

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. L P 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

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 Aarthi 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