

CORPORATE INFORMATION

Board of Directors

Mr. L P Sashikumar (Managing Director)
Mr. M. Gopalakrishna, IAS (Retd.)
Mr. S. Murali Krishna
Mrs. Mahita Caddell
Mr. B. Appa Rao

Board Committees

Audit Committee

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

Shareholders/Investors Grievance Committee

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

Compensation cum Remuneration Committee

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

Management Team

Mr. Surendra Kabra (President)
Mr. M. Surendernath (EVP, Operations)
Mr. Akella Sarma (EVP)
Mr. D P K Udas (VP, Marketing)
Mr. Adalat Srikanth (Company Secretary & Compliance Officer)

Statutory Auditors

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

Principal Bankers

Syndicate Bank
Allahabad Bank
State Bank of Hyderabad

Registrars & Share Transfer Agents

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

Stock Exchanges where Company's Securities are listed

Bombay Stock Exchange Limited
National Stock Exchange of India Limited
Madras Stock Exchange

Registered Office

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

Factory

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

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NOTICE TO SHAREHOLDERS:

Notice is hereby given that the Tenth Annual General Meeting of the Company will be held on Wednesday, the 29th day of September 2010 at 3.30 p.m. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date along with Directors Report and Auditors Report thereon.
2. To declare Dividend on Equity Shares for the year 2009-10
3. To appoint a Director in place of Mrs. Mahita Caddell, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. B Appa Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and for this purpose to consider and if thought fit to pass with our without modifications, the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS

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

“**RESOLVED** that subject to the provisions of Section 198, 269, 309, 310, 314 and other applicable provisions, if any, read along with Schedule XIII (as amended) of the Companies Act, 1956, Mr. L P Sashikumar be and is hereby re-appointed as the Managing Director of the Company for a period of three years with effect from 1st April, 2010 on the following terms and conditions:

1. Salary

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

2. Perquisites

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

Category A

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

Category B

Company's contribution towards Provident Fund and payment of Gratuity as per applicable laws. Company's contribution towards Medical Insurance Policy for self and family subject to a ceiling of Rs. 24,000/- (Rupees Twenty Four Thousand only) per annum. One month leave for every completed year of service or payment in lieu thereof.

Category C

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

3. Minimum Remuneration

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

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

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

7. (a) Allotment of Shares to Employees and Directors of the Company Under ESOPS:

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

"RESOLVED THAT pursuant to section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force); the Articles of Association of the Company and Securities Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (including any statutory modification or re-enactment thereof) and subject to such other approvals, permissions and sanctions as may be required from such other appropriate authorities, and subject to such terms and conditions and stipulations, if any, while granting such approvals permissions and sanctions, the consent of the Company be and is hereby accorded to the Board (hereinafter referred to as "the Board", which term shall be deemed to include the Compensation Committee of the Board) to create, offer, issue and allot at any time to or to the benefit of such person(s) of the Company, whether present or future employees, who are in permanent employment, and any Directors whether in whole time or otherwise, or to such other persons, as may from time to time be allowed under the prevailing laws, rules and regulations, options exercisable into shares or securities convertible into equity shares of Rs.4/- each not exceeding 5% of the enhanced paid up share capital of the Company under "Goldstone Infratech Limited — Employee Stock Option Plan, 2010 (ESOP, 2010), in one or more tranches, on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority."

“RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the Employee Stock Option Scheme and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of equity shares shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities/shares allotted under the Employees Stock Option Scheme on the Stock Exchanges where the Company’s shares are listed as per the terms and conditions of Listing Agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of the Directors of the Company to give effect to the resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all things necessary and take such actions as may be necessary or expedient to formulate or amend or alter or adopt any modification or redefine the proposal or scheme or plan of Employees Stock Option Scheme based on the guidelines issued by the Securities Exchange Board of India or any statutory authority from time to time.”

7 (b) Allotment of Shares to Employees and Directors of Holding and Subsidiary Companies Under ESOPS:

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

“RESOLVED that pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (“the Act”), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) (including any statutory amendment, modification or re-enactment to the Act or the Guidelines for the time being in force) and the Articles of Association of the Company and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the Board (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including ESOP Compensation Committee of the Board) to extend the benefits of said ESOP Scheme, 2010 referred to in the Resolution under Item No. 7 (a) in this notice to the employees and Directors of the Holding and Subsidiary Companies and/or to such other persons, as may from time to time, be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board.”

“RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the Employee Stock Option Scheme and such Equity Shares shall rank pari



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Goldstone Infratech Limited

passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of equity shares shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities/shares allotted under the Employees Stock Option Scheme on the Stock Exchanges where the Company’s shares are listed as per the terms and conditions of Listing Agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the

powers herein conferred to any committee of the Directors of the Company to give effect to the resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all things necessary and take such actions as may be necessary or expedient to formulate or amend or alter or adopt any modification or redefine the proposal or scheme or plan of Employees Stock Option Scheme based on the guidelines issued by the Securities Exchange Board of India or any statutory authority from time to time.”

For and on behalf of the Company

Sd/-

Adalat Srikanth
Company Secretary

Place: Secunderabad

Date: 11th August, 2010

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Payment of Dividend through ECS:
The Company offers the facility of electronic credit of Dividend directly to the respective bank accounts of shareholders, through Electronic Clearing Services (ECS). This facility is currently available at the locations specified by the Reserve Bank of India.
 - i) Members holding shares in physical form are advised to submit the Bank mandate particulars of their bank account viz., name and address of the branch of the bank, MICR code of the branch, type of account and account number latest by 21st September, 2010 to the Company's Registrar and Transfer Agent at Arathi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 29.
 - ii) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
6. 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.
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, 2010 to 29th September, 2010 (both days inclusive) for the purpose of dividend & 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. As on 31st March 2010 an amount of Rs.2,07,645/- was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07, an amount of Rs. 2,26,000/- was unclaimed out of the dividend declared on 30th September, 2008 for the financial year 2007-08 and an amount of Rs. 2,22,855/- was unclaimed out of the dividend declared on 30th September, 2009 for the financial year 2008-09. Members who have not claimed the dividend are advised to claim the same at the earliest. In accordance with the provisions of Section 205C of the Companies Act, 1956 aforesaid unclaimed dividend amounts shall be liable to be transferred to Investor Education and Protection Fund by 29th October 2014; 31st October, 2015 and 31st October, 2016, respectively.



Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956:

Item No. 6

Mr. L P Sashikumar was re-appointed as Managing Director of the Company by the shareholders in the previous Annual General Meeting held on 30th September, 2009 for a period of one year with effect from 1st April, 2009. The Board of Directors at their meeting held on 31st March, 2010 have re-appointed Mr. L P Sashikumar, subject to your approval, as Managing Director of the Company for a period of three years with effect from 1st April, 2010. The Remuneration is within the limits prescribed under Section 309 and Schedule XIII of the Companies Act, 1956. Approval of the Shareholders is required in the Annual General Meeting for his re-appointment as Managing Director and for fixing the remuneration.

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

Your Directors recommend the resolution for your approval.

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

Item No. 7 (a) & (b)

Goldstone Infratech Limited — Employee Stock Option Plan, 2010 (ESOP, 2010)

Stock Options have long been recognized internationally, as an effective instrument, to align the interest of employees with those of the

Company and it provides an opportunity to employees to share in the growth of the Company and it creates long term wealth in the hands of the employees.

Stock Options provide for performance linked rewards to employees and serve as an important means to attract, retain and motivate the best available talent in the Company.

From the Company's perspective, Stock Options also provide an opportunity to optimize personnel costs, by allowing for an additional and market-driven mechanism to attract, retain, compensate and reward employees. Further, Stock Options create a common sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value.

The Board, therefore, proposed to introduce an Employee Stock Option Scheme (hereinafter referred to as ESOP, 2010) for the benefit of permanent employees and Directors of the Company including its Holding and Subsidiary Companies, and such other persons/entities as may be prescribed by SEBI from time to time, and in accordance with the provisions of prevailing regulations.

The following are the details, which sets out the various disclosures as required by Clause 6 of the Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "the Guidelines")

The salient features of the ESOP Scheme are as under:

(A) Total Number of options to be granted

- (a) The total number of options to be granted under this Scheme shall initially not exceed 5% of the total paid up Share Capital of the Company as on 11th August, 2010

- (b) The Board may with the approval of the Shareholders increase the Maximum number of options under the ESOP Scheme, 2010 at any time
- (c) One option entitles the holder of the options to apply for one equity share of the Company

(B) Identification of classes of employees entitled to participate in the ESOP

- (a) The employees and Directors of the Company, its holding and subsidiary company(ies)
- (b) Employees
 - (i) Who are either promoter or belong to promoter group as defined in the Guidelines, or
 - (ii) Holding 10% of the outstanding share capital of the Company's equity share capital at any time after the commencement of this Scheme

will not be eligible for grant of options under this Scheme

(C) Requirements of vesting, period of vesting and maximum period of vesting

- (a) There shall be a minimum period of one year between the grant of options and vesting of options
- (b) The vesting period may extend upto 6 years
- (c) The vesting may be subject to other terms and conditions of vesting, as may be stipulated by the Compensation Committee/ Scheme

(D) Exercise Price or Pricing Formula

The exercise price for the purposes of the grant of options will be decided by the Compensation Committee.

(E) Exercise Period and the Process of Exercise

- (a) Exercise period will commence from the vesting date and extend upto the expiry period of the options as decided by the Compensation Committee. The expiry period may extend upto 7 years from the date of grant of options. The Compensation Committee will decide on the expiry period of options for employees leaving the Company after grant of options in their favour
- (b) The Options will be exercisable by employees by a written application to the designated officer of the Company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee under the Scheme.
- (c) The options will lapse if not exercised within the specified exercise period

(F) Appraisal Process for determining the eligibility of employees to the ESOP Scheme

- (a) The Company has a formal performance appraisal system established wherein the performance of the employee is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals as per emerging global standards.
- (b) Employees and Directors would be granted Stock Options based on performance linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the Compensation Committee from time to time
- (c) The Compensation Committee may at its discretion extend the benefits of the ESOP Scheme, 2010 to a new entrant or any

existing employee on such other basis as it may deem fit.

(G) Maximum number of options to be issued per employee and in aggregate

- (a) The maximum number of options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of options. However, no employee shall be entitled to more than 1,00,000 options in any Financial Year
- (b) The aggregate number of options to be granted under this Scheme shall not exceed initially 5% of the total paid up share capital of the Company as on 11th August, 2010
- (c) The Compensation Committee shall decide on the number of options to be granted to each employee within this limit

(H) Accounting Methods

The Company and its Holding and Subsidiary Companies shall conform to the accounting policies specified in Clause 13.1 of the Guidelines, and/or such other guidelines as may be applicable, from time to time

(I) Method of valuation of these options

The Company shall use the fair value method for valuation of the options.

Clause 6 of the ESOP Guidelines requires that any ESOP Scheme for offering stock options to the employees and directors of the Company must be approved by the shareholders by way of special resolution. Furthermore, as the Scheme

will entail further shares to be offered to persons other than the existing shareholders of the Company, pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956, a special resolution is required to be passed.

Accordingly, the resolution set as Item No. 7 (a) is being placed for the approval of the shareholders pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 and Clause 6 of the ESOP Guidelines and all other applicable provisions of law for the time being in force.

As per the ESOP Guidelines, a separate special resolution is required to be passed if the benefits of ESOP are to be extended to employees of the Holding and Subsidiary Companies. This separate resolution under Item No. 7(b) is being proposed accordingly; to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

The Board of Directors recommends the Special Resolutions as set out in Item No. 7 (a) and 7 (b) for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution, except to the extent of the shares already held by them and / or that may be offered to him/her under the Scheme.

For and on behalf of the Company

Sd/-
Adalat Srikanth
Company Secretary

Place: Secunderabad
Date: 11th August, 2010

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. B. Appa Rao
Date of Birth	5 th October, 1955
Date of Appointment	20.04.2009
Qualifications	Graduate in Commerce & Fellow Member of the Institute of Chartered Accountants of India
Expertise in specific functional areas	Over 20 years of varied experience in the industry and business sectors.
List of other companies in which directorship held	1. Indur Green Power Pvt. Ltd. 2. Ambient Infratech Pvt. Ltd. 3. Mandava Cold Storage Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/Membership held	NIL
Chairman/Member of the Committees of the Company	Chairman of the Audit Committee; Member of the Investors Grievance & Share Transfer Committee & Member of Compensation cum Remuneration Committee
Shareholding in the Company	NIL

Name of Director	Mrs. Mahita Caddell
Date of Birth	12-01-1972
Date of Appointment	29-05-2004
Qualifications	MS (International Business Administration and Information Systems)
Expertise in specific functional areas	Over 7 Years of experience in Industry and Business
List of other companies in which directorship held	Trinity Infraventures Limited (formerly, Goldstone Exports Limited)
List of the Committees of other Companies in which chairmanship/Membership held	NIL
Chairman/Member of the Committees of the Company	NIL
Shareholding in the Company	NIL

Name of Director	Mr. Lam Paul Sashikumar
Date of Birth	25.10.1950
Date of Appointment	11.10.2000
Qualifications	Graduate in Business Administration
Expertise in specific functional areas	Over 30 years of varied experience in the industry and business sectors.
List of other companies in which directorship held	<ol style="list-style-type: none"> 1. Goldstone Technologies Ltd. 2. Goldstone Granites Ltd. 3. Staytop Systems and Software Pvt. Ltd. 4. Spic Electric Power Corporation (Pvt.) Ltd. 5. T F SolarPower Pvt. Ltd. 6. Goldstone Power Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/Membership held	Member of Investors' Grievance & Share Transfer Committee of Goldstone Technologies Ltd.
Chairman/Member of the Committees of the Company	Member of Investors' Grievance & Share Transfer Committee.
Shareholding in the Company	1310515

For and on behalf of the Board

Sd/-
Adalat Srikanth
Company Secretary

Place : Secunderabad
Date : 11th August, 2010

DIRECTORS' REPORT

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the Tenth Annual Report of your company and the Audited Financial Accounts for the year ended on 31st March 2010.

Financial Results

Rs in Lakhs

Particulars	2009-10	2008-09
Gross Sales	7035.09	5117.43
Net Sales/Income from Operations	6560.70	4560.62
Other Income	205.67	88.78
Total Income	6766.37	4649.40
Total Expenditure	5304.44	3319.26
Operating Profit (PBIDT)	1462.34	1330.14
Interest	263.82	155.48
Depreciation and Write Offs	288.99	299.42
Profit Before Tax	909.53	875.24
Provision for taxation		
- Current	200.00	200.00
- Deferred	40.68	2.77
- Fringe Benefit	-	12.17
Profit after Tax	668.85	660.30
Extra-Ordinary Items		
- Taxes pertains to previous year	2.15	(29.33)
- Prior period adjustments	6.53	(3.79)
Net Profit	673.23	627.18
Equity Share Capital (3,60,80,737 Shares of Rs 4/- each; Current year, Previous year 3,60,23,305 of Rs. 4/- each)	1443.23	1440.93
E.P.S. (After Prior Period Items) (Rupees)	1.87	1.74
Net Worth	9667.83	9071.60
Book Value in rupees (face Value of Rs. 4/- each)	26.79	25.18

Review of Operations

During the year under review, your Company has achieved a gross turnover of Rs. 7035.09 Lakhs as compared to Rs. 5117.43 Lakhs during the previous financial year. The Net Profit Increased from Rs. 627.81 Lakhs during the year ended 31st March 2009 to Rs. 673.23 Lakhs for the Current year. Though the turnover increased by 37%, the increase in net profit was only by 7% and the main reasons for this were decrease in sales price and increase in competition.

Dividend

Keeping in view the funds requirement for expansion and diversifications plans of the Company, your Directors have recommended a dividend of Re. 20 paise (i.e. 5 %) per equity share of Rs. 4/- each for the year ended 31st March 2010. The payment of dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will entail an outflow of Rs. 84,14,749, inclusive of Corporate Dividend Tax.

Transfer to Reserves

The Board has transferred a sum of Rs.67,32,346 to the General Reserve from the undistributed profits.

Fixed deposits

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

Insurance

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



Management Discussion and Analysis

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

Auditors

M/s. P. Murali & Co., Chartered Accountants, Hyderabad, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of forth coming Annual General Meeting and are eligible for re-appointment. They being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

Directors

Mr. B Appa Rao and Mrs. Mahita Caddell retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors in their Board Meeting held on 31st March 2010 have re-appointed, subject to your approval, Mr. LP Sashikumar as Managing Director of the Company for Three years with effect from 1st April 2010

Stock Exchange Listing

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India (NSE), Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange (MSE). As informed to the members in the previous Annual Report, the Company had received de-listing approvals from Ahmedabad Stock Exchange and Delhi Stock Exchange and the de-listing approval from Madras Stock Exchange is awaited. The Company confirms that it has paid Annual Listing Fees to NSE & BSE for the year 2010-11.

Director's Responsibility Statement

In accordance with the Section 217(2AA) of the Companies Act, 1956, the Board of Directors affirms:

- (a) That in the preparation of the Accounts for the twelve months period ending 31st March 2010, the applicable accounting standards have been followed and there are no material departures there from.
- (b) That the accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the profit or loss of the Company for the period ended on that date.
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) That the accounts for the year ended 31st March 2010 have been prepared on a going concern basis.

Corporate Governance

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

Managing Director and Chief Financial Officer Certification

As required under the Listing Agreement, the Managing Director and the Head of the Finance Function Certification on audited financial statement was placed before the Board, a copy of which is also attached to this report.

Balance Sheet Abstract and Company's General Business Profile

Information pursuant to notification issued by the Ministry of Corporate affairs relating to the Balance Sheet Abstract and Company's General Business Profile is given in the Annual Report for information of the Shareholders.

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

1. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken or under implementation

During the period, the Company had (1) installed energy efficient drives; (2) replaced motors with high efficiency; (3) retrofit chiller was provided for lower loads; (4) installed 2-way valves on chilled water coils; (5) installed variable speed drives in cooling tower fan; and (6) replaced existing lighting system with energy saving lighting system.

b. Additional investment and proposals if any, being

implemented for reduction of consumption of energy

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

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

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

d. Consumption of Energy Particulars.

Electricity	2009-2010	2008-2009
A. Purchased		
Units — KWH	17,58,672	10,22,669
Total Amount — In Rupees	76,31,504	41,41,722
Rate/Unit — In Rupees	4.34	4.05
B. Own Generation through Diesel Generator		
Units — KWH	2,33,583	54,398
Total Amount — In Rupees	27,87,444	6,59,920
Rate/Unit — In Rupees	11.93	12.13

2. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

a. Specific Areas in which R&D carried out by the company

The Company has taken up Research and Development in Polymer Insulator Division

and CPS Division (Oil & Gas pipeline sleeve division). Research activity has been focused on backward integration to reduce dependence on imports, to reduce the process and material costs so as to be more competitive in the market.



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

- Achieved higher productivity in distribution class insulators
- Able to reduce wastages
- Able to increase efficiency
- Dependency on imports reduced
- Achieved better quality control

c. Future Plan of Action

- A few new products have been identified after a thorough study of the market; and the technology for manufacturing the related products would be developed in the In house R & D Lab.
- Focus to improve the existing process technology.

3. FOREIGN EXCHANGE EARNINGS AND OUT GO

(Rs. In lakhs)

Particulars	2009-10	2008-09
a) Value of Imports on CIF Basis		
• Raw Materials	1876.18	316.85
• Capital Goods	136.19	125.85
b) Expenditure in Foreign Currency		
• Traveling Expenses	9.88	9.74
• Others	5.61	18.65
c) Earnings in Foreign Currency (on receipt basis)		
• Export of Goods (FOB Basis)	Nil	35.37

Particulars of Employees

None of the Employees are drawing remuneration prescribed in Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988.

Personnel

Personnel relations have remained very cordial during the period. The Directors place on record their appreciation for the dedicated work put in by the employees at various levels.

Acknowledgements

Your Directors convey their sincere thanks to Syndicate Bank, Allahabad Bank and State Bank of Hyderabad, Technology Development Board and Oil and Gas Corporation (ONGC) 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 good 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
Managing Director

B Appa Rao
Director

Place: Secunderabad

Date: 11th August, 2010

CERTIFICATE FROM THE MANAGING DIRECTOR & THE PRESIDENT

We, L P Sashikumar, Managing Director and Surendra Kabra, President of Goldstone Infratech Limited, responsible for the finance function, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference -
- (i) there were no significant changes in the internal controls or overall financial reporting;
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Sd/-
L P Sashikumar
Managing Director

Sd/-
Surendra Kabra
President

Place: Secunderabad
Date: 11th August, 2010



MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

A. INDUSTRY OVERVIEW:

The world economy is gradually recovering from the throes of the meltdown of 2008. Even though the growth rates have been picking up, it will take some more time to get back to the pre-crisis path. The IMF has forecasted a growth rate of 2.3% for the advanced countries and 6.3% for the emerging countries for the year 2010. The growth of the insulators industry is linked to the growth of the power sector. In spite of the economic slowdown, particularly in the first half of FY 2009-10, the insulator industry has done reasonably well. The major reason for this was that the Power Sector has achieved 66% of targeted capacity addition during 2009-10 [Source: Website of Central Electricity Authority, www.cea.nic.in].

B. OPPORTUNITIES & THREATS:

The National Electricity Policy (NEP) stipulates power for all by the year 2012. To fulfill the objectives of NEP, a capacity addition of 78700 MW has been proposed for the 11th Plan [Source: 2009-10 Annual Report of Ministry of Power]. As per normal industry estimates, for every rupee spent on generation, another rupee should be spent on creating associated transmission, sub-transmission and distribution systems. To meet the 11th and 12th plan proposed capacity additions for generation, it is expected that huge investments will be made by various power utilities in Transmission and Distribution (T & D) sector. Now, many state transmission utilities are increasing their T & D line network capacity and associated High Voltage and Extra-High Voltage Sub-stations. The Company is also working on introduction of some new products like Surge Arrestors, etc. for sub-station requirements. These new products have same clientele as those of Insulators as also essentially these products have a common range of ratings

from 11 kV to 420 kV. Except for Design and manufacturing process disparities, they all again have widely similar requirements for quality assurance techniques, quality control, testing, proto - development & improvement, production planning, procurement, plant maintenance etc. In view of the above cited largely interchangeable infrastructural requirements and the common suppliers and customers base, it was appropriately decided to diversify into very similar operations with above mentioned new products.

As per the industry review, some amount of surplus capacity for both line and sub-station porcelains exists due to recent capacity additions by various players in the market and this is considered to be a major threat for the insulator industry. If the capacity addition of at least 78700 MW does not take place to absorb the already existing excess capacities, the industry may suffer from excess capacities.

C. SEGMENT OR PRODUCT WISE PERFORMANCE:

As had been informed to the Members in the previous Annual Reports, the Company is concentrating on the manufacture of Insulators of various capacities and has stopped the production of Telecom Products like Jointing Kits, because of shrinking market. During the year under report, despite many new players in the market and tough competition with Chinese suppliers, the Company had achieved a gross turnover of Rs.70.35 crore as against Rs.51.17 crore in the previous year from insulators business.

D. OUTLOOK:

It is a known fact that the demand for energy is more than that of the supply. The National Electricity Policy (NEP) stipulates power for all by the year 2012. To fulfill the objectives of NEP, a capacity addition of 78700 MW has been proposed for the 11th Plan [Source: 2009-

10 Annual Report of Ministry of Power]. It is expected that the expansion of India's power infrastructure to increase demand for electrical equipments and components including insulators. To capitalize on the vibrant demand in the power infrastructure sector, Goldstone will focus on full utilization of all its plant and machinery and Goldstone has also identified three major new products as a part of its expansion drive, i.e, Surge Arrestors etc., It is expected that the production of new products would begin in the current financial year. Apart from the above, the insulator industry is dependent on the investments in power sector. As the prospects for the power sector appear bright with huge investments lined up in the transmission and distribution segment, the outlook for company's products is positive.

E. RISKS AND CONCERNS:

Unhealthy competition from the un-organized sector, timely execution of proposed projects, efficient mobilization of resources and the policies of the Government are the matters of concern.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing all transactions and its recording and reporting properly and timely.

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

During the year, the Company has achieved a gross turnover of Rs.70.35 crore as compared

to Rs.51.17 crore during the previous financial year. During the year under review, the Company has produced 5,26,443 Polymer Insulators as against 3,96,879 Polymer Insulators during the previous year. During the year the Company sold 5,34,330 Polymer Insulators as against 3,96,793 Polymer Insulators during the previous year. During the year under report, the financial as well as operational performance of the Company was satisfactory, keeping in view the prevailing economic and market scenario in the country.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATIONS FRONT:

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

As on 31st March 2010 the Company has total strength of 183 employees.

CAUTIONERY STATEMENT:

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



CORPORATE GOVERNANCE

1. Company's Philosophy:

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

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

2. Board of Directors:

The Board comprised of five directors as on 31st March, 2010 out of which one Director is

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

The Board held six meetings during the period ended 31st March, 2010, i.e. on (i) 27th April, 2009, (ii) 28th July, 2009, (iii) 28th August 2009 (iv) 28th October, 2009, (v) 25th January, 2010 and (vi) 31st March, 2010.

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

Name of the Director	Category	No. of Meetings attended	Last AGM attendance (YES/NO)
Mr. L P Sashikumar	Promoter, Managing Director	6	Yes
Mr. S Murali Krishna	Independent, Director	2	No
Mrs. Mahita Caddell	Promoter, Director	3	No
Mr. M Gopalakrishna	Independent, Director	6	Yes
Mr. B Appa Rao	Independent, Director	5	Yes

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

Name of the Director	No. of outside Directorships held		No. of other Board Committees he/she is a Member / Chairman of *	
	Public	Private	Member	Chairman
Mr. L P Sashikumar	2	4	1	Nil
Mr. B Appa Rao	Nil	3	Nil	Nil
Mr. S Murali Krishna	1	5	Nil	Nil
Mrs. Mahita Caddell	1	Nil	Nil	Nil
Mr. M Gopala Krishna	6	4	2	2

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

* Only Indian Companies are considered.

3. Audit Committee

- Brief description of Terms of Reference

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

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

- Composition, name of members and Chairman

Mr. B Appa Rao	Chairman	Independent non-executive Director
Mr. S Murali Krishna	Member	Independent non-executive Director
Mr. M. Gopalakrishna*	Member	Independent non-executive Director
Mr. L P Sashikumar**	Member	Managing Director

* Appointed as Member with effect from 31st March, 2010

** Ceased as Member with effect from 31st March, 2010

- The Committee held five meetings during the period ended 31st March, 2010, i.e. on (i) 27th April, 2009, (ii) 28th July, 2009, (iii)

28th August, 2009, (iv) 23rd October, 2009 and (v) 22nd January, 2010. All the Members of the Committee have attended all the Meetings, except Mr. L P Sashikumar who could not attend one Meeting held on 23rd October, 2009.

4. Remuneration Committee

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

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

- Meetings and Attendance during the year**

One meeting was held during the period under review. All the members of the Committee attended all the Meeting.

- Remuneration policy**

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

- With a view to implement ESOP Plan, the Board of Directors of the Company at their meeting held on 13th May, 2010 have re-named this Committee as **Compensation cum Remuneration Committee.**

5. Remuneration of Directors

Details of remuneration paid to Directors during the financial year 2009-10:

(In Rupees)

Name of the Director	Category	Sitting fee	Salary	Benefits	Total
Mr. L P Sashikumar	Promoter, Managing Director	Nil	16,32,000	2,73,000	19,05,000
Mr. B Appa Rao	Independent, Director	50,000	Nil	Nil	50,000
Mr. S Murali Krishna	Independent, Director	30,000	Nil	Nil	30,000
Mrs. Mahita Caddell	Promoter, Director	15,000	Nil	Nil	15,000
Mr. M Gopalakrishna	Independent, Director	30,000	Nil	Nil	30,000

Benefits include contribution to Provident Fund, Gratuity Fund, payment of Perquisites and Commission. There was no Employee Stock Option Scheme during the financial year ended 31st March, 2010.

6. Investors' Grievance & Share Transfer Committee

- Composition, name of members and Chairman

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

- The Committee held four meetings during the period ended 31st March, 2010, i.e. on (i) 27th April, 2009, (ii) 28th July, 2009, (iii) 23rd October, 2009 and (iv) 22nd January, 2010. All the Members of the Committee have attended all the Meetings, except Mr. L P Sashikumar who could not attend one Meeting held on 23rd October, 2009

Number of shareholder complaints received, number solved and number of pending complaints as on 31st March, 2010:

Nature of grievances	Received	Resolved
Non Receipt Share Certificates after transfer	Nil	Nil
Non Receipt of Annual Reports	1	1
Dividend related complaints	3	3
Other Miscellaneous	Nil	Nil

- Name and Designation of Compliance Officer:

Mr. Adalat Srikanth, Company Secretary

7. General Body Meetings

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

Year	Location	Date	Time
2009	Plot No. 1 & 9, IDA, Phase II Cherlapally, Hyderabad — 500 051.	30.09.2009	03.30 P.M.
2008	Plot No. 1 & 9, IDA, Phase II Cherlapally, Hyderabad — 500 051.	30.09.2008	03.30 P.M.
2007	Plot No. 1 & 9, IDA, Phase II Cherlapally, Hyderabad — 500 051.	28.09.2007	10.30 A.M.

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

AGM	Special Resolution
2009	Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company
2008	Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company
2007	Re-appointment of Mr. L P Sashikumar as the Managing Director of the Company
	Change of Name of the Company
	Approval of Employee Stock Option Plan, 2007 applicable to the employees and Directors of the Company
	Approval of Employee Stock Option Plan, 2007 applicable to the employees and Directors of Holding or Subsidiary Companies, etc.

iii) Resolutions passed last year through Postal Ballot: NIL

8. Management Discussion & analysis Report

Management Discussion & Analysis is separately published in this Report.

9. Disclosures

- i) As required by the Accounting Standard-18, issued by the Institute of Chartered Accountants of India, details of related-party transactions are at Schedule 22 of Notes to Accounts.
- ii) There were no instances of non-compliances by the Company, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii) Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreement with the Stock Exchanges:
- (a) The Company has set up a Remuneration Committee, details of which have been given earlier in this Report
- (b) The Statutory financial statements of the Company are unqualified
- iv) Secretarial Audit : A qualified Company Secretary 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



(NSDL) 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.

10. Means of Communication

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

11. General Information for Shareholders

i)	Annual General Meeting will be held on 29 th September, 2010 at 3.30 p.m. at Plot No. 1 & 9 IDA, Phase II, Cherlapally, Hyderabad — 500 051
ii)	Financial Year of the Company is 1 st April to 31 st March.
iii)	Financial Reporting for the quarter ending 30 th September, 2010, 31 st December, 2010, 31 st March, 2011 and 30 th June, 2011 will be within forty five days from the closure of the quarter.
iv)	Dates of Book Closure will be from 22 nd September to 29 September, 2010 (both days inclusive).
v)	Dividend Payment Date is within 30 days from the date of declaration
vi)	Company's shares are listed on the Bombay Stock Exchange, National Stock Exchange and Madras Stock Exchange
vii)	Stock Code of the Company's scrip is 532439 in BSE and GOLDINFRA in NSE
viii)	ISIN Code is INE260D01016.
ix)	High & Low Market Price during each month in the accounting year was as follows:

Month	NSE		BSE	
	High	Low	High	Low
April 2009	16.35	14.60	16.30	14.70
May 2009	22.05	15.15	22.15	15.10
June 2009	28.15	20.00	28.10	19.95
July 2009	21.10	17.45	21.00	17.60
August 2009	23.55	19.15	23.60	19.15
September 2009	26.35	21.85	26.40	21.60
October 2009	27.10	23.75	27.10	23.65
November 2009	25.30	23.15	25.35	23.45
December 2009	26.90	24.20	26.90	24.05
January 2010	37.90	26.55	37.80	26.45
February 2010	28.00	25.20	27.85	25.25
March 2010	29.65	26.15	29.60	25.80

x)	Registrar & Share Transfer Agents of the Company is Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029, Ph. No. 040-27638111; 27634445; Fax.No. 040-27632184 e-mail: info@aarthiconsultants.com
xi)	Share Transfer System: The Registrar and Share Transfer Agents, Aarthi Consultants Private Limited handle share transfers under the overall supervision of the Shareholders' Grievance Committee.
xii)	Distribution of Shareholding as of 31st March, 2010 was as follows:

S. No	Category of Shareholders	No of equity shares held	% of Shareholding
1	Promoters	18310515	50.75
2	Mutual Funds & IFI's	100459	0.28
3	Private Bodies Corporate	4680638	12.97
4	Public	12569317	34.84
5	NRI's	419808	1.16
	GRAND TOTAL	36080737	100.00

xiii)	Dematerialization of Shares & Liquidity: To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are actively traded on the Bombay Stock Exchange Limited. As on 31 st March, 2010, 54.60% shares were held in dematerialized form.
xiv)	Compliance Officer: Mr. Adalat Srikanth, Company Secretary Ph. 040 — 27807640, Fax No. 040-39100012. e-mail: cs@goldstone.net
xv)	Plant Location: 1) Plot No. 1 & 9, IDA Phase II, Cherlapally, Hyderabad — 500 051. 2) Plot No. 8, IDA, Gaddapotharam, Jinnaram Mandal, Medak Dist.
xvi)	Address of correspondence: Goldstone Infratech Limited, Shares Department, 9-1-83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad — 500 003 Tel.No. 040-27807640, Fax No. 040-39100012 e-mail: adalath@goldstone.net / cs@goldstone.net
xvii)	Investor Relations: All the queries received from shareholders during the accounting year 2009-10 have been responded to. The Company generally replies to the queries within a week of their receipt.
xviii)	Nomination Facility: Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company's Share Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad — 500 029. Prescribed Form (Form 2B) is annexed to this report. Nomination facility in respect of shares held in Electronic form is also available with the Depository Participant (DP) as per the Byelaws and Business rules applicable to NSDL and CDSL.



Goldstone

Goldstone Infratech Limited

11. Compliance:

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

For and on behalf of the Board

Sd/-

L P Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Place: Secunderabad

Date: 11th August, 2010

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

As the Managing Director of Goldstone Infratech Limited and as required by Clause 49 (I) (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2009-10.

For Goldstone Infratech Limited

Sd/-

L P Sashikumar
Managing Director

Place: Hyderabad

Date: 11th August, 2010

Auditors' Certificate on Corporate Governance

To
The Members of
M/s. Goldstone Infratech Limited,
Secuderabad

We have examined the Compliance of conditions of Corporate Governance by **M/s. Goldstone Infratech Limited** for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that generally no Investor Grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee. We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 11th August, 2010

P. Murali & Co.
Chartered Accountants

Sd/-
Mukund Vijayrao Joshi
Partner
Membership No. 024784

AUDITORS' REPORT

To
The Members
GOLDSTONE INFRATECH LIMITED.

We have audited the attached Balance Sheet of **GOLDSTONE INFRATECH LIMITED** as at 31st March, 2010 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion .

As required by the Companies (Auditor's Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit ;

- (ii) 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 ;
- (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account ;
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 ;
- (v) On the basis of written representations received from the Directors, as on 31st March , 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date; and
- (c) In the case of the Cash Flow, of the cash flows for the period ended on that date ;

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN : 0072575

Sd/-
P. MURALI MOHANA RAO
PARTNER
Membership No.: 23412

PLACE : HYDERABAD
DATE : 11th August 2010

ANNEXURE TO THE AUDITORS' REPORT

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

by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.

(b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.

VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A,58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.

VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.

VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.

IX. a) The Company is regular in depositing statutory dues including PF,ESI,Income Tax,Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.

b) According to the information and explanations given to us, no undisputed

amounts are payable in respect of PF,ESI,Income Tax,Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.

X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.

XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.

XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.

XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.

XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.

XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of

this clause regarding terms and conditions which are prejudicial to the interest of the company .

- XVI.** According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company .
- XVII.** According to the information and explanations given to us no funds are raised by the Company on short-term basis. Hence the Clause of Short term funds being used for Long term investment does not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company

does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.

- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN : 0072575

Sd/-
P. MURALI MOHANA RAO
PARTNER
Membership No.: 23412

PLACE : HYDERABAD
DATE : 11th August 2010

BALANCE SHEET AS AT MARCH 31, 2010

	SCHEDULE	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS:			
Share Capital	1	144,322,948	144,322,948
Reserves and Surplus	2	824,451,852	765,543,144
		968,774,800	909,866,092
LOAN FUNDS:			
Secured Loans	3	207,490,312	104,599,381
Unsecured Loans	4	92,033,881	91,077,032
		299,524,193	195,676,413
DEFERRED TAX LIABILITY			
		48,309,349	44,241,284
Total		1,316,608,342	1,149,783,789
APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block	5	1,057,302,494	974,567,421
Less: Depreciation		244,386,235	217,637,272
Net Block		812,916,259	756,930,149
Capital work in progress		88,200,000	88,434,029
		901,116,259	845,364,178
INVESTMENTS			
	6	97,000	262,735
CURRENT ASSETS, LOANS & ADVANCES:			
Inventories	7	122,173,258	105,488,940
Sundry Debtors	8	238,023,003	140,857,320
Cash and Bank Balances	9	36,356,661	35,686,192
Loans and Advances	10	150,870,197	126,178,841
		547,423,119	408,211,293
CURRENT LIABILITIES & PROVISIONS:			
Current liabilities	11	95,579,910	63,834,264
Provisions	12	38,439,939	42,926,081
		134,019,849	106,760,345
Net Current Assets		413,403,270	301,450,948
MISCELLANEOUS EXPENDITURE			
	13	1,991,813	2,705,928
Total		1,316,608,342	1,149,783,789
		-	-
Notes to Accounts	22		
The Schedules referred to above form an integral part of Balance Sheet			

per our report attached
for P.Murali & Co.
Chartered Accountants

For and on behalf of the Board

Sd/-
P. Murali Mohana Rao
Partner
M No. 23412

Sd/-
LP Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place: Secunderabad
Date : 11th August 2010

Sd/-
Srikanth Adalat
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULE	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Sales	14	703,509,244	511,742,821
Less: Excise Duty		47,439,277	55,680,809
		656,069,967	456,062,012
Other Income	15	20,567,216	8,878,211
Total		676,637,183	464,940,223
EXPENDITURE			
Material Consumption	16	419,834,233	252,927,667
(Accretion) / Decretion to stocks	17	(14,757,812)	(35,024,653)
Personnel Expenditure	18	59,896,388	49,784,216
Manufacturing Expenses	19	17,658,708	16,671,896
Administrative and Selling Expenses	20	47,771,187	47,567,173
Financial Expenses	21	26,382,173	15,547,980
Depreciation		28,184,880	26,352,815
Miscellaneous Expenses Written off		714,115	3,589,007
Total		585,683,872	377,416,101
Profit before Taxation		90,953,311	87,524,122
Provision for taxation			
- Current		20,000,000	20,000,000
- Deferred		4,068,065	276,881
- Fringe Benefit Tax		-	1,216,786
Profit after taxation		66,885,246	66,030,455
Taxes pertains to previous years		214,999	(2,932,809)
Prior period adjustments		653,208	(379,611)
Net Profit		67,323,455	62,718,035
		-	-
Profit brought forward from previous year		202,269,367	162,682,041
Amount available for appropriation		269,592,822	225,400,076
APPROPRIATIONS			
Proposed Dividend		7,216,147	14,409,322
Provision for Dividend Tax		1,198,602	2,449,585
Transfer to General Reserve		67,32,346	6,271,804
Balance carried to Balance Sheet		254,445,727	202,269,365
Earnings per share (Basic/diluted) (Nominal Value of Share of Rs. 4 each)		1.87	1.74
No of Shares used in computing Earnings per share		36,080,737	36,023,305
Notes to Accounts	22		
The Schedules referred to above form an integral part of Profit and Loss Account			

per our report attached
for P. Murali & Co.

Chartered Accountants

Sd/-
P Murali Mohana Rao
Partner

M No. 23412

Place: Secunderabad

Date : 11th August 2010

For and on behalf of the Board

Sd/-
LP Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Sd/-
Srikanth Adalat
Company Secretary



SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 1		
SHARE CAPITAL		
Authorised		
6,16,25,000 (Previous 6,16,25,000) Equity Shares of Rs.4/- each,	246,500,000	246,500,000
Issued,Subscribed and Paid up		
3,60,80,737 (Previous Year 3,60,23,305) Equity Shares of Rs. 4 each fully Paid - Up	144,322,948	144,093,220
Share Capital Suspense Account (57432 Nos. @ 4/- each)	-	229,728
Total	144,322,948	144,322,948
SCHEDULE : 2		
RESERVES AND SURPLUS		
Share Premium	426,513,494	426,513,494
General Reserve	143,492,631	136,760,285
Surplus	254,445,727	202,269,365
Total	824,451,852	765,543,144
SCHEDULE : 3		
SECURED LOAN		
From State Bank of Hyderabad		
- Term Loans	74,208,464	23,928,929
- Working Capital	100,680,964	49,952,934
From others		
- Technology Development Board	30,534,105	28,930,105
- Vehicle Loans	2,066,779	1,787,413
Total	207,490,312	104,599,381
SCHEDULE : 4		
UNSECURED LOANS		
Sales Tax Deferment Loan (interest free)	92,033,881	91,077,032
Total	92,033,881	91,077,032

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010
SCHEDULE 5: FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 01.04.2009 Rs.	Additions Rs.	Deletions Rs.	Cost As at 31.03.2010 Rs.	As at 01.04.2009 Rs.	For the year Rs.	Deletions Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Goodwill	1,360,489	--	--	1,360,489	--	--	--	1,360,489	1,360,489
Land	414,557,715	912,000	--	415,469,715	--	--	--	415,469,715	414,557,715
Buildings	41,888,137	11,750,450	--	53,638,587	8,556,978	1,401,000	--	43,680,609	33,331,159
Plant & Machinery	374,987,475	57,327,794	--	432,315,269	102,374,588	18,944,898	--	310,995,783	272,612,887
Furniture & Fixtures	7,637,278	--	--	7,637,278	3,964,086	483,440	--	3,189,752	3,673,192
Lab Tools & Equipment	9,246,345	1,812,031	--	11,058,376	2,595,041	479,900	--	7,983,435	6,651,304
Electrical Equipment/ Installation	11,986,265	4,120,832	--	16,087,097	6,058,189	642,959	--	9,385,949	5,908,076
Vehicles	14,000,371	1,441,870	1,699,675	13,742,566	9,405,173	1,237,770	1,435,916	4,535,539	4,595,198
Computer system & Network Equipments	79,318,585	1,913,251	--	81,231,836	76,931,942	3,698,432	--	601,462	2,386,643
Office equipment	5,302,523	137,161	--	5,439,684	2,085,210	255,468	--	3,099,006	3,217,313
Generator	4,774,177	4,595,092	--	9,369,269	2,572,625	317,906	--	6,478,738	2,201,552
Leasehold Improvements	6,060,777	--	--	6,060,777	1,424,304	202,430	--	4,434,043	4,636,473
Air Conditioners	2,474,940	64,500	--	2,539,440	721,764	120,137	--	1,697,539	1,753,176
Tools & Spares	16,414	14,175	--	30,589	9,950	1,453	--	19,186	6,464
Temporary Sheds	975,930	345,592	--	1,321,522	937,422	176,316	--	207,784	38,508
Total	974,567,421	84,434,748	1,699,675	1,057,302,494	217,637,272	27,962,109	1,435,916	813,139,029	756,930,149
Previous year	412,720,731	573,638,315	11,791,625	974,567,421	162,387,533	55,638,227	388,488	756,930,149	250,333,198

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 6		
INVESTMENTS		
Quoted Investments		
9.700 (Previous year : 9700)	97,000	97,000
Equity Shares of 10 each, in GTCL Mobilecom Technology Ltd		
3,683 Equity Shares of 10 each, in Bharti Televenture Ltd	-	165,735
Total	97,000	262,735
Market value of Quoted Shares	-	2,302,096
SCHEDULE : 7		
INVENTORIES		
(As per the inventories taken and certified by the Management)		
Rawmaterials, Components & Packing Materials	48,320,228	46,393,722
Work - in - Process & Finished stocks	73,853,030	59,095,218
Total	122,173,258	105,488,940
SCHEDULE : 8		
SUNDRY DEBTORS		
Unsecured, considered good		
Debts outstanding for a period exceeding six months	17,538,091	14,196,119
Other Debts	220,484,912	126,661,201
Total	238,023,003	140,857,320
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash on hand	27,386	8,809
Balances with Scheduled Banks		
- In Current Accounts	10,837,905	6,735,575
- In Margin Money Deposits	25,491,370	28,941,808
Total	36,356,661	35,686,192

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 10		
LOANS AND ADVANCES		
Unsecured , considered good		
Advances recoverable in cash or kind or for value to be received	17,590,074	4,342,240
Advance for investments	62,939,984	62,154,018
Advances to Staff	214,932	564,891
Advances to suppliers	2,627,524	2,381,943
Advances for Purchase of Machinery and Others	21,864,473	16,108,068
Balance with Government Departments	24,692,139	27,113,763
Prapaid Taxes	9,317,009	2,899,454
Prepaid Expenses	3,461,812	1,532,783
Deposits	8,162,250	9,081,681
Total	150,870,197	126,178,841
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry Creditors	63,794,909	30,719,998
Advances from Customers	1,656,846	2,515,979
Statutory Liabilities	5,069,425	1,295,772
Liabilities to Transporters	2,542,153	2,265,395
Liabilities to Consultants and individuals	3,431,609	1,885,512
Liabilities to Capital Purchases	6,838,660	6,159,217
Other Creditors / Liabilities	12,246,308	18,992,391
Total	95,579,910	63,834,264

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 12		
PROVISIONS		
Provision for		
- Income Tax	22,237,526	20,000,000
- Fringe Benefit Tax	-	1,216,786
- Wealth Tax	150,000	150,000
Provision for		
- Dividend	7,216,147	14,409,322
- Dividend Tax	1,198,602	2,449,585
Provision for		
- Bonus	476,008	151,406
- Gratuity	5,592,642	2,796,115
- Earned leave encashment	1,569,014	1,752,867
Total	38,439,939	42,926,081
SCHEDULE : 13		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Scientific Research Expenditure	--	2,845,195
Less: Amount written off during the year	--	2,845,195
	-	-
Miscellaneous Expenditure	2,588,859	3,236,074
Less: Amount written off during the year	647,215	647,215
	1,941,644	2,588,859
Preliminary Expenses	117,069	183,969
Less: Written off during the year	66,900	66,900
	50,169	117,069
Total	1,991,813	2,705,928

SCHEDULES TO PROFIT AND LOSS ACCOUNT AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 14		
SALES AND SERVICES		
Telecom & Insulators		
- Domestic Turnover	701,615,444	503,214,315
- Exports Turnover	1,893,800	8,528,506
Total	703,509,244	511,742,821
SCHEDULE : 15		
OTHER INCOME		
Interest received	2,117,700	1,207,107
Profit on Sale of Investments	2,230,418	12,727
Miscellaneous Income	16,219,098	7,658,377
Total	20,567,216	8,878,211
SCHEDULE : 16		
MATERIAL CONSUMPTION		
Opening Stock	46,393,722	112,721,915
Add: Purchase of materials	412,079,156	160,253,436
Expenses related to Purchases	9,681,583	26,346,037
	468,154,461	299,321,388
Less: Closing Stock	48,320,228	46,393,721
Total	419,834,233	252,927,667
SCHEDULE : 17		
(ACCRETION) / DECRETION TO STOCKS		
Closing Stock of WIP & Finished Goods	73,853,030	59,095,218
Less: Opening Stock of WIP & Finished Goods	59,095,218	24,070,565
Total	(14,757,812)	(35,024,653)
SCHEDULE : 18		
PERSONNEL EXPENDITURE		
Salaries, Wages	57,127,225	47,501,490
Contribution to Provident Fund & ESI	1,822,027	1,472,243
Staff Welfare	947,136	810,483
Total	59,896,388	49,784,216
SCHEDULE : 19		
MANUFACTURING EXPENSES		
Power and fuel	10,418,948	6,634,713
Consumables	2,027,295	2,060,748
Testing & Inspection charges	3,415,389	6,412,828
Repairs and Maintenance - Plant and Machinery	1,797,076	1,563,607
Total	17,658,708	16,671,896

SCHEDULES TO PROFIT AND LOSS ACCOUNT AS AT 31st MARCH, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE : 20		
ADMINISTRATIVE AND SELLING EXPENSES		
Rent	1,000,300	3,288,097
Rates and Taxes	1,053,506	778,275
Office Electricity	1,934,986	895,584
Insurance Charges	728,283	1,324,757
Printing and Stationery	937,980	899,288
Communication Expenses	2,238,692	2,258,869
Travelling Expenses	5,307,288	7,107,516
Conveyance	702,959	1,396,261
Vehicle Maintenance	769,780	1,303,192
Advertisement	811,764	1,722,266
Business Promotion	941,659	1,392,013
Commission Paid	7,274,780	4,832,124
Exhibition expenses	938,071	903,986
Carriage Outward	9,484,921	6,737,313
Liquidated Damages	1,871	1,628,981
Directors Remuneration	1,757,000	1,993,000
Legal Fees	20,000	44,000
Professional and Consultancy	4,462,008	2,182,341
Auditors Remuneration	300,000	300,000
Office Maintenance	148,191	359,184
Miscellaneous expenses	2,638,303	2,572,301
Repairs and Maintenance - Buildings	293,662	184,073
Repairs and Maintenance - Others	2,629,905	1,546,951
Listing Fees	203,408	310,557
Security Charges	849,496	1,267,677
Wealth Tax	19,711	50,000
Gifts and Donations	243,664	-
Loss on sale of Investments / Assets	78,999	288,567
Total	47,771,187	47,567,173
SCHEDULE : 21		
FINANCIAL EXPENSES		
Interest on Term Loans	56,64,873	45,27,043
Interest on Working Capital	1,03,75,015	70,94,684
Bank Charges & Commission	51,67,320	32,94,276
Other Finance Charges	51,74,965	6,31,977
Total	2,63,82,173	1,55,47,980

SCHEDULE — 22

Accounting Policies and Notes on Accounts

I. SIGNIFICANT ACCOUNTING POLICIES

a) Preparation of financial statements

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

b) Method of Accounting

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

c) Fixed Assets

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition / construction / installation. Pre-operative expenses relating to a specific project are capitalised till all the activities necessary to prepare the qualifying asset for its intended use are completed. Expenses capitalized also include applicable borrowing costs.

d) Investments

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

e) Inventories

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

f) Intangible Assets

Intangible Assets are recognized in the Balance Sheet at cost, net of any accumulated amortization / impairment. Preliminary expenses are amortized over a period of 5 years. De-merger expenses are amortized over a period of ten years.

g) Research and Development

Capital expenditure on Research and Development is included in the Schedule of Fixed Assets. Revenue expenditure relating to the Research phase is charged to the Profit and Loss account. Revenue Expenditure relating to the Development phase is amortized over the period in which the future economic benefits are expected to accrue to the Company, but not exceeding a period of 5 years, and the amortization commences from the year in which the company realizes these benefits for the first time.

h) Revenue Recognition

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

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

i) Retirement Benefits

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

j) Borrowing Costs

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

k) Depreciation

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

l) Foreign Currency Transaction

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

m) Government Grants / Incentives

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

n) Impairment of assets

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

o) Income and Deferred Tax

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

p) Contingent Liabilities and Contingent Assets

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

q) Claims

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

II. NOTES ON ACCOUNTS

1. Share Capital

During the year Company has allotted 57,432 Nos. of Equity Shares @ 4/- each amounting to Rs. 2,29,728/- to remaining shares holders of Sun Plast O Met Limited pursuant to Scheme of Amalgamation.

2. Secured Loans

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

iv) Personal guarantee of a promoter director of the company.

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

3. Unsecured Loan

The Company has availed Sales Tax deferment of Rs. 9,56,849/- during the year (Previous Year : Rs. 67,19,686).

4. Confirmation of Balances with Sundry Debtors and Sundry Creditors

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

5. Investments:

Company has invested Rs. 6.29 Cr in TF Solar Power Pvt. Limited towards share application money. Allotment of Shares will be taken place during the next financial year.

6. Employee Benefits (AS — 15)

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

Particulars	31.03.2010 (Rs.)	31.03.2009 (Rs.)
Gratuity	29,36,921/-	8,24,366/-
Leave Encashment	5,50,265/-	10,21,722/-
Bonus	4,76,008/-	1,51,406/-

Defined contribution plan

During year ended March 31, 2010, the Group contributed Rs. 13,90,626/- to provident fund.

Defined benefit plan — gratuity

The amounts recognized in the balance sheet as at March 31, 2010 are as follows:

The valuation has been carried out using the projected Unit Credit Method. (Amount in Rs.)

	31st March 2010	31st March 2009
Present value of funded obligation		
Fair value of plan assets		
Present value of Unfunded obligations	55,92,642	27,96,115
Unrecognized Past Service cost		
Amount not Recognized as an asset(limit in Para59(b))		
Net liability	55,92,642	27,96,115
<u>Amounts in Balance Sheet</u>		
Liability	55,92,642	27,96,115
Asset		
Net Liability	55,92,642	27,96,115

The amounts recognized in the profit and loss account for the year ended March 31, 2010 are as follows:

	31st March 2010	31st March 2009
Current service cost	4,87,524	3,64,669
Interest on Defined Benefit Obligation	2,39,174	2,05,605
Expected return on plan assets	-	-
Net Actuarial Losses/(Gains) Recognized in Year	10,58,949	2,54,092
Past Service Cost	11,51,274	-
Losses/(Gains) on "Curtailements & Settlements"		
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59 (b)		
Total, included in "Employee Benefit Expense"	29,36,921	8,24,366
Actual Return on Plan Assets		

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

	31st March, 2010	31st March, 2009
Discount Rate	8.25%	7.60%
Expected return on plan assets	0.00%	0.00%
Salary Escalation	10.00% for the first 3 years & 7% thereafter	10.00% for the first 3 years & 7.00% thereafter

Discount Rate:

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

Expected Rate of Return on Plan Assets:

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

Salary Escalation Rate:

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

7. Segment Reporting (AS — 17)

Since the Company Operate in one segment — Composite Polymer Insulators , segment reporting as required under Accounting Standard — 17 is not disclosed here separately.

8. Related Party Transactions (AS — 18)

(Rs. in Lakhs)

SL No.	Name of the Party	Nature of Transaction	2009-2010	2008-2009
1	LP Sashikumar	Managing Director	19.05	18.69
2	TFSolar Power Pvt. Ltd	Investment	629.21	0.00

9. Earnings Per Share (EPS) (AS — 20)

Calculation of EPS

(Amount in Rupees)

	2009-10	2008-09
Profit after tax during the year (Rs.)	6,73,23,455	6,27,18,035
Earnings available to Equity Shareholders for Basic & Diluted EPS (Rs.)	6,73,23,455	6,27,18,035
Weighted Average Number of Shares taken for computation of EPS		
- Basic	3,60,80,737	3,60,23,305
- Diluted	3,60,80,737	3,60,23,305
Earning per Share		
- Basic	1.87	1.74
- Diluted	1.87	1.74
Face Value of the Share	4.00	4.00

10. Deferred Tax Assets & Liabilities (AS — 22)

In accordance with Accounting Standard 22 (AS 22) issued by the ICAI, the Company has accounted for deferred income tax during the year. The deferred income tax provision for the current year amounting to the Rs. 40,68,065/- towards deferred Income Tax Liability. (Previous year Rs.2,76,881/- towards Deferred Tax Liability)

11. Impairment of Assets (AS — 28)

There is no impairment Loss on any assets that has occurred in terms of AS — 28.



12. Remuneration:

(Rs. in Lakhs)

	Year ended 31.03.2010	Year ended 31.03.2009
Managing Director		
Salary	16.32	18.48
Reimbursements and other benefits	2.73	0.21
	— — — —	— — — —
	19.05	18.69
Commission for the year	0.00	0.00
	— — — —	— — — —
Total:	19.05	18.69
	=====	=====
Auditors Remuneration		
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
	— — — —	— — — —
Total	3.00	3.00

13. Prior Period Adjustments:

Prior Period Adjustments:

Prior period adjustment of Rs. 6,53,208/- (Previous year 3,79,611/-) shown in the Profit and Loss account is the net amount of the debits and credits pertaining to previous years, which were not provided during those periods.

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

	2009-10		2008-09	
a. Licenced Capacity	NA		NA	
b. Installed capacity	690,000		690,000	
- Heat Shrinkable Sleeves	Depends on product mix		Depends on product mix	
- Polymer Insulators				
	Quantity	Value	Quantity	Value
c. Production				
- Heat Shrinkable Sleeves	-	-	10,382	-
- Polymer Insulators	5,26,443	-	3,96,879	-
d. Sales				
- Jointing Kits	-	-	10,382	1,45,88,547
- Polymer Insulators	5,34,330	69,96,32,141	3,96,793	49,63,18,368
Others		38,77,102	-	8,35,906
Total	5,34,330	70,35,09,243	4,07,175	51,17,42,821
e. Material consumption including trading material				
- Hot melt Adhesive	-	-	9,395	11,64,980
- Granules	-	-	34,960	22,65,736
- HVI	70,360	1,54,55,559	15,815	44,22,500
- Fibre Glass Tex	213730	1,40,08,703	1,55,555	1,06,51,284
- ATH Hydral	2,84,496	2,50,52,621	1,87,780	1,43,95,151
- Others	-	36,53,14,570	-	22,00,28,016
		41,98,31,453		25,29,27,667
f. Break-up of material consumption including trading material				
Indigenous	54.08%	22,70,42,178	86.97%	21,99,62,585
Imported	45.92%	19,27,89,275	13.03%	3,29,65,082
	100.00%	41,98,31,453	100.00%	25,29,27,667
g. Earnings in Foreign currency				
Export of goods		-		35,37,271
h. Value of imports on CIF Basis				
- Materials including trading materials		18,76,18,229		3,16,84,908
- Capital Goods		1,36,18,905		1,25,85,010
i. Expenditure in foreign currency				
On travel		9,88,203		9,74,342
Others		5,61,022		18,65,457



Goldstone

Goldstone Infratech Limited

15. Contingent Liabilities not provided for

- a) Letter of credit — Rs 263.34 lakhs (Previous year: Rs.72.53 lakhs)
- b) Bank Guarantees — Rs 955.37 lakhs (Previous year: Rs.562.25 lakhs)
- c) Commitments on capital contracts remaining to be executed Rs 25.00 lakhs (Previous year: Rs.40.00 lakhs)
- d) Un-claimed dividend amount for the years 2006-07, 2007-08 and 2008-2009 is lying in the Dividend Account at ICICI & Axis Bank for an amount of Rs.2,07,645, Rs. 2,26,000 & Rs. 2,22,855, respectively.

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

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

per our Report attached
For P Murali & Co.
Chartered Accountants

For and on behalf of the Board

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

Sd/-
L P Sashikumar
Managing Director

Sd/-
B Appa Rao
Director

Place: Secunderabad
Date : 11th August 2010

Sd/-
Srikanth Adalat
Company Secretary

Statement of Cash Flows for the year ended 31.03.2010

(Rs. In lakhs)

	31.03.2010	31.03.2009
A. Cash Flow from operating activity		
Net Profit before tax	909.53	875.24
Adjustments for:		
Depreciation	267.49	552.50
Miscellaneous expenditure written off	7.14	35.59
Provision for Gratuity & Earned Leave	39.63	19.97
Loss on sale of vehicles	0.79	2.89
Other Income	(205.67)	(88.78)
Operating Profit before working capital changes	1018.91	1397.41
Adjustments for:		
Trade and other receivables	(971.66)	1113.12
Inventories	(166.84)	(305.21)
Trade advances	(182.74)	(1372.41)
Trade Payable	317.46	(900.07)
Cash generated from operations	15.13	(67.16)
Direct Taxes paid (net)	(253.97)	(199.02)
Gratuity Paid	(10.26)	(13.45)
Cashflow before extraordinary items	(249.10)	(279.63)
Extra ordinary items	4.38	(33.10)
Net Cash flow from operating activity	(244.72)	(312.73)
B. Cash Flow from Investing Activity		
Purchase of fixed assets	(827.35)	(5618.47)
Capital work in progress	2.34	5766.12
Sale of investments	1.66	228.54
Miscellaneous Expenditure	-	(35.59)
Other income	205.67	88.78
Loss on Sale of Vehicle	(0.79)	(2.89)
Net Cash used for investing activity	(618.47)	426.49
C. Cash Flow from financing activities		
Repayment of Working capital Loan	507.28	243.71
Term Loan	502.80	(142.07)
Vehicle Loan	2.79	(2.34)
Deferred sales tax loan	9.57	67.11
Dividend paid	(168.59)	(98.38)
Loan received from TDB	16.04	29.30
Capital Suspense Account	-	2.30
Net cash generated from financing activity	869.89	99.63
Cash and cash equivalents (Opening Balance)	356.86	143.49
Net increase in Cash & Cash equivalents (A+B+C)	6.70	213.39
Cash and cash equivalents (Closing Balance)	363.56	356.88

for P.Murali & Co.

For and on behalf of the Board

Chartered Accountants

Sd/-

P. Murali Mohana Rao
Partner

M No. 23412

Place: Secunderabad

Date : 11th August 2010

Sd/-

LP Sashikumar
Managing Director

Sd/-

B Appa Rao
Director

Sd/-

Srikanth Adalat
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE:

I. Registration Details:

Registration No.	35451	State Code:	01
Balance Sheet Date:	31.03.2010		

II. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue:	NIL	Rights Issue:	NIL
Bonus Issue:	NIL	Private Placement:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities:	13166.08	Total Assets:	13166.08
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Sources of Funds:

Paid-up Capital	1443.23	Reserves and Surplus	8325.45
Secured Loans:	2074.90	Unsecured Loans:	920.34
Deferred Tax Liability	483.09		

Application of Funds:

Net Fixed Assets	9011.16	Investments	0.97
Net Current Assets:	4134.03	Misc. Expenditure	19.92

* includes Deferred Tax Liabilities

Accumulated Losses:	NIL
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IV. Performance of company (Amount in Rs. Lacs)

Turnover/Income	6766.37	Total Expenditure	5856.84
Profit before tax	909.53	Profit after tax	673.23
Earning per Share in Rs.	1.87	Dividend Rate	5%

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	:	85462090
Product Description	:	Composite Polymer Insulators
Item Code No. (ITC Code)	:	85472000
Product Description	:	Thermoweld Filled Heat Shrinkable Sleeves
Item Code No. (ITC Code)	:	85479000
Product Description	:	Jelly Filled Telephone Cable Jointing Kits & Sub Kits

Account No. :
No. of Shares :

FORM 2B
NOMINATION FORM
(To be filled by individual(s) applying singly or jointly)

I/We _____ and _____
and _____ the Members of Goldstone Infratech Limited holding
_____ shares bearing Distinctive Numbers _____ wish to
make a nomination and do hereby nominate the following person in whom all rights of transfer and/
or amount payable in respect of shares shall vest in the event of my or our death.

Name and Address of Nominee

Name	
Address	
Date of Birth (if nominee is a Minor)	

Guardian of the Minor is (to be furnished only if nominee is a minor)

Name	
Address	

SHAREHOLDER'S INFORMATION

1	Signature	
	Name	
	Address	
	Date	
2	Signature	
	Name	
	Address	
	Date	
3	Signature	
	Name	
	Address	
	Date	

Name, Address and Signature of two Witnesses

	Name and Address	Signature with Date
1.		
2.		

Instructions:

1. The Nomination can be made by Individuals holding shares on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, Holder of Power of Attorney cannot nominate. If the Shares are held jointly, all Joint holders shall sign the nomination form.
2. A Minor can be nominated by a Holder of shares and in that event, the name and address of the Guardian should be provided.
3. The Nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family or a Power of Attorney Holder. A Non-Resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of shares.
5. Transfer of shares in favour of Nominee shall be valid discharge by the Company against the Legal heir.
6. The Nomination form shall be filed in duplicate with the Company's Share Transfer Agents, Aarathi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad — 500 029, which will return one copy thereof to the Shareholder.

FOR OFFICE USE ONLY

Nomination Registration Number :
Date of Registration :
Checked by (Name and Signature) :

GOLDSTONE INFRATECH LIMITED

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

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
ECS Mandate for payment of dividend on Equity Shares**

1. First Shareholder's Name(IN BLOCK LETTERS):
2. Shareholders Folio No. :
3. Particulars of Bank Account
 - A Bank Name :
 - B Branch Name, Address & Phone Number :
 - C Account No.(as appearing on the cheque book) :
 - D Account Type (SB Account / Credit A/c or Cash Credit).
Please tick the correct box
 - E Ledger Folio No. of the Bank A/c.
(as if appearing on the Cheque Book) :
 - F 9 Digit Code No. of the Bank & Branch
appearing on the MICR Cheque issued
by the bank. :

S.B A/c	Current A/c	Cash
Credit A/c.		

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold the Company responsible.

Date :

Signature of the First Shareholder

Notes:

1. Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code number.
2. You are advised to submit the ECS Bank details in the format prescribed latest by 20.09.2010 to enable us to include the same for the payment of the current year's dividend.

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GOLDSTONE INFRATECH LIMITED

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

PROXY FORM

I/We.....of.....
being member(s) of the above named company, hereby appoint the following as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Tenth Annual General Meeting of the Company, to be held on Wednesday, the 29th September, 2010 at 3.30 p.m. at Plot No. 1 & 9, IDA, Phase — II, Cherlapally, Hyderabad — 500 051 at and at any adjournment thereof.

Signed this day of _____ 2010.



NOTES:

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

GOLDSTONE INFRATECH LIMITED

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

ATTENDANCE SLIP

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

Regd. Folio/ : Shares held :

Client ID/ DPID :

I hereby record my presence at the 10th Annual General Meeting to be held on Wednesday, the September 29, 2010 at 3.30 p.m. at Plot No. 1 & 9, IDA, Phase-II, Cherlapally, Hyderabad -51

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.
Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.