PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF
GOLDSTONE TECHNOLOGIES LIMITED (GTL)

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This Public Announcement is being issued by UTI Securities Limited, on behalf of Goldstone Exports Ltd. (GEL) (hereinafter referred to as the " Acquirer",) pursuant to and in compliance with Regulations 10 of the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 [SEBI (SAST) Regulations 1997] and subsequent amendments thereto.

1. The Offer

1.1 Goldstone Exports Ltd., ("GEL"/"the Acquirer"), a Company, incorporated in the State of Andhra Pradesh and whose registered office has been subsequently shifted to state of Delhi. at 6/10 Shanti Niketan, New Delhi- 110024 (Tel No (011) 24110561 Fax No. (011) 24111153, E Mail Id: sarma@goldstone.net) is making an open Offer to the public Shareholders (i.e. Shareholders other than the Acquirer, promoters of GTL and parties to the Agreement) of Goldstone Technologies Limited (hereinafter referred to as" GTL" or "the Target Company") to acquire 26,00,264 Equity Shares of Rs. 10/- each, at a price of Rs. 24.01 (Rupees twenty four and One Paisa Only) , representing 20.00% of the paid up Capital of GTL. GEL was holding 15,19,272 number of equity shares constituting 13.69% of equity capital before the preferential allotment of 19,00,000 Equity Shares. The said preferential allotment was made at a price of Rs. 21 which was approved in EGM held on May 8, 2006 and subsequently the same has been allotted by the Allotment Committee of Board of Directors on 23 May, 2006. The aggregate holding of GEL after the preferential allotment of Equity Shares is 34,19,272 shares constituting 26.30% of the paid up and voting Capital of GTL. The Offer is at a price of Rs. 24.01 (Rupees twenty four and One Paisa Only) per Equity Share fully paid up ("the Offer Price"), payable in cash ("the Offer"), subject to the terms and conditions mentioned hereinafter.

1.2 There are no Persons acting in Concert (PAC) with the Acquirer.

1.3 The Board of Directors of GTL , in their meeting held on April 10, 2006, decided to consider allotment of 19,00,000 Equity shares on preferential basis at the price of Rs. 21 per share and the same was approved in Extra Ordinary General Meeting (EGM) of the members of GTL held on May 8, 2006. The EGM also approved the allotment of 54,00,000 Warrants at the price of Rs. 21 per share to Summit Communications Pvt Ltd and Horizon Television Pvt Ltd. and the Conversion of the warrants into equity shares can be exercised at any time within a period of 18 months from the date of issue of such warrants. An amount equal to 10 percent of the issue price shall become payable for warrants on the date of their allotment, with the balance amount being payable at the time of conversion. Both the above preferential allotments have been made by the Allotment Committee held on May 23, 2006.

1.4 The preferential allotment is in accordance with Sec 81(1A) of the Companies Act 1956 and applicable provisions of the guidelines for preferential issue under SEBI (Disclosure and Investor Protection) Guidelines 2000 and subsequent amendments thereto. This preferential allotment has necessitated this open offer. The paid up and voting capital of GTL was 1,11,01,320 Equity Shares before the said preferential allotment.. The paid up and voting capital of GTL post preferential allotment is 1,30,01,320 Equity Shares.

1.5 The Offer is in compliance with SEBI (SAST) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the "Regulations").

1.6 The consideration shall be paid in cash.

1.7 The Offer is not conditional on any minimum level of acceptance.

1.8 This is not a competitive bid.

1.9 UTI Securities Limited, Manager to the Offer, do not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the offer.

1.10 There is no agreement by the Acquirer with any other Person in connection with the offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other person/entity proposes to take part in the acquisition.

1.11 As there is no agreement to acquire shares in the Target Company and being consequential offer, disclosure of salient features of SPA (Share Purchase Agreement) does not arise.

1.12 The Shares to be acquired under this Offer will be acquired free from all liens, charges and encumbrances and together with all rights attached thereto, including rights to all dividends to be declared after all the formalities relating to this Offer are completed.

1.13 There are no partly paid up Equity Shares of the Target Company.

1.14 The Equity Shares of the Target Company are listed at the following stock exchanges: The Stock Exchange, Mumbai (BSE), The National Stock Exchange of India Limited (NSE), The Ahmedabad Stock Exchange Limited (ASE), Hyderabad Stock Exchange Limited (HSE), Madras Stock Exchange Limited (MSE) and Delhi Stock Exchange Association Limited (DSE).

1.15 GTL is engaged in business of software development . As per Audited results of GTL, for the year ended March 31, 2005, the Total Income was Rs. 4157.09 Lacs, comprising of Income from Software development services Rs. 4121.94 Lacs & other income of Rs. 35.15 Lacs. The other income comprised of insurance claims, profit on sale of investments, interest on fixed deposits and miscellaneous income. GTL had total Expenditure of Rs.4029.66 Lacs, comprising of personnel costs of Rs. 2505.28 Lacs, Depreciation of Rs. 158.02 Lacs and Interest of Rs. 84.82 Lacs. During the year, there were prior period adjustments comprising of exceptional/ extraordinary expenses of Rs. 0.47 Lacs being tax for earlier years, Rs. 1.81 Lacs being rental expenses and other expenses of Rs. 1.25 Lacs . GTL made no provision for tax. The Net Profit before prior period items was Rs. 162.51 Lacs and Net profit after prior period items was Rs. 158.98 Lacs. The Paid up Capital as on 31 March 2005 was Rs. 1083.84 Lacs. GTL was also having Share Application Money of 437.00 Lacs. The Reserves as on 31 March 2005 was Rs. 1023.02 Lacs. The Net Worth as on 31.03.2005 is Rs. 2419.60 Lacs. The Shares of FV Rs. 10/- had a Book Value of Rs. 18.29. The Earnings per Share after prior period adjustments was Rs.1.47. During the 12 months' period ended 31.03.2006 (unaudited, but based on limited audit), GTL had a Gross Income of Rs. 345.50 Lacs and Net Profit of Rs. 58 Lacs, giving a EPS of Rs. 0.52. The return on Net Worth after prior period adjustments for the year ended 31.03.2005 was 6.57%. For the 12 months' period ended 31.03.2006 Return on Net Worth (for unaudited certified results) is 2.48%. (Source: Annual Report and Company)

2. Justification of Offer Price

2.1 The shares of GTL are listed on BSE, NSE, DSE, HSE, ASE and MSE (collectively referred as "Stock Exchanges").

2.2 The "Reference date" for the purpose of calculation of offer price is 23rd May, 2006, being the date of Allotment on which 19,00,000 shares were allotted on preferential basis to acquirers by the Allotment Committee .

2.3 The annualized trading turnover based on the trading volume in the shares of GTL on each of the above mentioned stock exchanges during November 2005 to April 2006 (6 calendar months preceding the month of reference date) is as under:.

Name of Stock Exchange(s)	Total no. of shares traded during the 6 calendar months prior to the month of reference date	Total No. of listed Shares	Annualized Trading turnover(as a % to total listed shares)
BSE	20,02,193	**1,11,01,320**	36.07
NSE	23,30,809	**1,11,01,320**	42.00

The Equity shares of GTL are frequently traded on BSE and NSE and infrequently traded on other stock exchanges i.e. HSE, ASE, MSE and DSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations. (Source: BSE and NSE websites and GTL)

2.4 The Offer Price of Rs. 24.01 (Rupees twenty four and One Paisa Only) per Share is justified in terms of Regulations 20 (4) and 20 (5) of the SEBI (SAST) Regulations in view of the following:-

a.	The Negotiated Price	Not Applicable
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the Public Announcement i.e. June 1st, 2006	Not Applicable
c.	The Price at which Preferential allotment has been made to the Acquirer (due to which open offer has been triggered)	Rs. 21 per share
d.	The average of the weekly High and Low of the closing prices of the shares of GTL on during 26 weeks period preceding the reference date i.e. May 23, 2006	Rs. 20.05 per share
e.	The average of the daily High and Low of the prices of the shares of GTL during 2 weeks period preceding the reference date i.e. May 23, 2006	Rs. 24.01 per share

In view of the above paragraph 2.4 the Offer Price of Rs. 24.01 (Rupees twenty four and One Paisa Only) per share, being the highest of the prices mentioned above, is justified in terms of Regulation 20(4) and Regulation 20(5) of the SEBI (SAST) Regulations, 1997 as applicable on the reference date.

In respect of ASE, HSE, DSE and MSE where the Equity Shares are infrequently traded, the Offer price is justified considering the following:

Particulars	As on March 31, 2005	As on March 31, 2006 (Unaudited)
NAV*	18.29	18.99
EPS	1.47	0.52
RONW %	6.57	2.48
Industry PE Ratio*	27.50	

* Source: Capital Market, Edition May 22 - June 4, 2006

2.5 In the opinion of the Acquirer and Manager to the Offer, the Offer price of 24.01 (Rupees twenty four and One Paisa Only) per fully paid Equity Share is justified.

2.6 There is no non-compete agreement for payment to any person.

2.7 The Offer price is justified in terms of Regulation 20 (11) of the Regulations.

2.8 In the event of any further acquisition of Equity Shares by the Acquirer upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirer shall not be acquiring any Equity Shares of GTL during the period of 7 working days, prior to the date of closure of the Offer.

2.9 The acquirers have not acquired any shares of GTL at a price above the offer price of Rs. 24.01 per share, including by way of allotment in public or rights issue or by way of preferential allotment by Target Company during the 26 weeks period prior to the date of public announcement.

3. Information about Acquirer(s) and Persons Acting in Concert with them

3.1 Goldstone Exports Ltd.,(GEL) is a Company incorporated on 10 April 1992 at Hyderabad (Andhra Pradesh State) under the Companies Act 1956 as a private limited Company named as Goldstone Exports Private Limited. The company became a deemed public company in the year March 1998 by virtue of the section 43A (1A) (1B). Subsequently its registered office was shifted to state of Delhi and fresh certificate to this effect was issued by Registrar of Companies, Delhi and Haryana on 31 August 2005, after complying with the required formalities. The registered office is situated at 6/10 Shanti Niketan, New Delhi- 110024 (Tel No (011) 24110561 Fax No. (011) 24111153, E Mail Id: sarma@goldstone.net). Main objects, of the GEL are to carry on the business of exporters and importers of machinery, goods, products, commodities and services of all kinds and description. However the Company is dealing in Investment business which is covered under ancillary objects of the MOA.

3.2 The promoters of the Company and their shareholding as under:-

Name	As on 31.03.2006	% of total share holding
Promoters		
Ms. Mahita Caddell	1215000	43.08
Ms. Sunitha Prasad	1605000	56.91
Non Promoter		
Private Body Corporates	10	0.01
Total	2820010	100

The above promoters are not the promoters of GTL and they shall not be treated as the persons who are in control of the management of GTL.

3.3 The Shares of GEL are closely held i.e. the Equity Shares are not listed.

3.4 The Directors of GEL:

1. Ms. Mahita Caddell (Non Executive Director and Foreign Citizen)
2. Ms. Sunitha Prasad (Non Executive Director and Foreign Citizen)
3. Ms. Indrani Prasad (Non Executive Director and Foreign Citizen)
4. Mr. PVS Sarma (Non Executive Director)
5. Mr. M. Surendernath (Non Executive Director)

Mr. PVS Sarma and Mr. M. Surendernath, the alternate directors look after the day-to-day operations of the company in India.

3.5 Brief Financial Details

As on 31.03.2005, date of last audit, GEL had a Paid up Equity Share Capital of Rs. 282 Lacs. The Reserves and Surplus as on 31.03.2005 was Rs. 2519.49 Lacs (including revaluation reserves of Rs 898.12 Lacs). In the year 2004-05, GEL had Gross Income of Rs. 54.86 Lacs (Other Income) & the Total expenditure was Rs. 27.62 Lacs. GEL had made provision for deferred tax of Rs. 0.31 Lacs. The Company also adjusted prior period expenses of Rs 22.49 Lacs. The Post Tax Profit after prior period adjustments was Rs. 4.43 Lacs. The EPS (Shares of FV Rs.10/-) in the year 2004-05 was Rs. 0.16 and Return on Net Worth 0.23 % The Equity Shares of Rs.10 each had a Book Value of Rs. 67.50 as on 31.03.2005. (Source: Annual Report of the Company)

3.6 There is no person acting in concert with the Acquirer.

4. Information about the Target Company

4.1 GTL was originally incorporated on 18 March 1994, at Hyderabad, Andhra Pradesh State, under the Companies Act, 1956 in the name and style "Goldstone Engineering Private Ltd." (GEPL). Subsequently the Company was converted to a Public limited Company on 16 November 1994 and fresh certificate to this effect was issued by the Registrar of Companies, Andhra Pradesh. The Company made its maiden public issue in February 1996 and got its Equity Shares listed at BSE, ASE, HSE, DSE and MSE. The Equity Shares were admitted for trading at The National Stock Exchange India Limited (NSE) on March 24, 1999. Subsequently on 17 December, 1999 the name was converted to Goldstone Technologies Limited (GTL). GEPL commenced its operations by manufacturing telephone cable jointing kits. In the year 1998 the company amalgamated Goldstone Softech Limited with it and issued 2,36,800 shares of Rs. 10 each in the swapping ratio of 1:1 as approved by Hon'ble High court of Andhra Pradesh. After this amalgamation the Company diversified itself in to the Software Development Business. In the year 2000 the Company acquired the US based company named Primesoft Group Inc and allotted 11, 00,000 equity shares in consideration to make it the wholly owned subsidiary. In the same year in order to achieve the objective of carrying on the business of different activities by different units, and pursuant to section 394 (2), the Company demerged its Telephone cable division and transferred it to newly formed company Goldstone Teleservices Limited. Further in the year 2005, the Company acquired Stay Top Systems Inc, USA for the total consideration of $2.1 million (9.27 crores approx.) i.e. $18.5 lacs in cash and remaining $2.5 lacs in form of equity shares of GTL. as its subsidiary which is engaged in high end software consultancy. Out of above, GTL has already paid Rs. 5.77 crores (approx) in cash and allotted 2, 62,920 shares at the price of Rs. 25 per equity share for which listing and trading permission is pending from DSE. Further the Company vide its EGM held on 17th February, 2006, has passed the resolution for allotting 1, 75,280 shares at Rs. 25 per equity share. However, the in- principle approval for listing is pending from the Stock Exchanges. The balance amount will be honoured in due course as per the terms and conditions mentioned in the agreement.

4.2 The Registered Office and principal place of business of GTL is situated at 9-1-83 & 84, Amarchand Sharma Complex, S.D. Road , Secunderabad- 500003, Ph. Nos. (040) 27807640, 27800742, 39100012, 39100013 Fax No. (040) 39120023, E-mail: pvrmurthy@goldstonetech.com, Website: www.goldstonetech.com

4.3 GTL was promoted by Goldstone Exports Limited, Mr. LP Sashikumar and Mrs. L Preetha Priyadarshini. As on date of this Public Announcement, the promoter group/persons in control, holds 16,43,646 Equity Shares in the Target Company, constituting 14.81% of the existing voting capital. (Source: BSE Website)

4.4 The authorized Capital of GTL as on date is Rs. 2,500 Lacs, divided into 2,50,00,000 Equity Shares of Rs 10/- each. The Issued subscribed and paid up Equity Share Capital is 1,30,01,320 Equity Shares of Rs. 10/- each aggregating to Rs. 1,300.13 Lacs after including preferential allotment of 19,00,000 shares. All the Equity Shares are fully paid up. All the equity shares are listed except the aforementioned preferential allotment for which in-principle approval has already been received from BSE and NSE vide letter dated May 19, 2006 and May 23, 2006 respectively. Of the subscribed capital, 2,62,920 Equity Shares which have been allotted to Stay Top Systems Inc are yet to be admitted for trading by DSE. GTL has submitted application for trading permission with the DSE on April 10, 2006.

4.5 The Marketable lot for the Shares of GTL is 1(one) for Equity Shares, held in dematerialized form (Electronic form) and 100(One hundred) for Equity Shares held in physical form. The ISIN Number of Equity Shares in dematerialized form is INE 805A01014.

4.6 The Directors of GTL are Mr. Clinton Travis Caddell (Managing Director and CEO), Ms. Mahita Caddell,(Non Executive) Mr. V P Singh (Non Executive and Independent), Mr. D P Sreenivas (Non-Executive and Independent Director) & Mr. Nandan Kundetkar (Non-Executive and Independent Director) .

4.7 GTL has, as its main objects, "to carry on the business of Information Technology, set up Software Development Centre(s) for undertaking onsite and offshore consulting services, systems integration, provide total solutions and related activities.

4.8 GTL is presently engaged in software development. GTL offers highly complex and mission critical solutions such as Software Design, Development, Testing, Integration, Application Migration, Technical 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.

4.9 GTL has the following Wholly owned Subsidiaries (i) Staytop Systems Inc (ii) Primesoft LLC, which are engaged in software development and ancillary activities.

4.10 In the EGM held on May 8, 2006, the shareholders of GTL approved the allotment of 54,00,000 share warrants at the price of Rs. 21 per share to Summit Communications Pvt Ltd and Horizon Television Pvt Ltd. and the Conversion of the warrants into equity shares can be exercised at any time within a period of 18 months from the date of issue of such warrants. Allotment Committee has issued the above warrants on May 23, 2006. An amount equal to 10 percent of the issue price has been received for the warrants as per the terms and conditions as mentioned in the resolution, with the balance amount being payable at the time of conversion.

4.11 GTL has been paying listing fee regularly and there are no arrears of listing fee except to HSE for the FY 2006-07 . GTL has been complying with the listing requirements of the Stock Exchanges. No action has so far been taken by the Stock Exchanges or SEBI against GTL, its Directors or promoters.

4.12 For brief financials and ratios of GTL, please refer point 1.15 of **"The Offer".**

4.13 There has not been any merger or demerger or spin off of activity in the preceding 3 years. However, in the year 2000, the Company demerged its telecom division.

5. Reasons for the Acquisition and Offer and future plan about Target Company

As explained in the first paragraph, on the reference date, GEL being amongst the promoters of GTL, accepted the offer from GTL to subscribe to the preferential allotment of 1900000 equity shares of Rs. 10/- each at a premium of Rs. 11/- per share. The price was determined as per the Pricing Norms specified under para 13.1.1 of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The approval of the share holders was obtained at the Extra Ordinary General Meeting held on 8th May, 2006.

The promoters of the Company, M/s. Goldstone Exports Limited infused funds in the form of an unsecured loan to the Company amounting to Rs. 4,00,00,000. Further it may not be possible to pay back the loan extended by them and they have therefore agreed for the conversion of the loan extended into equity capital of the Company in terms of SEBI Guidelines.

Pursuant to the aforesaid preferential allotment, the holding of GEL would exceed 15% of the Company's paid up equity share capital and therefore they are making open offer in accordance with the Takeover Regulations.

For the purpose of the conversion of the said loan, and to take up the projects in IPTV solutions the Company had proposed to issue 19,00,000 Equity shares of Rs.10/- each to GEL at a price of Rs. 21 per share including premium of Rs. 11, the pricing of which is higher than the price specified in the SEBI Guidelines on Preferential issues.

Pursuant to the Public Announcement, the Acquirers would continue to have control over the Target Company. The Acquirers do not currently intend to dispose off or otherwise encumber any assets of the Target Company in the succeeding two years, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purpose of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investment, businesses or otherwise of the Target Company.

Further, the Acquirers undertake for the next two years following the completion of this Offer not to sell, dispose off or otherwise encumber any substantial assets of GTL, except with the prior approval of shareholders of GTL. It will be the responsibility of the board of directors of GTL to make appropriate decision in these matters, in accordance with the requirements of the business of GTL and in line with opportunities or changes in the economic scenario from time to time. Such approvals and decision will be governed by the provisions of the relevant regulations or any other applicable laws in force at the relevant time.

6. Statutory Approvals/ other approvals required for the Offer

6.1 As on the date of this Public Announcement, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

6.2 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer. The Acquirer reserves the right to withdraw the Offer, in terms of Regulation 27 of the SEBI (SAST) Regulations, in the event the requisite statutory approvals are refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original PA is being made. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the offer provided the Acquirer agrees to pay interest to the shareholders for delay beyond 15 days from the date of closing of the offer. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulation, 1997 as applicable on the reference date will also become applicable.

6.3 No approval' is required to be obtained from Banks/Financial Institutions for the Offer.

6.4 The acquirer shall take responsibility for the acquisition of shares from NRIs/ OCBs/FIIs for which approval from the RBI is required. However they shall not be responsible for any loss caused due to delay in granting of or refusal of such permission by the RBI.

7. Delisting Option to the Acquirer in terms of Regulation 21(3)

Pursuant to this Offer, as the public shareholding in GTL is not expected to be reduced to 25% or less of shares of GTL, the provisions of Regulation 21(3) of the SEBI (SAST) Regulations, 1997 as applicable on the reference date do not apply.

8. Financial Arrangements

8.1 The total fund requirement for implementation of the Offer at 24.01 (Rupees twenty four and One Paisa Only) per share aggregates to Rs. 6.24 (approx) crore assuming that full acceptance for the Offer is received. GEL has confirmed vide letter dated May 29, 2006 that firm financial arrangements have been made to fulfill the financial obligations arising out of the offer. GEL has agreed to make available requisite funds to meet the obligations arising under Regulation 29 of the SEBI (SAST) Regulations. UTI Securities Ltd., the manager to the offer is satisfied about the ability of GEL to implement the offer in accordance with the SEBI (SAST) Regulations, as firm financial arrangements are in place to meet the obligations of the SEBI (SAST) Regulations.

8.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the acquirers have vide their letter mentioned above created an escrow account in the following manner:

a. Cash deposit of Rs. 6,25,000 (Six lacs and twenty five thousand only) with M/s. UCO Bank, Abids Branch, Hyderabad empowering UTI Securities, the Managers to the Offer to instruct the banker to issue a banker's cheque or demand draft for the amount lying in the escrow account.

b. Bank Guarantee by UCO Bank, Abids branch for Rs. 1,56,10,000.00 (Rupees one crore fifty six lacs and ten thousands only) in favour of UTI Securities Limited, the Manager to the Offer and is valid for a period commencing from the date of this public announcement till thirty days after the closure of the offer.

8.3 As per certificate dated May 22, 2006 from Mr. B Appa Rao, partner, Boppudi & Associates, Chartered Accountants (Auditors of GEL), No. 301, Sai Ram Suman Residency, 1-1-541, Gandhinagar, Hyderabad – 500 020 (Tel No. (040) 27632146, the Net worth of GEL as on 31.03.2006 is Rs. 3101.75 Lacs (based on provisional balance sheet)

8.4 Mr. B Appa Rao, partner, Boppudi & Associates, Chartered Accountants (Auditors of GEL), No. 301, Sai Ram Suman Residency, 1-1-541, Gandhingar, Hyderabad – 500 020 (Tel No. (040) 27632146, Auditors of GEL, vide their Certificate dated May 23, 2006, have certified that the Acquirer has adequate liquid resources to meet the funds requirements of the Offer, including expenses thereof.

8.5 UTI Securities Limited, Manager to the Offer, certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

9. Other terms of the Offer

9.1 The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to all the shareholders of GTL, except the Acquirer, Seller and parties to the Agreement, whose names appear on the Register of Members of GTL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on 23rd June, 2006 (specified date).

9.2 Accidental omission to dispatch Letter of Offer to any member entitled to this open offer or non-receipt of the Letter of Offer by any member entitled to this open offer shall not invalidate the open offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of GTL as on the specified date.

9.3 This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

9.4 All the shareholders, except the Acquirer, Seller and parties to the Agreement, who own the shares of GTL anytime before the closure of the Offer, are eligible to participate in the Offer anytime before date of closing of the offer.

9.5 The Acquirer has appointed Venture Capital and Corporate Investments Limited as Registrar to the Offer. Registrars have set up the following centers to collect the acceptances being tendered in this offer:

LOCATION	CONTACT DETAILS OF THE REGISTRAR TO THE OFFER
Hyderabad	**Mr. E S K Prasad** **Venture Capital & Corporate Investments Limited** 6-2-913/914, Third Floor, Progressive Towers, Khairatabad, Hyderabad – 500 004 Tel: +91-40-23322262, 23322264, Fax: +91-40-23324803 Email: info@vccilindia.com

The documents should be sent either by Hand delivery or by Registered Post, so as to reach before the closure of the offer. The documents can be tendered at the above centre between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centre will be closed on Sundays and Public holidays.

9.6 All registered shareholders who wish to tender their shares will be required to send duly completed FOA filled and signed in accordance with the instructions specified in the Letter of Offer and FOA, to the Registrar to the Offer at the centres mentioned above before the closure of the Offer, i.e. July 31, 2006.

9.7 The Registrar to the Offer has opened a special depository account with Venture Capital & Corporate Investments Limited (Depository – NSDL) styled "VCCIL ESCROW ACCOUNT GTL Open Offer". The DP ID is IN 301022 and Beneficiary/ Client ID is 21315578.

9.8 The beneficial owners (holders of shares in Dematerialized form) who wish to tender their shares will be required to send the FOA along with the counterfoil/ photocopy of the delivery instructions in "Off-Market" mode in favour of the special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"), to the Registrar to the Offer either by Hand Delivery or by Registered Post on or before the date of closing of the Offer. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

For shareholders of GTL holding physical shares and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate(s) and transfer deed(s) to the Registrars.

9.9 The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. 31st July, 2006. FOA, in respect of dematerialized equity shares not credited to the above special depository account before the date of closing of offer, is liable to be rejected.

9.10 Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with NSDL..

9.11 In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the offer at the collection center clearly marking the envelope **"GTL Open Offer"** or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in "Off-Market" mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

9.12 Unregistered owners holding shares in physical form may send their application in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s) and valid transfer deed(s) as received from the Broker **(columns meant for transferee / buyer should be kept blank)** to the Registrar to the Offer. Unregistered owners will also be required to submit documents to prove their title to the shares in respect of which they are accepting the Offer such as original broker's contract note and transfer deed(s) executed by the registered holder of the shares. No indemnity is required from the unregistered owners.

9.13 In case the Share Certificate(s) and Transfer Deeds are lodged with GTL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by GTL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent along with.

9.14 Shareholders who have sent their physical shares for Dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder's DP. The shareholder should ensure that process of getting shares dematerialized is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. 31st July, 2006, else the application will be rejected.

9.15 Equity shares tendered by the shareholders of GTL in the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of GTL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered in the offer prior to the date of closing of the offer.

9.16 In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 1 (one) share.

9.17 While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of RBI Approvals not being submitted prior to closure of the issue, the Acquirer reserves the right to reject the shares.** While tendering shares under the Offer, NRI / OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

9.18 The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

9.19 The Registrar to the Offer will hold in Trust the Shares / Share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of GTL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

9.20 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

9.21 A schedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	23-06-2006	Friday
Last date for a competitive bid, if any	NA	
Date by which Letter of Offer will be posted to shareholders	26-06-2006	Monday
Date of opening of the Offer (Not later than 55 days from the date of PA)	10-07-2006	Monday
Last date for Revising the Offer Price / Number of Shares	21-07-2006	Friday
Last date for Withdrawing acceptances tendered by shareholders	26-07-2006	Wednesday
Date of closing of the Offer	31-07-2006	Monday
Date of communicating acceptance/ rejection and payment of consideration for accepted shares / dispatch of the share certificate in case of rejection	16-08-2006	Wednesday

10. Procedure for Withdrawal of Application

10.1 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. upto 26th July 2006.

10.2 Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed along with the requisite documents.

10.3 In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details :-

– **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered and to be withdrawn.

– **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the special depository account.

In either case: a copy of the acknowledgement received from the Manager to the Offer upon tendering of the Shares so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before 31st July 2006.

SHAREHOLDERS WHO HAVE ACCEPTED THE OFFER BY TENDERING THE REQUISITE DOCUMENTS, IN TERMS OF THE PUBLIC ANNOUNCEMENT / LETTER OF OFFER SHALL HAVE THE OPTION TO WITHDRAW THE ACCEPTANCE TENDERED BY THEM UPTO 3 WORKING DAYS PRIOR TO THE DATE OF CLOSURE OF OFFER IN TERMS OF REGULATION 22(5A) OF THE SEBI (SAST) REGULATIONS .

11.0 General

11.1 If there is any upward revision in the Offer Price till the last date of revision in terms of Regulation 26 i.e. 21st July, 2006 or Withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this original Public Announcement is being made. In case of an upward revision in the offer price, the revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and have been accepted under the Offer.

11.2 "If there is competitive bid :

i. The public Offers under all the subsisting bids shall close on the same date.

ii. As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly."

11.3 Neither Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act.

11.4 The Acquirer has not acquired any shares of GTL in the last twelve months nor do they hold any shares in GTL as on the date of this Public Announcement except those mentioned herein above in para 1.1.

11.5 Pursuant to Regulation 13 of SEBI (SAST) Regulations, Acquirer has appointed UTI Securities Limited, as Manager to the Offer.

11.6 The Acquirer and its directors accepts full responsibility for the information contained in this Public Announcement, brochure, circular, letter of offer or any other advertisement or publicity material issued to shareholders in connection with the offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.

This Public Announcement will also be available on SEBI's website at **www.sebi.gov.in**. Eligible persons to the Offer may also download a copy of Form of Acceptance-cum-Acknowledgement which will be available on SEBI's website at **www.sebi.gov.in** from the Offer opening date 10th July, 2006 and apply in the same.

Issued by: Manager to the Offer

UTI SECURITIES LIMITED
SEBI Regn. No. INM 000007458
Dheeraj Arma, I Floor, Anant Kanekar Marg, Bandra (East), Mumbai 400 051
Tel. Nos. (022) 67515826/818, Fax : (022) 67515998,
Website: www.utisel.com, Email: neetu.ranka@utisel.com,
Contact Person : Ms. Neetu Ranka / Mr. Amit Jhawar

On behalf of the Acquirer
Goldstone Exports Limited
6/10 Shanti Niketan, New Delhi- 110024.
Tel. No. (011) 24110561, Fax No. (011) 24111153, Email Id: sarma@goldstone.net

Place: New Delhi
Date: 1st June, 2006