.

3) Loan of Rs.4,99,000 from Axis Bank for purchase of Tata Indica secured by the Vehicle Purchased out of the Loan funds. It is repayable in 60 EMI's of INR 10,578/- from 1-October-2016 to 1-September-2021. Current maturities repayable within one year is INR 94,261/-. The loan carries an interest rate of 9.90% per annum.

B. Working capital loan from Central Bank of India:

The loan is repayable on demand and the loan carries an interest rate of 13% per annum. This loan is secured by hypothecation of the Book Debts of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
16 Provisions			
Non-Current			
Provision for employee benefits			
- Gratuity (refer note 32)	10.34	8.94	7.92
- Compensated absences	4.69	4.95	4.93
	15.03	**13.89**	**12.85**
Current			
Provision for employee benefits			
- Gratuity (refer note 32)	0.50	0.41	0.29
- Compensated absences	2.13	2.32	2.18
	2.63	**2.73**	**2.47**
17 Trade payables			
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	40.99	35.10	41.83
	40.99	**35.10**	**41.83**
18 Other financial liabilities			
Current maturities of long-term debts	0.85	0.77	-
Employee salaries payable	0.80	9.28	11.60
Provision for expenses	0.29	0.28	0.27
	1.94	**10.33**	**11.87**
19 Other liabilities			
Non-current			
Advance received against sale of asset from related party	41.93	117.38	117.38
	41.93	**117.38**	**117.38**
Current			
Advance received from customers	-	1.50	-
Statutory liabilities	6.09	1.82	4.35
	6.09	**3.32**	**4.35**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
20 Revenue from operations		
Revenue from Information Technology/ Software services and Sale of Software Licenses		
Domestic	59.80	31.65
Export	296.34	340.05
	356.14	**371.70**
21 Other income		
Interest on deposits	0.46	1.77
Miscellaneous income	2.29	1.94
	2.75	**3.71**
22 Cost of materials consumed		
Purchase cost of software license	48.02	36.26
	48.02	**36.26**
23 Employee benefits expense		
Salaries, wages and bonus	269.22	294.25
Contribution to provident and other funds	4.03	7.76
Staff welfare expenses	0.61	12.35
	273.86	**314.36**
24 Depreciation and amortization expense		
Depreciation of tangible assets	3.79	4.04
	3.79	**4.04**
25 Finance costs		
Interest on loans	2.66	0.60
Bank charges	0.54	0.24
	3.20	**0.84**
26 Other expenses		
Power/Electricity & Fuel	2.72	2.71
Rent	4.93	3.79
Repairs to office equipment	0.98	0.54
Insurance	3.53	1.55
Car Hire charges & transportation	1.01	0.26
Telephone, Postage and Others	2.10	2.69
Business Promotion Expenses	0.22	0.21
Conveyance & Travelling Expenses	4.72	5.90

(Contd.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
	Other expenses (Contd.)		
	Office Maintenance	2.21	1.32
	Printing & Stationery Expenses	0.18	0.33
	Security Charges	0.41	0.22
	Rates & taxes	0.44	1.40
	Invoice Processing Charges	1.52	3.12
	Seminar Fee/Training/Legal Fee/Listing Fee	1.45	1.23
	Web Development Charges	-	0.14
	Professional Consultancy Fee	3.38	2.35
	Audit Fee	0.48	0.48
	Reimbursement of expenses Auditors	0.04	0.01
	Director Sitting Fee	0.89	0.59
	Vehicle Maintenance Charges	0.23	0.40
	Secretarial Expenses	0.10	0.14
	Bad Debts written off	-	0.19
	Foreign Exchange Loss	(4.83)	0.84
	Other Expenses	1.57	3.31
		28.28	33.72
27	**Tax expenses**		
	Current Income Tax:		
	Current Income Tax charge	(2.13)	0.36
	Deferred Tax:		
	Relating to originating and reversal of temporary differences	(11.34)	(13.07)
	Income Tax expense recognized in the statement of Profit or Loss	(13.47)	(12.71)
	Deferred Tax related to items considered in OCI during the year		
	Re-measurement Gains / (Losses) on Defined Benefit Plan	(0.60)	(0.56)
	Income tax charge to OCI	(0.60)	(0.56)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
	Reconciliation of Tax Expense with the accounting profit multiplied by domestic Tax Rate:		
	Accounting profit before income tax	1.74	(13.80)
	Tax on accounting profit at statutory income tax rate 20.389% (March 31, 2017: 0%)	0.35	-
	Adjustments in respect of items taken to opening equity	(16.20)	-
	Adjustments on account of unabsorbed depreciation and carried forward losses	-	(5.35)
	Adjustments in respect of deferred tax at higher rates (27.55%)	4.86	-
	Others	(2.48)	(7.36)
	Tax expense reported in the statement of profit and loss	**(13.47)**	**(12.71)**

28 Contingent liabilities and commitments

	Particulars	31 March 2018	31 March 2017	1 April 2016
i)	Contingent liabilities:			
	- Corporate guarantees given on behalf of related parties	1,082.50	1,097.90	909.00
	- Bank guarantees	1.06	1.26	6.76
ii)	Commitments:			
	- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	Nil	Nil	Nil

(a) The Company offered the Land owned by it to the extent of 26,092 Sq. Yds. situated at Survey No. 249 (Part), 250 (Part) and 251 (part) and Building there on as collateral security to State Bank of India, Commercial Branch, Hyderabad against the credit facilities availed by M/s Goldstone Infratech Ltd., and also given corporate guarantee for Indian Rupees 992.50 Millions. However the Company's liability is restricted to the value of the property offered as collateral security.

(b) Corporate Guarantee given for the credit facilities of Indian Rupees 90 Millions availed by M/s Trinity Infraventures Limited with Allahabad Bank.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

29 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Group:

Name of the parties	Relationship
Key Management Personnel (KMP):	
P.S.Parthasarathy	Managing Director - till 26th May 2017
Ch.Sudhakar Reddy	Managing Director - from 27th May 2017
Vithal V S S N K Popuri	Chief Financial Officer
K. Ramyanka Yadav	Company Secretary-Till 30th November 2017
Thirumalesh T	Company Secretary - From 3rd January 2018

b) Details of all transactions with related parties during the year:

Particulars	31-Mar-18	31-Mar-17
i) **Managerial remuneration/ consultancy fee to Key managerial personnel ***	3.66	5.53

* Does not include insurance, which is paid for the Group as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

30 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The CODM evaluates the Group's performance and allocates resources on overall basis.

During the year, the Company has three Reportable Segments, i.e. USA - Information Technolony / Software Services, India - Information Technology / Software Services and Software License.

The segment revenue, profitability, assets and liabilities are as under:

Revenue by segment	For the year ended 31 March 2018
a) USA - Information Technology / Software Services	155.06
b) India - Information Technology / Software Services	141.40
c) Software Licenses	63.72
Less: Inter Company Sales	(4.04)
Total revenue	**356.14**

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Segment Results	**For the year ended 31 March 2018**
(Profit before Tax & Interest)	
a) USA - Information Technology / Software Services	(14.82)
b) India - Information Technology / Software Services	22.96
c) Software Licenses	0.59
Total:	**8.73**
Less: (i) Interest	3.20
(ii) Unallocable expenditure (Net of Un allocable income)	3.79
Total Profit before tax	**1.74**

Segment Assets, Segment Liabilities & Segment Capital Employed:

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

31 Auditors' remuneration include:

Particulars	**31-Mar-18**	**31-Mar-17**	**31-Mar-16**
	Indian Rupees		
Statutory audit fee (including limited review)	450,000	450,000	450,000
Tax audit fee	25,000	25,000	25,000
Total	**475,000**	**475,000**	**475,000**

32 Gratuity

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ` 1,000,000.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the amounts recognized in the balance sheet for the plan:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Opening balance	**9.35**	**8.22**	**7.08**
Current service cost	3.00	3.08	2.78
Past service cost	1.15	-	-
Interest cost	0.66	0.61	0.78
Benefits paid	(1.15)	(0.86)	(0.67)
Actuarial gain	(2.17)	(1.70)	(1.75)
Closing balance	**10.84**	**9.35**	**8.22**
Present value of projected benefit obligation at the end of the year	10.84	9.35	8.22
Fair value of plan assets at the end of the year	-	-	-
Net liability recognized in the balance sheet	**10.84**	**9.35**	**8.22**
Current provision	0.50	0.41	0.29
Non current provision	10.34	8.94	7.93

Expenses recognized in statement of profit and loss	31-Mar-18	31-Mar-17
Service cost	4.15	3.08
Interest cost	0.66	0.61
Gratuity cost	**4.81**	**3.69**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes -	-	-
Actuarial gain / (loss) due to financial assumption changes	(0.81)	0.43
Actuarial gain / (loss) due to experience adjustments	(1.36)	(2.12)
Return on plan assets greater (less) than discount rate	-	-
Total expenses routed through OCI	**(2.17)**	**(1.69)**

Assumptions		
Discount rate (per annum)	7.75%	7.20%
Future salary increases	7.00%	7.00%

A quantitative sensitivity analysis for significant assumption and its impact in percentage terms on projected benefit obligation are as follows:

	31-Mar-18	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on projected benefit obligation	-6.15%	5.94%
Impact of decrease in 50 bps on projected benefit obligation	6.75%	-5.63%

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

33 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

34 Leases

Where the Group is a lessee:

The Group has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

i) Amounts recognized in statement of profit and loss:

Particulars	31-Mar-18	31-Mar-17
Cancellable lease expense	2.38	3.79
Non - cancellable lease expense	2.55	-
Total	**4.93**	**3.79**

35 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

35 Earnings per share (Continued)

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-18	31-Mar-17
Profit for the year attributable to equity share holders	15.21	(1.10)
Shares		
Weighted average number of equity shares outstanding during the year – basic	18,782,066	18,782,066
Weighted average number of equity shares outstanding during the year – diluted	18,782,066	18,782,066
Earnings per share		
Earnings per share of par value ` 10 – basic (`)	0.81	(0.06)
Earnings per share of par value ` 10 – diluted (`)	0.81	(0.06)

36 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Group does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	Increase/ decrease in interest rate	Effect on profit before tax
March 31, 2018		
INR	+1%	(0.21)
INR	-1%	0.21
March 31, 2017		
INR	+1%	(0.14)
INR	-1%	0.14

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to RS. 68,591,978 (March 31,2017: 55,682,441; April 1, 2016: 47,158,901). Basis the estimate, there is no allowance for expected credit loss provided by the Group.

The top 3 to 5 customers account for more than 50% of the revenue as of March 31, 2018, March 31, 2017 and April 1, 2016. However, since the Company has diversified business in the areas of IT Consulting, IT Staffing, Off-shore Technical Support and Big Data Analytics Software License Sales the concentration risk of revenue would come down in the future.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2018						
Borrowings	19.23	0.20	0.64	0.78	-	20.85
Trade payables	-	40.99	-	-	-	40.99
Year ended March 31, 2017						
Borrowings	11.67	0.19	0.58	1.63	-	14.07
Trade payables	-	35.10	-	-	-	35.10
As at April 1, 2016						
Borrowings	0.21	-	-	-	-	0.21
Trade payables	-	41.83	-	-	-	41.83

37 Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2018, March 31, 2017 and April 1, 2016 was as follows:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Total equity attributable to the equity shareholders of the Group	431.59	414.26	418.08
As a percentage of total capital	95.39%	96.72%	99.95%
Long term borrowings including current maturities	1.63	2.40	-
Short term borrowings	19.23	11.67	0.21
Total borrowings	20.86	14.07	0.21
As a percentage of total capital	4.61%	3.28%	0.05%
Total capital (equity and borrowings)	**452.45**	**428.33**	**418.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

38 Explanation on transition to Ind AS

As stated in Note 2.1, these are the first Consolidated Financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Group had prepared its Consolidated Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Group has followed the guidance prescribed under Ind AS 101-first time adoption of Indian Accounting Standards ("Ind AS-101"), with effect from 1 April 2016 ('transition date').

The Accounting Policies set out in Note 3 have been applied in preparing these Consolidated Financial Statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Consolidated Ind AS Balance Sheet on the date of transition i.e. 1 April 2016

In preparing its Consolidated Ind AS Balance Sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Group has adjusted amounts reported previously in Consolidated Financial Statement prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Group's financial position and financial performance.

A. Mandatory exceptions to retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".:

1) Estimates: As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

   As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

   The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the Consolidated Financial Statements that were not required under the Previous GAAP are listed below:

   – Impairment of Financial Assets based on the expected credit loss model.

   – Determination of the discounted value for Financial Instruments carried at amortized cost.

2) Classification and measurement of Financial Assets: Ind AS 101 requires an Entity to assess classification of Financial Assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of Financial Assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

   Accordingly, the Group has determined the classification of Financial Assets based on facts and circumstances that exist on the date of transition. Measurement of the Financial Assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Group has accordingly on transition to Ind AS availed the following key exemptions:

1) Property, Plant and Equipment: The Group has elected to treat previous GAAP carrying value as deemed cost for all items of its Property, Plant and Equipment.

2) Intangible Assets and Intangible Assets under development: The Group has elected to treat fair value as deemed cost for all items of intangibles. The aggregate fair value of intangibles where the exemption was availed amounted to 233,041,304 with an aggregate adjustment of 233,041,304 being recognized to the carrying value reported under the Previous GAAP.

3) Business combination: Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Group has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

C. The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

(i) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

Particulars	As at 31 March 2017	As at 1 April 2016
Total Equity as reported under previous GAAP	611.58	675.54
Impact on account of using fair value of Intangible Assets as deemed cost	(233.04)	(233.04)
Reversal of Amortization on Intangibles taken at fair value as deemed cost on transition date	41.49	-
Impact of Foreign Currency Translation adjustments	46.77	50.62
Expected credit loss on Financial Assets	(47.07)	(47.07)
Reversal of prior period expenses	(5.46)	(27.97)
Total Equity reported under Ind AS	**414.27**	**418.08**

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

38 Explanation on transition to Ind AS (Continued)

(ii) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Year ended 31 March 2017
Net Profit under previous GAAP	(63.96)
Reversal of amortization on Intangibles taken at fair value as deemed cost on transition date	41.49
Reversal of prior period expenses	22.52
Actuarial Gain / Loss on post employment benefit obligations	(1.70)
Others	(0.01)
Tax effect on above adjustments	0.56
Net Profit under Ind AS	**(1.10)**
Other Comprehensive Income	
Actuarial Gains / (Losses) on post- employment benefit obligations	1.70
Foreign currency translation adjustments	(3.86)
Tax on above	(0.56)
Total Comprehensive Income under Ind AS	**(3.82)**

39 Standards issued but not effective

The standards issued, but not effective up to the date of issuance of the financial statements is disclosed below:

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after 1 April 2018. The Group intends to adopt Ind AS 115 effective 1 April 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Group's recognition of revenues.

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a Venture Capital, Mutual Fund, Unit Trust or similar entities elect to initially recognize the investments in Associates and Joint Ventures.

Ind AS 112, Disclosure of Interests in Other Entities – The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property.

The amendments are effective 1 April 2018. The Group believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Group.

40 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date
for P C N & Associates
(formerly known as Chandra Babu Naidu & Co.)
Chartered Accountants
ICAI Firm Registration Number: 016016S

Sd/-
Chandra Babu M
Partner
Membership No.: 227849

Place: Hyderabad
Date: 30 May 2018

for and on behalf of the Board of Directors of
Goldstone Technologies Limited
CIN: L72200TG1994PLC017211

Sd/- **Ch.Sudhakar Reddy** Managing Director DIN: 02191226	Sd/- **L.P.Sashikumar** Director DIN: 00016679
Sd/- **Vithal V S S N K Popuri** Chief Financial Officer	Sd/- **Thirumalesh T** Company Secretary

GOLDSTONE TECHNOLOGIES

GOLDSTONE TECHNOLOGIES	**GOLDSTONE TECHNOLOGIES LIMITED** CIN; L72200TG1994PLC017211 Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex S D Road, Secunderabad – 500 003 Phone No. 91-40-27807640 E-mail id: corporate@goldstonetech.com I website: www.goldstonetech.com

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio/ : ________________ Shares held : ________________

Client ID/ DPID : ________________

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

I hereby record my presence at the 24th Annual General Meeting to be held on Friday, 28th September, 2018 at 4.30 P.M. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note: 1) To be signed at the time of handing over this slip.

2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

GOLDSTONE TECHNOLOGIES	**GOLDSTONE TECHNOLOGIES LIMITED** CIN; L72200TG1994PLC017211 Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex S D Road, Secunderabad – 500 003 Phone No. 91-40-27807640 E-mail id: corporate@goldstonetech.com I website: www.goldstonetech.com

FORM-No-MGT-11

Proxy Form

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Friday, 28th Day of September, 2018 at 4.30 P.M. Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31st, 2018, together with the Directors' and Auditors' Report thereon.			
2.	Re-Appointment of Mr. Clinton Travis Caddell who retires by rotation.			
3.	Appointment of Ms. Sukhjinder Kaur as an Independent Director of the Company.			
4.	Approval to continue Mr. K S Sarma, as Non-Executive Independent Director			
5.	Fixation of the amount of fee to be paid by the member / shareholder of the Company for delivery of any document through a particular mode			

Signed this ----------- day of ---------2018.

Affix Revenue Stamp

Signature of shareholder;______________ Signature of Proxy holder(s)___________

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

	GOLDSTONE TECHNOLOGIES LIMITED CIN; L72200TG1994PLC017211 Regd. Office: 9-1-83 & 84, Amarchand Sharma Complex S D Road, Secunderabad – 500 003 Phone No. 91-40-27807640 E-mail id: corporate@goldstonetech.com I website: www.goldstonetech.com

FORM-No-MGT-12

Polling Paper

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

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

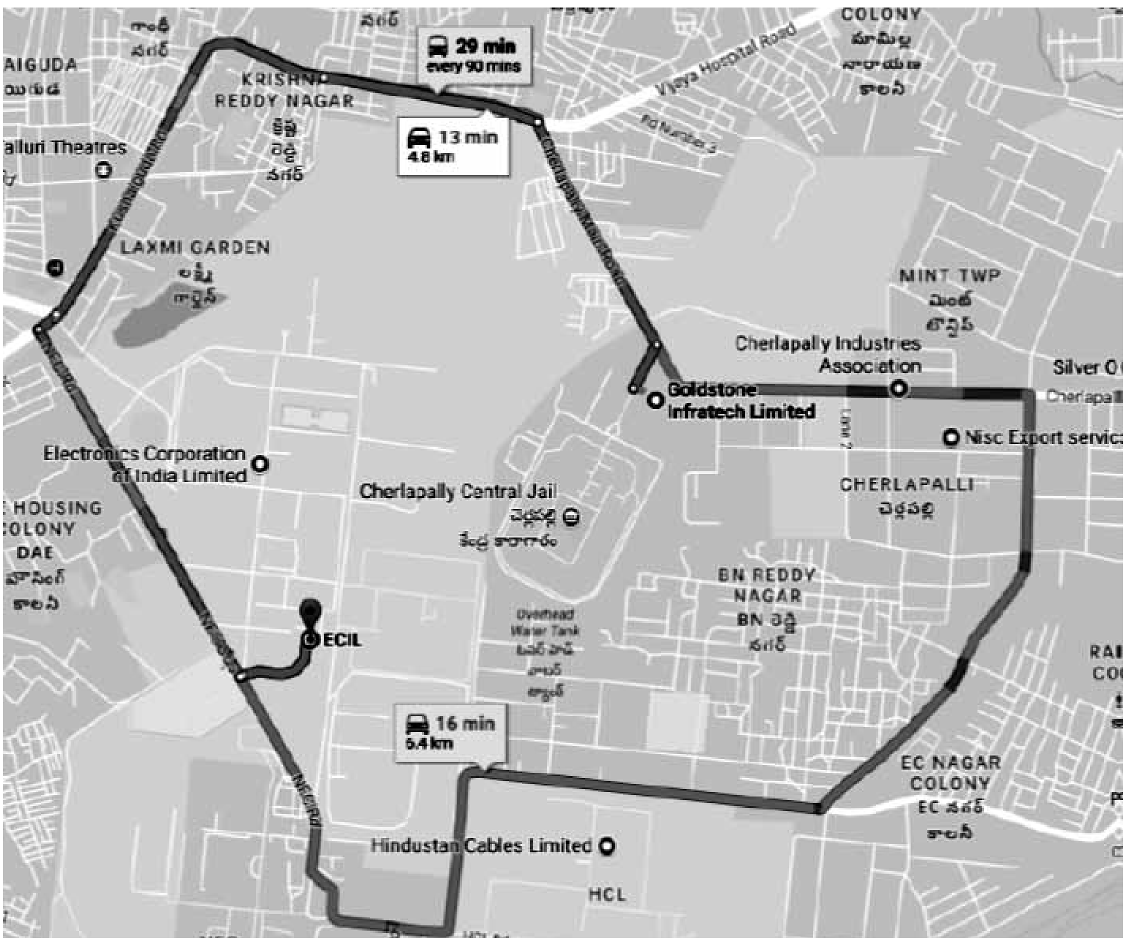
I hereby exercise my vote in respect of Ordinary/Special resolution enumerated to be considered in Twenty Fourth Annual General Meeting of the Company to be held on Friday, 28th Day of September, 2018 at 4.30 P.M. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 by recording my assent or dissent to the said resolutions in the following manner.

S. No	Item No.	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31st, 2018, together with the Directors' and Auditors' Report thereon.			
2.	Re-Appointment of Mr.Clinton Travis Caddell who retires by rotation.			
3.	Appointment of Ms. Sukhjinder Kaur as an Independent Director of the Company.			
4.	Approval to continue Mr. K S Sarma, as Non-Executive Independent Director			
5.	Fixation of the amount of fee to be paid by the member / shareholder of the Company for delivery of any document through a particular mode			

Place :

Date : (Signature of the shareholder)

AGM Venue Route Map



if undeliverd please return to :

Goldstone Technologies Limited
CIN : L72200TG1994PLC017211
9-1-83 & 84 Amarchand Complex,
Sarojini Devi Road, Secenderabad - 500 003.
Ph. 040-27807640
Email : corporate@goldstonetech.com
Website : www.goldstonetech.com