

BOARD OF DIRECTORS

Mr. L P Sashikumar	Managing Director
Mr. S. Murali Krishna	Director
Mrs. Mahita Caddell	Director
Mr. M. Gopalakrishna	Director
Mr. B Appa Rao	Director w.e.f 20 th April 2009

President

Mr. Surendra Kabra

Company Secretary & Compliance Officer

Mr. Adalat Srikanth

Auditors:

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

Bankers:

1. Syndicate Bank, Banjara Hills,
Hyderabad
2. ICICI Bank, S D Road, Secunderabad
3. Allahabad Bank,
Himayatnagar, Hyderabad

Registered Office

9-1-83 & 84, Amarchand Sharma
Complex, SD Road,
Secunderabad - 500003.
Ph. Nos. 040 — 2780 7640, 27800742,
Fax Nos. 040 — 39120023

Registrar & Share Transfer Agents

Aarthi Consultants Private Limited, 1-2-
285, Domalguda, Hyderabad — 500 029,
Ph. No. 040-27638111; 27634445;
Fax.No. 040-27632184

Factory

Plot No. 1&9, IDA, Phase II, Cherlapally,
Hyderabad — 500 051.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Ninth Annual General Meeting of the Members of Goldstone Infratech Limited will be held on Wednesday, the 30th September, 2009 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 receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended as on that date along with Directors' Report and Auditors' Report thereon.
2. To declare the Dividend on Equity Shares for the year 2008-09
3. To appoint a Director in place of Mr. S Murali Krishna, who retires by rotation and offers himself for reappointment.
4. To appoint a Director in place of Mr. M Gopalakrishna, who retires by rotation and offers himself for reappointment.
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, the following resolution as an Ordinary Resolution:

"RESOLVED that 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 until the 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, the following resolution as an Ordinary Resolution:**

"RESOLVED that Mr. B. Appa Rao, who was appointed as an Additional Director by the Board of Directors on 20th April, 2009 and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment 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"

7. **To consider and if thought fit, to pass with or without modification, the following resolution as 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, consent of the Company be and is hereby accorded to the re-appointment of Mr. L. P. Sashikumar as the Managing Director of the Company for a period of one year with effect from 1st April, 2009 on the following terms and conditions:

1. Salary

Salary of Rs.1,00,000/- (Rupees One Lakh 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.12,000/- per month. (Rupees Twelve Thousand only)
2. Other allowances / reimbursements like Maintenance, LTA, Gardener, Servant, Conveyance, Subscription to Professional

journals and Medical etc: not exceeding Rs.24,000/- per month. (Rupees Twenty Four Thousand only)

3. Reimbursement of expenses upto Rs.28,000/- (Rupees Twenty Eight Thousand Only) per month, incurred by him for the business of the Company on Mobile Phone, fax, internet charges, entertainment and others.

Category B

The Company's contribution towards pension scheme or superannuation fund together with provident fund not exceeding 25% of the salary, wherein contribution towards provident fund shall not exceed 12% of the salary. Company's contribution towards Medial Insurance Policy for self and family subject to a ceiling of Rs. 16,000/- (Rupees Sixteen Thousand only) per annum. However, for the purpose of calculation of overall ceiling on perquisites, the company's contribution towards provident fund, superannuation fund or annuity fund will not be included to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable should not exceed half a month's salary for each completed year of service. One month's leave for every eleven months of service on full pay and allowances as per the rules of the company.

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 that the Company Secretary of the Company be and are hereby authorized to file necessary forms with ROC and to certify the resolution and to do all other acts and things to bring effect to this resolution.

By Order of the Board of Directors of
Goldstone Infratech Limited

Sd/-
Adalat Srikanth
Company Secretary

Place : Secunderabad
Date : 28th August, 2009

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 22nd September, 2009 to the Company's Registrar and Transfer Agent at Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029.
 - 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, 2009 to 30th September, 2009 (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 2009 an amount of Rs .2,16,134.40/- was unclaimed out of the dividend declared on 30th September, 2002 for the financial year 2001-02, an amount of Rs.2,08,393.6/- was unclaimed out of the dividend declared on 28th September, 2007 for the financial year 2006-07 and an amount of Rs. 2,35,416/- was unclaimed out of the dividend declared on 30th September, 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 on 31st October 2009; 29th October 2014 and 31st October, 2015, respectively.

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956.)

Item No. 6:

Mr. B. Appa Rao has been appointed as an Additional Director by the Board of Directors on 20th April, 2009 and holds the office upto this Annual General Meeting. Mr. B Appa Rao is a Fellow member of the Institute of Chartered Accountants of India.

His continuation on the Board will enable the Company to gain from his considerable experience and expertise in relation to the Company's business. 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. The Board recommends his appointment.

No Director of the Company other than Mr. B Appa Rao is interested in the resolution.

Item No. 7:

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, 2008 for a period of one year with effect from 1st April 2008. His re-appointment has been approved

by the Board of Directors vide circular resolution dated 31st March, 2009, with effect from 1st April, 2009. 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 terms and conditions of 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.

By Order of the Board of Directors
of Goldstone Infratech Limited

Sd/-
Adalat Srikanth
Company Secretary

Place : Secunderabad
Date : 28th August, 2009

**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. S Murali Krishna
Date of Birth	25 th July, 1969
Date of Appointment	30.04.2005
Qualifications	Master in Business Administration
Expertise in specific functional areas	Significant knowledge and experience in the field of Business Management & Administration.
List of other companies in which directorship held	1. GEL Infrastructure Pvt. Ltd. 2. Noble Cold Storage Pvt. Ltd. 3. Noble Distilleries and Power Ltd. 4. Samruk Hotels Pvt. Ltd. 5. D M Cements Pvt. Ltd. 6. SVE Castings 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 Investors Grievance & Share Transfer Committee; Member of the Audit Committee & Remuneration Committee
Shareholding in the Company	NIL

Name of Director	Mr. M. Gopalakrishna
Date of Birth	12.01.1939
Date of Appointment	29.10.2007
Qualifications	Graduate in Science & Law
Expertise in specific functional areas	Over 40 years of varied experience in the industry and business sectors.
List of other companies in which directorship held	1. Andhra Pradesh Gas Power Corporation Limited 2. BGR Energy Systems Ltd. 3. JOCIL Ltd. 4. Pittie Laminations Ltd. 5. B2B Technologies Ltd. 6. Kernex Mycosystems Ltd. 7. PEC Potentiometers Pvt. Ltd. 8. Sentini Bio-Products Pvt. Ltd. 9. AVRA Laboratories Pvt. Ltd. 10. Arani Power Systems Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/Membership held	1. Chairman, Audit Committee, Andhra Pradesh Gas Power Corporation Limited 2. Chairman, Remuneration Committee, BGR Energy Systems Ltd.

	3. Chairman, Shareholders Grievance Committee, BGR Energy Systems Ltd. 4. Member, Remuneration Committee, Pittie Laminations Limited 5. Member, Audit Committee, B2B Technologies Ltd. 6. Member, Audit Committee, Kernex Micro Systems Ltd.
Chairman/Member of the Committees of the Company	Member of the Remuneration Committee
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	1. Goldstone Technologies Ltd. 2. Goldstone Granites Ltd. 3. Staytop Systems and Software Pvt. Ltd. 4. SPIC Electric Power Corporation Pvt. Ltd.
List of the Committees of other Companies in which chairmanship/Membership held	Member of Investors' Grievance & Share Transfer Committee & Remuneration Committee of Goldstone Technologies Ltd.
Chairman/Member of the Committees of the Company	Member, Audit Committee, Investors' Grievance & Share Transfer Committee & Remuneration Committee.
Shareholding in the Company	1310515

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 Infotech 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 and Member of the Investors Grievance and Share Transfer Committee.
Shareholding in the Company	NIL

DIRECTORS' REPORT

To
The Members
Goldstone Infratech Limited

Your Directors have pleasure in presenting the Ninth Annual Report of your company with the Audited Accounts for the financial year ended on 31st March, 2009.

Financial Results (Rs. in Lakhs)

Particulars	2008-09	2007-08
Net Sales/Income from operations	4560.62	5082.14
Other Income	88.78	91.09
Total Income	4649.40	5173.23
Total Expenditure	3319.26	3453.72
Operating Profit	1330.14	1719.51
Interest	155.48	146.58
Depreciation and Write Offs	299.42	276.02
Profit Before Tax	875.24	1296.91
Provision for Tax		
- Current	200.00	320.00
- Deferred	2.77	(45.34)
- Fringe Benefit	12.17	10.09
Profit After Tax	660.30	1012.16
Extra-Ordinary Items		
- Taxes pertains to previous year	(29.33)	00.00
- Prior Period Adjustments	(3.79)	(10.68)
Net Profit	627.18	1001.48
Equity Share Capital (3,60,23,305 equity shares of Rs.4/- each; previous year 2,10,23,305 Shares of Rs. 4/- each)	1440.93	840.93
EPS (After Prior Period Items) (Rupees)	1.74	4.76
Networth	9071.60	8630.43
Book Value (face value Rs. 4/-) (Rupees)	25.18	41.05

Financial Results:

Review of Operations:

During the year under review, your Company has achieved a turnover of Rs. 4560.62 lakhs as compared to Rs. 5082.14 lakhs during the previous financial year. The decrease in the turnover was mainly due to economic slow down and increased competitors in the market. The Net Profit decreased from Rs. 1001.48 lakhs during the year ended March 31, 2008 to Rs. 627.18 lakhs for the current year.

Dividend:

Your Directors are happy to recommend a dividend of Re.0.40 paisa (i.e., 10%) per equity share of Rs.4/- each for fully paid-up for the year ended 31st March, 2009. The payment of dividend if approved by the shareholders at the ensuing Annual General Meeting will entail an outflow of Rs. 1,68,58,907 inclusive of corporate dividend tax.

Transfer to Reserves:

The Board has transferred a sum of Rs. 62,71,804 lakhs to the General Reserve from the undistributed profits in accordance with the Companies (Transfer of Profits to Reserves) Rules, 1975.

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, the Company's Statutory Auditors hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming 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. S. Murali Krishna and Mr. M Gopalakrishna, Directors, retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors vide circular resolution dated 20th April, 2009 have appointed Mr. B Appa Rao as Additional Director. Mr. B Appa Rao holds office up to the forthcoming Annual General meeting, in terms of Section 260 of the Companies Act, 1956 and being eligible offers himself for reappointment.

The Board of Directors vide circular resolution dated 31st March, 2009 have reappointed, subject to your approval, Mr. L P Sashikumar as Managing Director of the Company for one year with effect from 1st April, 2009.

Following Directors ceased to be Directors of the Company, with effect from the dates given against their names:

1. Dr. MYSR Kamesam	w.e.f. 18 th November, 2008
2. Mr. Sukesh Gupta	w.e.f. 18 th November, 2008
3. Mr. Dhakan Kishore Ratilal	w.e.f. 25 th January, 2009

Amalgamation:

Your Company has moved an application before the Hon'ble High Court of Andhra Pradesh for Amalgamation of M/s Newtech Stewing Telecom Limited, M/s Shree Shree Telecom Private Limited and M/s Sunplast O-

Met Limited with your Company. The Hon'ble High Court of Andhra Pradesh vide its order dated 30th June 2009 has approved the Scheme of Amalgamation and the appointed date of this Scheme of Amalgamation is 1st April 2008. As a result of this Amalgamation, the present subsidiaries of your Company [M/s Newtech Stewing Telecom Limited, M/s Shree Shree Telecom Private Limited] ceased to be the subsidiaries of your company. The Company has filed Form No. 21 with the Registrar of Companies, Andhra Pradesh, Hyderabad on 14th August, 2009. Accordingly, the scheme of Amalgamation has become effective from 14th August, 2009 taking effect from the appointed date specified in the Scheme of Amalgamation.

Allotment of equity shares:

Consequent to the Amalgamation of M/s Newtech Stewing Telecom Limited, M/s Shree Shree Telecom Private Limited and M/s Sunplast O-Met Limited with the Company as per the approval of Hon'ble High Court of Andhra Pradesh to the Scheme of amalgamation on 30th June, 2009, the Board of Directors of the Company at their meeting held on 28th August, 2009 had allotted 57,432 number of equity shares of Rs.4/- each to the remaining shareholders of M/s Sunplast O-Met Limited.

Stock Exchange Listing:

Presently, the Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), Madras Stock Exchange Limited (MSE), Delhi Stock Exchange Association Limited (DSE) and Ahmedabad Stock Exchange Limited (ASE). The Company confirms that it has paid Annual Listing Fees due to all the above Stock Exchanges for the year 2009-10.

Your Directors would like to inform you that the Board of Directors at their meeting held on 28th August, 2009 have approved the de-listing of the equity shares of te Company from Madras