GOLDSTONE TELESERVICES LIMITED

9-1-83 & 84, A.C. Sharma Complex, S.D.Road, Secunderabad-3. Ph. 27807640, Fax: 91-40-27801910

UNAUDITED FINANCIAL RESULTS FOR THE 1st QUARTER ENDED 30th June 2005

(Rs. In lacs)

	Particulars	First Quarter ended 30th June 05	Corresponding Quarter of the Previous year 30th June 04	Audited for the Previous Year ended 31st March'05
1	Net Sales/ Income from Operations			
	a) Telecom Operations	114.80	15.00	643.71
	b) BPO Operations	134.50	137.00	595.68
	c) Insulator division Operations	96.32	12.00	766.96
		345.62	**164.00**	**2006.35**
2	Other Income	0.65	69.00	84.63
3	Total Expenditure	**200.16**	**137.00**	**1575.99**
	a) (Increase) / Decrease in stock in trade	(3.13)	(49.00)	84.65
	b) Consumption of raw materials	84.02	36.00	844.85
	c) Staff Cost	50.74	49.00	213.08
	d) Other expenditure	68.53	101.00	433.41
4	Interest	39.79	27.00	141.87
5	Depreciation & Other Write Offs	58.15	51.00	232.52
6	**Profit / (Loss) before Tax(1+2-3-4-5)**	**48.17**	**18.00**	**140.60**
7	Provision for Taxation	2.00	1.00	15.50
8	Provision for Deferred Taxation	5.50	4.00	47.12
9	Provision for Fringe Benefit Tax	0.50	0.00	0.00
10	Prior Period Adjustments	0.00	0.00	0.00
11	**Net Profit / (Loss) after Tax (6-7-8-9-10)**	**40.17**	**13.00**	**77.98**
12	Paid-up equity share capital(Face Value Rs.4/- each)	840.93	546.61	546.61
13	Reserve excluding revaluation reserves (as per the Balance Sheet)	--	--	2594.83
14	Earnings Per Share in Rs.			
	Basic	0.19	0.00	0.57
	Diluted	0.19	0.00	0.57
15	Aggregate of Non Promoter Share Holding			
	No. of Shares	17571490	8472393	11264500
	Percentage of Shareholding	83.58%	62.00%	82.43%

Segment wise Revenue Results and Capital Employed under Clause 41 of the Listing Agreement for the Quarter ended 30th June 2005

Rs. In lacs

		First Quarter ended 30th June 05
1.	**Segment Revenue**	
	a) Telecom Operations	114.80
	b) BPO Operations	134.50
	c) Insulator Operations	96.32
	d) Other Income	0.65
	Less: Inter Segment Revenue	0.00
	Net Revenue from Operations	**346.27**
2.	**Segment Results**	
	Profit(+)/Loss(-) before tax and interest from	
	a) Telecom Operations	30.14
	b) BPO Operations	32.86
	c) Insulator Operations	24.96
	Less: interest	39.79
	Total Profit/(Loss) Before Tax	**48.17**
3.	**Capital Employed**	
	(Segment Assets-Segment Liabilities)	
	a) Telecom Operations	1646.69
	b) BPO Operations	1192.37
	c) Insulator Operations	338.26
	Total:	**3177.32**

Notes:

1. The above results have been approved by the Board of Directors at its meeting held on 30th July 2005 and are subject to Limited Review by the Auditors of the Company.
2. The Provisions for Deferred Tax Liability has been made in accordance with AS - 22.
3. Consequent to exercise of options by the warrant holders,7358155 nos of Equity Shares have been alloted to Mr K V S Chalapathi Rao,Venus Capital Management INC, ITF Mauritius and Mr L P Sashikumar in Board meeting held on 17th June 2005 and 24th June 2005 respectively.
4. **Status of the investors complaints:**

Pending as on 01.04.2005	Received	Resolved
Nil	2	2

for and on behalf of the Board

Place: Secunderabad
Date: 30th July 2005

L.P. Sashikumar
Managing Director