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REPORTS OF SUBSIDIARY COMPANIES

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NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Tuesday the 30th September 2008 at 2.30 P.M at Plot No.1&9, IDA Phase II, Cherlapally, Hyderabad – 500 051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at 31st March 2008 and Profit & 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 financial year 2007-08.
3. To appoint a Director in place of Mr.K.S.Sarma who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.D.P.Sreenivas 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 or without modification(s), 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 Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. L.P.Sashikumar, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 30th October 2007 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Sukesh Gupta who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 25th June 2008 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Dhakan Kishore Ratilal who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 25th June 2008 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing proposing his candidature for the

office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. P.V. Narasimha Rao who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 31st July 2008 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

10. 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 approval of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and/or Central Government under the Foreign Exchange management Act, 1999 (or any statutory modification or re-enactment thereof) and/or subject to such other approvals, permissions and sanctions as may be required and subject to the applicable provisions, if any, of the Companies Act, 1956 and subject to such conditions as may be prescribed by any of the authorities while granting such approvals/permissions/ sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board") may accept, the consent, authority and approval of the Company be and is hereby accorded to allow Foreign Institutional Investors (FIIs)/ Non Resident Investors to acquire Equity Shares/ any securities of the Company through Stock

Exchanges or otherwise, provided that the total holding by FIIs/NRIs both on repatriation and non-repatriation basis shall be within overall ceiling of 49% of paid up Equity/ Preference share capital of the company."

"RESOLVED FURTHER THAT the Directors of the company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute such documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

11. 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 21 and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of concerned statutory authorities, consent of the company be and is hereby accorded for changing the name of the Company from "GOLDSTONE TECHNOLOGIES LIMITED" to "VIRGO TECH LIMITED" or such other name as may be made available by the statutory authorities and acceptable to the Board and that the name of the company shall be changed with effect from the date of issue of certificate of incorporation by the Registrar of Companies, Andhra Pradesh in that behalf."

"FURTHER RESOLVED THAT the name "GOLDSTONE TECHNOLOGIES LIMITED" wherever appears in the Memorandum of Association and Articles of Association of the Company be substituted by "VIRGO TECH LIMITED" or such other name as may be made available to the Board"

"FURTHER RESOLVED that the Board of Directors are hereby authorised to do all the necessary things and deeds as may be required for giving effect to the above resolution and for filing necessary forms / applications to statutory authorities, and for effecting the change of name wherever required."

For and on behalf of the Board

D.P.Sreenivas
Executive Director

Place : Hyderabad

Date : 30th August, 2008

Notes:

- a. The Explanatory Statement relating to Special Business of the Meeting is annexed to this Notice as required by Section 173 of the Companies Act, 1956.
- b. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. The Proxy in order to be effective, must be deposited at the Registered Office not less than 48 hours before the meeting.
- c. 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.
- d. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday 22nd September 2008 to 30th September 2008 (both days inclusive) for the purpose of dividend and Annual General Meeting.
- e. 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.
- f. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the meeting.
- g. Members holding shares in physical form are requested to notify, immediately, any change in their address to the Company at 9-1-83&84, Amarchand Sharma Complex, S.D. Road, Secunderabad – 500 003. Members holding shares in electronic form should update such details with their respective Depository Participants.
- h. Members are requested to bring their copy of the Annual Report to the meeting.

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Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No: 6

Mr. L.P.Sashikumar has been appointed as Additional Director of the Company in the Board Meeting held on 30th October 2007 and holds office till the conclusion of the ensuing Annual General Meeting.

Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956, together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. L.P.Sashikumar none of the Directors are in anyway concerned or interested in this resolution.

Item No: 7

Mr.Sukesh Gupta has been appointed as Additional Director of the Company in the Board Meeting held on 25th June 2008 and holds office till the conclusion of the ensuing Annual General Meeting.

Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956, together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. Sukesh Gupta none of the Directors are in anyway concerned or interested in this resolution.

Item No: 8

Mr.Dhakan Kishore Ratilal has been appointed as Additional Director of the Company in the Board Meeting held on 25th June 2008 and holds

office till the conclusion of the ensuing Annual General Meeting.

Notice(s) pursuant to the provisions of Sec 257 of the Companies Act, 1956, together with the requisite deposit(s) have been received from the members proposing his/their candidature for the office of Director(s) liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. Dhakan Kishore Ratilal none of the Directors are in anyway concerned or interested in this resolution.

Item No: 9

Mr.P.V.Narasimha Rao has been appointed as Additional Director of the Company in the Board Meeting held on 31st July 2008 and holds office till the conclusion of the ensuing Annual General Meeting.

Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956, together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. P.V.Narasimha Rao none of the Directors are in anyway concerned or interested in this resolution.

Item No: 10

The company is having aggressive plans to take up other business activities which require huge financial resources including rising further equity from the prospective investors either in India or Abroad.

As per the Reserve Bank India guidelines the NRI and FIIs can hold only upto 10% & 24% of the paid up share capital of the company. Any increase in the above limits require members

approval. In view of the future business plans, it was felt that the ceiling on investment by NRIs/ FIIs in share capital of the company be raised to 49% of the paid up share capital of the company, enabling the NRIs/ FIIs to acquire shares of your company.

Your Directors recommend the resolution for your approval.

None of the Directors are concerned or interested in the above resolution.

Item No: 11

The Company is at present engaged in the business of Information Technology and Software Solutions. The company intends to

take up other business activities in future. It is therefore proposed to change the name of the company.

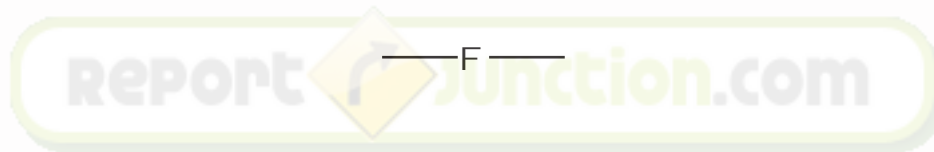
Your directors recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

For and on behalf of the Board

D.P.Sreenivas
Executive Director

Place : Hyderabad
Date : 30th August 2008



**ADDITIONAL INFORMATION ON DIRECTORS
SEEKING APPOINTMENT / RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing
Agreement)**

Item # 3 of Notice of AGM

Mr. K.S.Sarma

Mr.Sarma aged 64 years, has a distinguished academic career with two post-graduate degrees, in Arts and Science and did his M.Phil from Manchester University, U.K. He worked, in his career, in the field of Education, teaching Economics & Statistics for a period of 10 years before joining the Indian Administrative Service. During his career he worked in various levels such as Joint Secretary, Special Secretary and Principal Secretary with Govt. of Andhra Pradesh before going on deputation to the Government of India.

He worked in the Ministry of Information & Broadcasting and held additional charge of the post of Director General, Doordarshan. He has functioned as Chief Executive Officer, Prasar Bharati (Broadcasting Corporation of India) and was instrumental in getting free to air Direct To Home service (Popularly known as DD Direct +) for the benefit of Indian viewers/listeners. He has been unanimously elected as Vice-President of Asia-Pacific Broadcasting Union (ABU) and as Vice-President of Commonwealth Broadcasting

Association (CBA), which comprises of about 100 broadcasting organizations in over 50 countries. He has also functioned as the President of Indian Broadcasting Federation (IBF).

He has travelled extensively abroad in his career and in particular, during his tenure in the Ministry of I&B/ Prasar Bharati and obtained deep insight into the working scenario of the electronic media.

He is not a Director in any other company nor holding any committee membership nor chairmanships in any other companies. He is not holding any shares in the company.

Item #4 of Notice of AGM

Mr. D.P.Sreenivas

Aged 38 years he is also the Director of Online Media Solutions Ltd. He has done his Bachelor of Commerce from SV University, and has over 12 years of experience in wide spectrum of industries including Management and Liaison. He has worked in MNCs like Ford Motor, Ford Credit and Ciber. He was project leader at Ford Credit and was involved in automation of dealer business and also instrumental in implementation of dealer portal project. He is not holding any equity shares in the company. The details of his other directorships and committee memberships are as given below:

Name of the Company	Designation	Committee membership & Chairmanship
(i) Online Media Solutions Limited	Director	Chairman Audit Committee Chairman Shareholders & Investors Grievance Committee
(ii) Staytop Systems and Software Pvt. Ltd.	Director	Nil

Item # 6 of Notice of AGM

Mr. L P Sashikumar

Mr. L. P. Sashikumar, aged 58 years has completed his Bachelors in Science and has

obtained is BS (Business Administration) from Union University, USA. He has vast experience in the industry and handling various operations and presently he is the Managing Director of Goldstone Infratech Limited from the last 7 years.

He is holding 757 equity shares in the company. The details of his other directorships and committee memberships are as given below:

Sl. No.	Name of the Companies / firm	Nature of Interest	Committee membership
1.	Goldstone Infratech Limited	Managing Director	Audit Comm. and Shareholders & Investors Grievance Committee
2.	Newtech Stewing Telecom Ltd.	Director	Nil
3.	Goldstone Granites Ltd.	Director	Nil
4.	Sun Plast O Met Pvt. Ltd.	Director	Nil
5.	Staytop Systems and Software Pvt. Ltd.	Director	Nil

Item # 7 of Notice of AGM

Mr. Sukesh Gupta

Mr. Sukesh Gupta is a Commerce Graduate. After completion of his formal education, he joined his family business of trading & manufacturing of Jewellery. He comes from the family that owns one of the most prestigious jewellery house of Hyderabad, popularly known by the name and style of M/s. Musaddilal Jewellers. Mr. Gupta has enlarged the existing

business operations and exports in Gold, Diamond and antique Jewellery to various countries by promoting a flagship company by name MBS Impex Private Limited. He is also promoted Jewel village in Dubai along with Damas LLC and Deepu Jewellers LLC.

He is not holding any equity shares in the company and is not holding any committee membership nor chairmanships in any other companies. The details of his other directorships are as given below:

Sl. No.	Name of the Companies / firm	Nature of Interest	Committee Membership
1.	MBS Impex Pvt Ltd.	Director	Nil
2.	MBS Jewellers Pvt. Ltd.	Director	Nil
3.	Gehna Projects Pvt Ltd.	Director	Nil
4.	Platinum Panel Pvt. Ltd.	Director	Nil
5.	Evian Projects Pvt Ltd.	Director	Nil
6.	Anghelia Housing Pvt. Ltd.	Director	Nil
7.	Inn Tack Control Pvt. Ltd.	Director	Nil
8.	Shroff Apparels Pvt. Ltd.	Director	Nil
9.	Goldstone Infratech Limited	Director	Nil
10.	Aashi Realtors	Partner	Nil

Item # 8 of Notice of AGM

Mr. Dhakan Kishore Ratilal

Mr. Dhakan Kishore Ratilal born on 6th

December 1960 in Mumbai in a family of businessman dealing in gold and jewellery. After completing his education from Mumbai, he joined his family business at very early age.

He went to Dubai during the year 1985 and started his own unit for manufacturing and selling of gold jewellery in the name of Deepu Jewellers LLC and Samrah Gold Factory. During the last 25 years he made tremendous progress owing to his hard work and vision.

Presently Deepu Jewellers group having various joint ventures with most reputed companies in UAE like Damas, whose network of showrooms

is spread not only in UAE but Damas is reputed name all over the world in gold jewellery. Besides Damas, Deepu Jewellers group has various partnership/ joint ventures in India, Turkey, China and Malaysia for manufacturing and selling of quality gold jewellery. He is not holding any equity shares in the company.

He is Director in the following companies :

Sl. No.	Name of the Companies / firm	Nature of Interest	Committee Membership
1.	Goldstone Infratech Limited	Director	Nil
2.	Sonisons Enterprises Private Limited	Director	Nil
3.	Sonisons Jewellers Private Limited	Director	Nil
4.	Deepu Jewellers LLC	Director	Nil
5.	Samrah Gold Factory LLC	Director	Nil

Item # 9 of Notice of AGM

Mr. P.V.Narasimha Rao

Mr. P.V.Narasimha Rao, aged 50 years has completed his Masters in Business Management and has an experience of over 20 years. He has a remarkable expertise in the areas of

Management and Liaison. He has very good experience in Brand Building, Public & Media Relations. He is not holding any equity shares in the company.

The details of his other directorships and committee memberships are as given below:

Sl. No.	Name of the Companies / firm	Nature of Interest	Committee Membership
1.	Online Media Solutions Limited	Executive Director	Audit Comm. and Shareholders & Investors Grievance Committee
2.	Universal Broad Casting Company Pvt. Ltd.	Director	Nil
3.	Venkateswara Avenues Private Limited	Director	Nil
4.	Venkateswara Corporate Advisory Services Pvt Ltd.	Director	Nil

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DIRECTORS' REPORT

To
The Members
Goldstone Technologies Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report of your company with the Audited Accounts for the financial year ended on 31st March 2008.

Financial Results

Rs. In Millions

Particulars	2007-08	2006-07
Income from Software Development	561.90	410.35
Sales Income	43.34	-
Other Income	10.28	6.22
Total Income	615.52	416.57
Operating Profit	152.79	93.86
Interest	3.64	4.02
Depreciation and Write Offs	18.11	16.67
Profit Before Tax	131.04	73.18
Provision for Tax	16.40	1.60
Deferred Tax	-0.95	3.91
- Prior Period Adjustments	0.11	-2.46
Profit After Tax	115.48	77.94
Equity Share Capital (1,87,82,066 Shares of Rs. 10/- each)	187.82	130.01
EPS in Rs. (Weighted)	7.45	5.99
Networth	485.15	292.04
Book Value (face value Rs. 10/-) in Rs.	25.61	22.46

Review of Operations

During the period under Review, your Company has registered revenue of Rs. 561.90 Millions as against Rs. 410.35 Millions for the previous financial year registering 36% growth, resulting

in a Net Profit of Rs.115.48 Million as against Rs.77.94 Million.

Dividend

Your Directors are happy to recommend a dividend of 6% i.e., Rs.0.60 per equity share of Rs.10/- each on the paidup equity share capital for the year ended 31st March, 2008. The payment of dividend if approved by the shareholders at the ensuing Annual General Meeting will entail an outflow of Rs.131.84 lakhs inclusive of corporate dividend tax.

Fixed deposits

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

Insurance

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

Subsidiaries

Your Company has two wholly owned subsidiaries namely Staytop Systems Inc., and Prime soft LLC USA. The Directors' Report including Balance Sheet and Profit & Loss Account for the year ended 31st March 2008 of the Subsidiary Companies have been attached to this report. The brief financial results of the subsidiaries are given hereunder:

Staytop Systems Inc.,

During current period i.e., from 1st April 2007 to 31st March 2008, the company earned revenues of US\$ 11,121,393 (Rs. 448.03 Million) as against US\$12,352,859 (Rs. 559.02 Million) in 2006-07 and registered a net profit of US\$ 368,905 (Rs.14.86 Million) from 1st April 2007 to 31st March 2008 as against US\$757,515 (Rs.34.14 Million) in 2006-07.