

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Wednesday, the 29th day of September 2010 at 4.00 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 March 31, 2010 and Profit and Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. K S Sarma, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint a Director in place of Mr. D P Sreenivas, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of Sixteenth Annual General Meeting until the conclusion of the Seventeenth Annual General Meeting and to fix their remuneration.

M/s. P Murali & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

Special Business

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. T Abhilash Chandran, who was appointed by the Board as an Additional Director of the company with effect from May 15, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom,

the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

"RESOLVED THAT Mr. S Dasaradha Ramakrishna (herein-after named as "Ram Sajja"), who was appointed by the Board as an Additional Director of the company with effect from August 13, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

For and on behalf of the Company

Sd/-
D P Sreenivas
Executive Director

Place: Secunderabad
Date: 13.08.2010

Notes:-

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll 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.

2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from September 25, 2010 to September 29, 2010 (both days inclusive) for the purpose of ensuing Annual General Meeting.
4. The members are requested to —
 - a) Quote Ledger Folio/Client ID in all the correspondence.
 - b) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting and to deposit the same duly filled in and signed for attending the meeting.
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to company's Registrar and Share Transfer Agent, Aarthi Consultants Private Limited, Hyderabad. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository participants and not to the Company.
6. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance of the meeting to enable the management to keep the information ready.
7. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrars and Transfer Agents, Aarthi Consultants Private Limited, Hyderabad.
8. As on March 31, 2010 an amount of Rs. 2,50,864/- was unclaimed out of the dividend declared on September 30, 2008 for the financial year 2007-08. 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 October 29, 2015.
9. At the ensuing Annual General Meeting Mr. K S Sarma and Mr. D P Sreenivas shall retire by rotation and being eligible, offer themselves for re-appointment. Further, Mr. T. Abhilash Chandran and Mr. Ram Saija, who have been appointed as additional directors of the company are proposed to be appointed as the Directors of the Company liable to retire by rotation. Pursuant to clause 49 of the listing agreement, the particulars of Mr.KS Sarma, Mr. D P Sreenivas, Mr.T. Abhilash Chandran and Mr. Ram Saija are given hereunder.

Mr. K S Sarma : aged 66 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 Economic & 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 Government 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 traveled 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.

Mr. K S Sarma has been the director of the company since April 30, 2007. His other directorships include SJVN Limited. Further, he is also the chairman of Audit committee and Remuneration committee of the Board of SJVN Limited.

Other than above, he is neither a Director nor holding any committee memberships or Chairmanships in any other companies to report. He is not holding any shares of the Company.

Mr. D P Sreenivas: aged 40 years has done his Bachelor of Commerce from S V University, and has over 15 years of experience in vide spectrum of industries including Management and Liaison. He has worked in MNCs like Ford Motor, Ford Credit and Ciber. He was project lead at Ford Credit and was involved in automation of dealer business and also instrumental in implementing dealer portal project.

Mr. D P Sreenivas has been the director of the company since March 22, 2006. His other directorships include Virgo Global Media Limited, Staytop Systems and Software private Limited, Trikona Infra Projects Private Limited and Trikona Technologies Private Limited. Further, he is the chairman of Audit Committee and Shareholders/ Investors Grievance Committee of the Board of Virgo Global Media Limited. Other than above, he is neither a Director nor member of any other committee of the Board of other companies to report. He is not holding any shares of the Company.

Mr. T Abhilash Chandran: aged 39 years has done B.Sc. and LLB from Mahatma Gandhi University, Kottayam. After a short stint as advocate in the High Court of Kerala and serving in Kerala Government Public Financial

Enterprises, he ventured into the world of IT and ITES Business spreading the operations within India and outside India like Dubai and Abu Dhabi. Thereafter, he ventured into Digital Animation by setting up a state of the Art Animation Studio named Vyga Animation Systems Private Limited in India's first IT cum Techno Park in Trivendrum, Kerala. Presently, he is the chairman and Director of Vyga Animation Systems Private Limited and also promoted two other companies, Vyga Online Portals Private Limited, an online hub that caters to the infotainment needs of the people from all back grounds of life and Meg Systems and Technologies Private Limited, an educational software company to aid the school children in their daily learning.

Mr. T Abhilash Chandran has been the director of the company since May 15, 2010. His other directorships include Vyga Animation Systems Private Limited, Vyga Online Portals Private Limited, Meg Systems and Technologies Private Limited, Lemon Real Power Private Limited and Goldstone Power Private Limited.

Other than above, he is neither a Director nor holding any committee memberships or Chairmanships in any companies to report. He is not holding any shares of the Company.

Mr. Ram Sajja: aged 40 years, has done his Masters Degree in Civil Engineering from Virginia Tech University, USA. He has business background in Civil Engineering, Real Estate, Banking, Technology, and Telecom industry verticals. He was also the lead technical architect and was responsible for the design and development of the patent pending SSiVision™ software and Automated Technology Management.

He played key role as CEO since the inception of System Services, Inc. (SSi) in 1999 in USA and expanded operations to India and instrumental in its success to grow to a multi-million dollar operation Company. He has broad business and technology experience in working with a wide variety of hardware and software as

a Technical Infrastructure Consultant. He has also worked in management positions in Fortune 1000 organizations and has successfully managed sales, technical, and operational teams and has experience in day to day operations of a multi-national company. He had been engaged as an expert technical consultant and architected several business critical software packages and technology infrastructure with many companies including Morgan Stanley, Verisign, Mohawk, IBM Global Services, JP Morgan Chase Bank, Alcatel Network Systems, Lucent, metroPCS, NEC, and XO Communications.

He had also worked as a programmer, system administrator, network administrator, and database administrator and has hands on in-depth expertise in all facets of corporate technology

infrastructure. He has a diverse background and experience in several disciplines of operating a successful business and has worked on several pioneering technologies including the early GPS/GIS based traveler information systems for highway transportation funded by the US federal government. He has expertise in highway design, airport planning, intelligent transportation systems, multi-modal transportation, and traffic optimization. He is a recognized expert in Urban Planning and Traffic Engineering.

Mr. Ram Sajja has been the director of the company since August 13, 2010. He is neither a Director nor holding any committee memberships or Chairmanships in any other companies to report. He is not holding any shares of the Company.

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

Item No. 5:

Mr. T Abhilash Chandran has been appointed as Additional Director by the Board of Directors with effect from May 15, 2010 and holds the office upto this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the company has received notice together with the requisite deposit from a member proposing his candidature for the office of Director liable to retire by rotation. Considering his experience in the fields of Digital Animation and Infotainment etc., the Board feels that his continuation on the Board will benefit the company and thus recommends the resolution for your approval.

None of the Directors of the Company other than Mr. T Abhilash Chandran is concerned or interested in this resolution.

Item No. 6:

Mr. Ram Sajja has been appointed as Additional Director by the Board of Directors on August 13, 2010 and holds the office upto this Annual

General Meeting. Presently, he is working as President of Staytop Systems Inc., USA, the wholly owned subsidiary of Goldstone Technologies Limited.

In terms of Section 257 of the Companies Act, 1956, the company has received notice together with the requisite deposit from a member proposing his candidature for the office of Director liable to retire by rotation. Considering his rich experience in Information Technology, highway design, airport planning, intelligent transportation systems, multi-modal transportation, and traffic optimization and Urban Planning and Traffic Engineering, the Board feels that his continuation on the Board will enable the Company to gain from his rich experience and expertise in relation to the Company's business and thus recommends the resolution for your approval.

None of the Directors of the Company other than Mr. Ram Sajja is concerned or interested in this resolution.

For and on behalf of the Board

Sd/-

Place: Secunderabad
Date: 13.08.2010

D.P. Sreenivas
Executive Director

DIRECTORS' REPORT

To
The Members
Goldstone Technologies Limited

Your Directors have pleasure in presenting the Sixteenth Annual Report of your company and the Audited Financial Statements for the year ended on March 31, 2010.

Financial Results (Standalone Basis)

Rs in Millions

Particulars	2009-10	2008-09
Net Sales/Income		
from Operations	231.87	313.88
Other Income	8.61	6.44
Total Income	240.48	320.32
Operating Profit (PBIDT)	47.24	39.60
Interest	9.51	5.12
Depreciation and Write Offs	31.84	20.79
Profit Before Tax	5.89	13.68
Provision for taxation		
— Current	1.18	1.95
— Deferred	0.55	2.04
Extra-Ordinary Items		
- Prior period adjustments	0.12	(1.40)
Net Profit	4.04	11.09
Equity Share Capital (1,87,82,066 Shares of Rs 10/- each)	187.82	187.82
E.P.S (After Prior Period Items) (Rupees)	0.22	0.52
Net Worth	674.50	666.41
Book Value in Rs. (face Value of Rs. 10/- each)	35.91	35.48

Review of Operations

During the year under review, your Company has achieved a turnover of Rs. 231.87 Millions as compared to Rs. 313.88 Millions during the previous financial year. Amidst tough economical conditions prevailed across the globe owing to the one of biggest global economic down turn after the great depression and consequent troublesome caused thereby particularly to small and medium size players to which your company belongs, achievement of a gross revenues of Rs. 240.48 millions during the year though, lower by about 25% may be viewed as satisfactory. The Net Profit was Rs. 4.04 Millions during the year as compared to Rs. 11.09 Millions for the previous year.

Dividend

In order to fuel its growth and future requirement of funds, Board has decided to retain the profits generated. Consequently your Directors do not recommend any dividend for the year 2009-10.

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.

Subsidiaries

Your Company has two wholly owned subsidiaries incorporated in USA, namely Staytop Systems Inc., and Primesoft LLC, out of which the later has no operations to report. Further, it has another wholly owned subsidiary company in India namely Staytop Systems and Software Private Limited, which is yet to commence its operations.

During the year under review, Staytop Systems Inc., USA has earned revenues of US\$ 7,325,476 (Rs. 347.37 Millions) as against US\$ 8,124,613 (Rs. 373.00 Millions) in 2008-09 and registered a Net Profit of US\$ 253,278 (Rs. 12,010,450 Millions) as against US\$ 253,449 (Rs. 11.64 Millions) in 2008-09.

As required under listing agreements with Stock exchanges, consolidated financial statements, prepared in terms of Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India, are attached

A statement showing the particulars as required under Section 212(3) of the Act is also attached hereto

During the year, your company has withdrawn investments in 4G Informatics Private Limited.

Auditors

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company, holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

Directors

Mr. K S Sarma and Mr. D P Sreenivas, who retire by rotation at the 16th Annual General Meeting and being eligible, offer themselves for reappointment. Further, in terms of provisions of section 260 of the Act, Mr. T. Abhilash Chandran has been appointed as Additional Director of the company with effect from May 15, 2010 and Mr. Ram Saija has been appointed as Additional Director of the company with effect from August 13, 2010 and they hold such office upto the date of forthcoming Annual General Meeting. The company has received notices under section 257 of the Act from its members, in respect of both Mr. T. Abhilash Chandran and Mr. Ram Saija, proposing their candidature as Directors of the Company liable to retire by rotation. The Board recommends the above proposals.

Delisting

During the year under review, as a cost cutting measure, your company had applied in pursuance of regulations 6(a) read with regulation 7 of SEBI (Delisting of Equity Shares) Regulations, 2009 for delisting of its equity shares from Delhi Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited. As a result, its shares are delisted from Ahmedabad Stock Exchange Limited with effect from January 6, 2010 and Delhi Stock Exchange Association Limited with effect from June 10, 2010 respectively. The application with Madras Stock Exchange Limited is in process. The Company's equity shares continue to remain listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

Directors' Responsibility Statement

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

- (a) in the preparation of the Accounts for the twelve months period ending March 31, 2010, the applicable accounting standards have been followed and there are no material departures there-from.
- (b) they have selected such accounting policies in consultation with Statutory Auditors of the Company and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the financial year.
- (c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities.

- (d) they have prepared accounts for the year ended March 31, 2010 on a going concern basis.

Corporate Governance and Management Discussion and Analysis Report

A separate report on Corporate Governance along with Auditors' Certificate on its compliance and Management Discussion and analysis forming part of this report are annexed hereto.

Particulars of Employees

Information as per Section 217(2A) of the Companies Act' 1956 read with the Companies (particulars of employees) Rules, 1975 is annexed hereto and forms part of this Report.

Particulars in respect of Conservation of Energy Technology, Absorption and Foreign Exchange Earnings and Outgo required under Companies (Disclosure of particulars in the Directors Report) Rules 1988 are as follows:

A. Conservation of Energy

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

B. Technology Absorption

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create

adequate infrastructure, your company continues to invest in the latest hardware and software.

C. Foreign Exchange Earnings and Outgo

Rs. In Millions

Particulars	2009-10	2008-09
Foreign Exchange Earnings	155.70	68.38
Foreign Exchange Outgo	18.45	41.72

Acknowledgements

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

Your Directors thank all the Employees of your company for their dedicated service, which enabled your company to achieve satisfactory results and performance during the year. Your Directors thank the customers and 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/-

D P Sreenivas
Executive Director

L P Sashikumar
Director

Place: Secunderabad

Date: 13.08.2010

Statement under Section 217(2A) of the Companies Act, 1956

Employed throughout the Financial Year and in receipt of remuneration aggregating to Rs. 24,00,000/- or more:

Name, Age and Qualification	Designation	# Remuneration (Rs. lacs)	Date of Joining	Experience (Years)	Previous Employment
Mr. D.P. Sreenivas, 40 Years, Bachelor of Commerce from S V University	Executive Director	24.00	01.12.2006	15	Business

Remuneration includes Salary and Perquisites.

MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

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

Industry Structure, Development and Outlook

The Indian Information Technology (IT) Industry primarily consists of three major segments viz., IT Services, Information Technology Enabled Services (Commonly referred to BPO/KPO Services or ITES) and IT hardware.

As per NASSCOM Strategic review 2010, worldwide technology and related products and services spend is estimated to have crossed USD 1.5 trillion in 2009, a decline of 2.9% over 2008. Considerable reduction in IT spending across various categories was noticed due to the global economic slowdown which forced the global corporations to transform and adopt new business models by resorting to cut back on discretionary spends and focus on leveraging IT spends to drive organization-wide efficiencies.

Indian IT Industry, which was also not an exception to the then global meltdown, had faced the brunt of slowdown in various key markets and key verticals. Clients were cutting down on their IT budgets and seeking concessions on billing rates from their vendors and suppliers.

The economic downtrend initially forced the corporate and businesses to reduce in their IT spending in the first half of 2009 by way of either delaying the decisions or postponement of some discretionary spending on new IT projects. However, the situation had changed in latter half of 2009 as some early signs of pick up in spending became visible. It is anticipated that, once the global economic recovery process gathers speed and discretionary spending levels

increase, spending on technology front is bound to increase further.

Opportunities, Threats, Risks and Concerns

As corporates and businesses adjust to "new normal" post the recent global meltdown, they will need to transform their business models to the changed economic and business environment. Information Technology (IT) has become an integral part of business operations across industries and is seen by organizations as a primary driver of productivity improvement and business transformation. Consequently, they will have to make significant investments in IT. This opens up opportunities for the players to offer their value added capabilities and help customers in their transformation journey.

Sectors especially like Banking, Financial Services and Insurance (BFSI) space, security and reporting requirements, Green IT etc., are expected to be future drivers for IT spending.

Global technology spend is expected to increase from USD 1.6 Trillion in 2008 to USD 1.9 Trillion by 2013 at Compounded Annual Growth Rate (CAGR) of 3.5%.

Goldstone Technologies Limited (GTL) is presently engaged in the business of IT Enabled Services. GTL offers highly complex and mission critical solutions such as software support, software maintenance, business process outsourcing etc. Goldstone has a strong presence in the US and European markets for its highly specialized consulting services and Forte to Java Migration projects.

Goldstone has strong initiatives to capture the new markets in the field of IT and IT Enabled Services. Strategic initiatives have been taken to build strong and experienced global telemarketing and sales team, supported by good presales and delivery team and hope to improve its turnover during coming financial year 2010-11.

Goldstone has taken various initiatives in the Digital Media Segment. During the year under review the company could release its first digitalized and colorized film “Maya Bazar” first of its kind project, which was well received and appreciated in the film market. Seeing the sheer interest and response generated for its first product, Goldstone is in advance level discussions with some business partners and clients for large number of digitization, restoration and colorization jobs in India and Asia and hopeful to improve revenues on this front during the year 2010-11.

GTL is currently offering offshoring services to its clients through a variety of options that help save the clients money while providing high levels of service. GTL is very well known in the industry for its Technical Support offerings for industry leading software companies. GTL plans to further penetrate this market using the existing clients as reference. In addition, GTL is offering services in the following areas:

1. Remote IT Infrastructure Management
2. Offshore Software Development using .Net and java Technologies
3. Offshore Software Maintenance
4. Portal development and maintenance using Microsoft Sharepoint
5. Quality Assurance and Testing for IT related products
6. Cloud Service Offerings

GTL is focusing on offering these services from its facilities in Secunderabad and Bengaluru. GTL’s onshore and offshore hybrid delivery model provides a low cost service offering with high service level and customer interaction. This approach enables it to differentiate itself from other players in the market. In addition, GTL’s focus areas are the current hot requirements in the marketplace and the potential for growth in this segment is high due to recent technological

developments. The timing for these services is right as clients look for established companies like GTL to partner with in these areas. GTL has an unique advantage over its competitors due to the size of the company and the flexible options that are offered to its clients. GTL’s lean management is highly skilled in these areas and the team’s past experience brings immediate credibility in the marketplace. GTL’s experience coupled with aggressive sales and marketing strategy would bring tremendous market opportunity.

In the recent years, the marketplace for the services offered by GTL has seen a growth in the number of new providers as well as the size of the existing providers. While these companies pose a competition to GTL, there is still good part of market segment that is still untapped and has strong potential for growth. In order to capture a reasonable share of this market, GTL needs to increase its market reach through aggressive sales and marketing campaign both in India and USA.

Hiring and retaining talented employees is a continuous challenge and is a very important aspect of GTL operations and growth. GTL needs to increase its marketing campaign to attract good talent from the market. Offering a number of services also improves employee retention as it allows the employees to move between verticals and have a progressive career growth.

The recent economic slowdown is gradually improving and the market is redefining itself. In this process, there is an unprecedented focus on cost savings from the clients. Margins are continually getting squeezed for all the service providers and the emphasis now is more on volume than margins. It is therefore imperative for GTL to focus on winning more volume business than high margin business to stay competitive in the marketplace.

Analysis of financial performance of the company

Revenues for the year were Rs. 240.48 Millions as against the previous year revenues of Rs. 320.32 Millions. The Company had an operating profit (PBDIT) of Rs. 47.24 Millions for the year as against of Rs.39.60 Millions of previous year and the net profit after tax is Rs 4.04 Millions as against Rs. 11.09 Millions of previous year.

Liquidity and capital resources

There is no change in Shareholders funds during the financial year 2009-10.

During the year, the Company repaid part of the working capital and mortgage loans and thus the secured loans as at March 31, 2010 stood at Rs.126.01 Millions as against Rs. 129.42 Millions of previous year.

During the year, your company has withdrawn investments in 4G Informatics Private Limited. Consequently, the investments have stood at Rs.92.76 Million as against 194.83 Million of previous year.

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

Internal Control & Systems

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes & corporate policies are duly complied with, the internal audit function has been structured to continuously review adequacy and efficacy of

the internal controls. The audit committee reviews the internal audit reports at regular intervals.

The company has an audit committee constituted as per section 292A of the Companies Act, 1956 and as per the requirements of Corporate Governance specified under Clause 49 of the Listing Agreement.

Human Resource Development

The Company's Corporate HRD policy emphasizes on continuous, increased quality and commitment of its employees in order to succeed in the achievement of the corporate goals. The company provides employee development opportunities by conducting training programs to equip the employees with upgraded skills enabling them to adapt to the contemporary technological advancements.

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

Cautionary Statement

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