LETTER OF OFFER

Note: This document is important and requires your immediate attention.

This Letter of Offer is being sent to you as an existing shareholder of Goldstone Technologies Limited ("GTL"). If you require any clarifications about the action to be taken, you should consult your Stockbroker or your Investment Consultant, or the Merchant Banker/Registrar to the Offer. In case you have sold your shares in GTL, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deeds to the Member of the Stock Exchange (as defined) through whom the sale was affected.

Goldstone Exports Limited, (the Acquirer)

having its registered office at 6/10, Shanti Niketan, New Delhi - 110024.
Tel. No.: 011-24110561; Fax No.: 011-24111153.

MAKES CASH OFFER AT AN OFFER PRICE OF RS. 24.01 ALONG WITH INTEREST OF RS. 1.80 (TOTAL CONSIDERATION RS. 25.81) PER FULLY PAID UP EQUITY SHARE

TO ACQUIRE

26,00,264 equity shares of face value of Rs 10/- each representing 20% of the equity capital from existing shareholders

OF

Goldstone Technologies Limited (the Target Company)

having its registered office at 9-1-83 & 84, Amarchand Sharma Complex, S. D. Road, Secunderabad- 500 003, Ph. Nos. (040) 27807640 Fax No. (040) 39120023

The Offer is being made pursuant to the provisions of Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

The Offer is not conditional offer.

As on date, to the best of knowledge of the Acquirer, there are no specific approvals, statutory or otherwise, required to acquire the shares tendered pursuant to this Offer.

Regulation 26 of SEBI (SAST) Regulations, 1997 provides for an upward revision of the Offer Price / Offer Size at anytime, up to seven working days prior to the date of the closure of the Offer i.e 19th April, 2007. In case of a revision in the Offer Price / Offer size, the Public Announcement for revision will be made in the same newspaper in which the original Public Announcement had appeared. In case of a revision in Offer Price, the same price shall be paid by Acquirer for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.

Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public announcement / Letter of offer, can withdraw the same up to three working days prior to the date of the closure of the offer i.e. 25th April, 2007

There has been no competitive bid as on the date of this Letter of Offer.

THE PROCEDURE FOR ACCEPTANCE IS SET OUT IN PARAGRAPH 10. A FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL AND TRANSFER DEED(S) ARE ENCLOSED WITH THIS LETTER OF OFFER. A COPY OF PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER (INCLUDING FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL) WILL ALSO BE AVAILABLE ON SEBI'S WEB SITE www.sebi.gov.in

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
UTI Securities we make investing easier **UTI Securities Limited** [Subsidiary of Securities Trading Corporation of Inida Limited] SEBI Regn. No. INM 000007458 1st floor, Dheeraj Arma, Anant Kanekar Marg-Station Road, Bandra East, Mumbai - 400 051. Tel : 022 - 67515826 Fax - 022- 67023194 e-mail: neetu.ranka@utisel.com Contact Person: Ms. Neetu Ranka	**Venture Capital & Corporate Investments Limited** SEBI Regn. No. INR000001203 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 Contact Person: Mr. E S K Prasad

TIMETABLE

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Date of Public Announcement	01-06-2006	Thursday	30-03-2007	Friday
Specified Date	23-06-2006	Friday	31-03-2007	Saturday
Last date for a competitive bid, if any	NA	NA	NA	NA
Date of dispatch of letter of offer	26-06-2006	Monday	04-04-2007	Wednesday
Date of opening of the Offer	10-07-2006	Monday	09-04-2007	Monday
Last date for Revising the Offer Price/ Number of Shares	21-07-2006	Friday	19-04-2007	Thursday
Last date for withdrawing acceptances tendered by share-holders	26-07-2006	Wednesday	25-04-2007	Wednesday
Date of closing of the Offer	31-07-2006	Monday	30-04-2007	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	15-05-2007	Tuesday

Note: Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 5.00 p.m. on 30th April 2007.

RISK FACTORS

1. In the event of regulatory approvals not being received in time or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with , the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.

2. The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer. Further, the tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of GTL.

3. The Offer to the shareholders of GTL is for substantial acquisition of shares and it is made in accordance with Regulation 10 of the SEBI (SAST) Regulations. There is no assurance with respect to the continuation of the past trend in the financial performance of GTL.

4. 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 in dematerialized form and 100 (hundred) shares in physical form.

   The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of GTL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of GTL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

INDEX

Attached: Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed(s) (for shareholders holding shares in physical form).

DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

Term	Definition
"Acquirer" or "GEL"	Goldstone Exports Limited
"ASE"	Ahmedabad Stock Exchange Limited
"BSE"	The Bombay Stock Exchange Limited
"Company", "Target Company" or "GTL"	Goldstone Technologies Limited
"DSE"	Delhi Stock Exchange Associations Limited
"HSE"	Hyderabad Stock Exchange Limited
"Manager" or "Manager to the Offer"	UTI Securities Limited
"MOA"	Memorandum of Association
"MSE"	Madras Stock Exchange Limited
"NSE"	The National Stock Exchange India Limited
"Offer"	The offer being made by GEL to shareholders of GTL as set out in this Letter of Offer
"Offer Document"	This Letter of Offer
"Offer Price"	Rs. 24.01/- (Rupees twenty four and one paisa Only) per fully paid up (Rs.10.00 paid up) equity share of GTL
Total Consideration	Rs. 25.81/- (Offer Price being Rs. 24.01 and interest being Rs. 1.80)
"Public Announcement" or "PA"	Announcement of the Offer made on 1st June 2006
"Revised Public Announcement" or "Revised PA"	Revised Announcement of the Offer made on 30th March 2007
Parties eligible to tender	Shareholders of GTL, except the Acquirer 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 31st March 2007 (specified date)
"RBI"	The Reserve Bank of India
"SEBI"	Securities & Exchange Board of India
"SEBI (SAST) Regulations"	Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto
"Specified Date"	31st March 2007
"Stock Exchanges"	ASE, BSE, DSE, HSE, MSE and NSE.

ATTENTION:

If, due to non-receipt of requisite statutory approvals, the Acquirer are unable to make the payment to the shareholders who have accepted the Offer within 15 days of the date of closure of the Offer, then SEBI may, if satisfied that the non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time. Further, shareholders should note that after the date of withdrawal i.e. 25th April 2007, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of shares under the offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tendered shares and payment of consideration is completed.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF **GOLDSTONE TECHNOLOGIES LIMITED** TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF **GOLDSTONE EXPORTS LIMITED** ("THE ACQUIRER") OR OF **GOLDSTONE TECHNOLOGIES LIMITED** ("TARGET COMPANY") WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER - **UTI SECURITIES LIMITED** HAS SUBMITTED A DUE DILIGENCE CERTIFICATE **DATED 2nd APRIL 2007** TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT (S) THERE OF.THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

a) This offer of 20% of the Equity capital i.e. 26,00,264 shares of GTL is made in terms of Regulation 10 of SEBI (SAST) Regulations.

b) 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 (which is 14.61% of post preferential paid up and voting capital). The said preferential allotment was made at a price of Rs. 21, duly approved by the Board Meeting on April 10, 2006 and which was approved by shareholders in EGM held on May 8, 2006, and subsequently the Allotment Committee of Board of Directors has allotted the same on 23 May 2006. The said equity shares are subject to lock-in as per the SEBI (DIP) Guidelines. The company has complied with all the relevant provisions of DIP Guidelines with regard to the preferential allotment. The aggregate holding of GEL after the preferential allotment of Equity Shares is 34,19,272 shares constituting 26.30% of the post preferential paid up and voting Capital of GTL.

c) In Principle approval for the listing of 19,00,000 equity shares allotted on preferential allotment basis has already been received from BSE and NSE vide letter dated May 19, 2006 and May 23, 2006 respectively. However, in principle approval from the HSE, ASE, MSE and DSE is still pending.

d) There are no persons acting in concert in this offer.

e) In view of the above, the Acquirers are now making an open offer under Regulation 10 of the SEBI (SAST) Regulations to the public shareholders of GTL to acquire up to 26,00,264 fully paid-up equity shares ('Shares') of Rs. 10/- each representing 20% of the post preferential issue equity share capital of GTL, at a price of Rs. 24.01 (Rupees twenty four and paise one Only) per Share ("the Offer Price") along with interest of Rs. 1.80 per share payable in cash taking 10th April 2006 as the reference date for purpose of calculation of the Offer Price i.e. the date on which Board of Directors of GTL, had decided to convene an Extra Ordinary General Meeting (EGM) of the members of GTL on May 8, 2006 to consider preferential allotment of 19,00,000 Equity Shares.

f) The total consideration per share will be Rs 25.81 (Rupees twenty five and Eighty One Paise Only) (Rs. 24.01 being the Offer Price and Rs. 1.80 being the interest for the delayed period) (Actual interest shall be calculated at the time of dispatch of payment consideration to the shareholders) calculated in accordance at the rate of 10% p.a. from 16th August 2006 (i.e. the last date of payment as per the original activity schedule as mentioned in Pubic Announcement dated June 1, 2006) till 15th May, 2007 i.e. the scheduled date of despatch of payment, in cash, subject to the terms and conditions mentioned hereinafter and it shall be subject to deduction of taxes at source as applicable and will be paid accordingly. This amount is subject to change depending upon the actual date of dispatch of payment to the shareholders.

g) Neither the acquirer nor the target company has been prohibited by SEBI from dealing in securities in terms of direction issued u/s. 11B of SEBI Act or under any other regulation. No action has so far been taken by the Stock Exchanges or SEBI against GTL, its Directors or promoters.

h) After the successful completion of the offer, there will not be any change in the composition of the Board of Directors of the Target Company, unless required by business considerations and regulatory requirements.

2.2 Details of the Proposed Offer

a) The Revised Public Announcement dated 30th March 2007 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations, 1997.

Publications	Edition
Financial Express (English)	All editions
Jansatta (Hindi)	All editions
Andhra Prabha (Telugu)	Hyderabad Edition where the Registered office of the Target Company is situated
Navashakti (Marathi)	Mumbai Edition where the NSE is situated in which shares of the target company are most frequently traded

A copy of this PA will also be available on the SEBI's website at www.sebi.gov.in

b) The Acquirer along with other promoters of GTL holds 35,43,646 shares constituting 27.26% of equity capital of the target Company and are in control of the target company. Pursuant to Regulations 10 of the SEBI (SAST) Regulations, Acquirer is making an Offer to the public shareholders of GTL to acquire 26,00,264 fully paid-up equity shares ('Shares') of Rs. 10/- each representing 20% of the paid- up and voting equity share capital of GTL, being existing Public shareholding of the Company, at a price of Rs. 24.01 (Rupees twenty four and one paisa Only) per Share ("the Offer Price") and interest of Rs. 1.80 per share for delayed period, payable in cash taking 10th April 2006 as the reference date for purposes of calculation of the Offer Price.

c) There are no partly paid up shares in the Target Company.

d) The Acquirer holds 15,19,272 constituting 13.69% of equity capital before the preferential allotment of 19,00,000 equity shares in GTL. Further, the Acquirer has not acquired either directly or through any other person, any shares of GTL during the 26 weeks period preceding the date of the Public Announcement.

e) The equity shares of GTL are to be acquired, pursuant to the Offer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividend or other distributions hereinafter declared, made or paid.

f) The Offer is not conditional on any minimum level of acceptances i.e. the Acquirer will acquire all the Shares that are tendered in terms of the Offer up to 26,00,264 equity Shares, subject to the conditions specified in the Public Announcement read together with the, Letter of Offer and Form of Acceptance-cum-Acknowledgement.

g) There has been no competitive bid as on date.

h) The Offer is made to all the shareholders of GTL except the Acquirer and other Promoters of GTL in terms of Regulation 10 of the SEBI (SAST) Regulations.

i) UTI Securities Limited does not hold any shares of GTL as on the date of Public Announcement.

2.3 Objects of the Acquisition /Offer

a) This Offer to acquire 20% of the post preferential issue equity share capital i.e. 26,00,264 shares of GTL is made in terms of Regulations 10 of the SEBI (SAST) Regulations. After the preferential allotment, the promoters holding have gone up from 14.81% to 27.26%.

b) Reason for acquisition of shares

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 was not possible to pay back the loan extended by them and therefore M/s. Goldstone Exports Ltd., agreed to the conversion of the loan extended by them into equity capital of the Company in terms of SEBI Guidelines.

For the purpose of the conversion of the said loan, 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 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.

c) The acquirer and the target company are not in the similar line of business or operations.

3. BACKGROUND OF THE ACQUIRER

3.1 GOLDSTONE EXPORTS LIMITED ('THE ACQUIRER')

a) Goldstone Exports Limited (GEL) is the Acquirer in this open offer and there are no persons acting in concert with it for the purpose of this offer.

b) 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 the 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).

c) The promoters of the Acquirer are Ms. Mahita Caddell and Ms. Sunitha Prasad.

d) The main objects of 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 currently dealing in Investment business of shares, which is covered under the ancillary objects of the MOA. However, in FY 2005-06, the Company has ventured into Real Estate business. Increase of Fixed Assets is due to capitalisation of development expenses incurred on the land during the year.

e) Board of Directors of Goldstone Exports Limited as on the date of Revised PA i.e. 30th March 2007

Name & Qualification	Designation / Experience	Date of Appointment	Residential Address
Ms. Mahita Caddell (Interna-tional Business Administrationand Information Systems), Graduate from the University ofCarolina, USA	Director / 6 Yrs in Software , Industry	06-09-2003	111012 Elliston Court, Bristow, Virginia, USA
Ms. Sunitha Prasad BA from University of North Carolina	Director / 5 Yrs in teaching profession	08-01-2001	2447, Sugar Mill Way, Herndon, Virginia, USA
Ms. Indrani Prasad M B B S	Director	06-09-2003	Flat No 506, Amarchand Sharma Complex, S D Road, Secunderabad - 500 003
Mr. PVS Sarma B. Com, PG Diploma in Indusrial Relations & Personnel Manage-ment, Diploma in Public Relations	Alternate Director to Ms. Sunitha Prasad / 43 Yrs in varied areas such as Sales Administration, Commercial, Factory Management, Credit Control, Import & Exports, Legal Matters, Personnel & Administration	05-08-2004	1-1-780/A-12, Flat No. 1 Ground Floor, Sri Apartments, Gandhinagar Hyderabad - 500082
M Surendernath BE (Mechanical) , M.B.A (Marketing), PG Diploma in Computer Applications	Alternate Director to Ms. Mahita Caddell / 10 Yrs Cross Industrial and Cross Functional exposure in the areas of Marketing, Strategic Planning, Logistics, Liasioning and Public Relations.	01-06-2005	Plot No. 8 Him Hit Society, Flat No. B-704, Sector 22 Dwarka, New Delhi - 110 045

As on date, except Ms. Mahita Caddell , none of the above person represents the Acquirer. Ms. Mahita Caddell , Director of Goldstone Exports Limited is also Director in Goldstone Technologies Limited. However the directors have given undertaking that they shall recluse themselves and shall not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer.

f) **Brief Financials of GEL**

The financial information of GEL, is given below, in compliance with the provisions of Clause 4.1.12 of the standard letter of offer format as prescribed by SEBI:

Profit & Loss Statement	**31.03.2003**	**31.03.2004**	**31.03.2005**	**31.03.2006**	**11 months ended February 28, 2007 (Unaudited)**
Income from operations	-	-	-	-	-
Other Income	38.88	1.04	54.86	74.06	1440.13
Total Income	38.88	1.04	54.86	74.06	1440.13
Total Expenditure.	(30.96)	(13.42)	(27.62)	(67.20)	(1329.39)
Profit Before Depreciation Interest and Tax	12.84	(7.43)	31.49	13.05	127.20
Depreciation	(4.87)	(4.43)	(4.08)	(3.96)	(3.84)
Interest	(0.04)	(0.52)	(0.18)	(2.23)	(12.63)
Profit Before Tax	7.93	(12.38)	27.23	6.87	110.73
Prior period adjustments	(3.14)	(3.19)	(22.49)	(0.15)	-
Provision for Tax	(0.45)	(0.44)	(0.31)	(2.29)	(20.00)
Profit After Tax	**4.34**	**(16.01)**	**4.43**	**4.43**	**90.73**

Balance Sheet Statement	**31.03.2003**	**31.03.2004**	**31.03.2005**	**31.03.2006**	**11 months ended February 28, 2007 (Unaudited)**
Sources of funds					
Share capital	282.00	282.00	282.00	282.00	282.00
Reserves and Surplus (excluding revaluation ‘reserves)	1632.94	1616.94	1621.37	1625.79	1716.53
Revaluation Reserves (Land)	-	898.12	898.12	898.12	898.12
Less : Total miscellaneous expenditure not written off	-	-	-	-	-
Secured loans	-	-	-	-	-
Unsecured loans	116.00	91.00	-	-	-
Total	**2030.94**	**2888.06**	**2801.49**	**2805.91**	**2896.65**
Application of funds					
Net fixed assets	74.55	974.82	970.74	1107.06	1130.60
Investments	1272.12	1272.12	939.19	896.69	1090.59
Net current assets	693.61	650.89	901.64	812.43	685.73
Net Deferred tax assets	(9.34)	(9.77)	(10.08)	(10.26)	(10.26)
Total	**2030.94**	**2888.06**	**2801.49**	**2805.91**	**2896.66**

Net Worth	31.03.2003	31.03.2004	31.03.2005	31.03.2006	11 months ended February 28, 2007 (Unaudited)
Paid up Share capital	282.00	282.00	282.00	282.00	282.00
Share Application Money	-	-	-	-	-
Reserves & Surplus (excluding revaluation 'reserves)	1632.94	1616.94	1621.37	1625.79	1716.53
Less: Misc Expenditure	-	-	-	-	-
Net Worth	**1914.94**	**1898.94**	**1903.37**	**1907.79**	**1998.53**

Other Financial Data	31.03.2003	31.03.2004	31.03.2005	31.03.2006	11 months ended February 28, 2007 (Unaudited)
Dividend (%)	-	-	-	-	-
Earning Per Share (Rs.)	0.15	-	0.16	0.16	3.22
Return on Networth (%)	0.23	-	0.23	0.23	4.54
Book Value Per Share (Rs.)	67.91	67.34	67.50	67.65	70.87

Reasons for fall/rise in PAT or Total Income during above period:

In FY 2004-05, the total income of the Company was Rs. 55 Lacs as against Rs. 1 Lacs in FY 2003-04. The increase in income was mainly due to increase in interest income as well as profit from sale of the investments.

In FY 2005-06, the total income of the Company was Rs. 74 lacs. As compare to the last year income of Rs. 54 lacs, the increase in the income is not very significant.

IN FY 2006-07, the Company ventured into Real Estate business. There was a huge increase in the income for the 11 months ended February 28, 2007 to Rs. 1440.13 lacs as compared to 74.06 lacs in the FY 2005-06. This increase was mainly due to profits in real estate business.

g) Details of Contingent Liabilities not provided as of March 31, 2006:

Serial no.	Particulars	Rs. in Lacs
1.	Corporate Guarantee Issued to State Bank of Hyderabad	1520
2.	Corporate Guarantee issued to Consortium of Bankers	2100

h) Significant Accounting Policies of the Acquirer:

1. Fixed Assets and Depreciation:-

Fixed Assets are Capitalised at their cost of acquisition including costs incidental for bringing the assets to use. Depreciation is provided on the written down value method on usage basis in accordance with Schedule XIV to the Companies Act, 1956.

2. Investments:

Investments are valued at cost.

3. Sundry Debtors, Loans and Advances:

Debts, Loans and Advances considered doubtful are provided for and are written off in the year in which those are considered irrecoverable.

4. Revenue Recognition:

All revenues are recognized on accrual basis, except Insurance Claim receipts and Dividend Income, which are accounted on Cash basis.

5. **Retirement Benefits:**

Contributions to in respect of Provident Fund are charged to revenue. Gratuity liability is charged to revenue on actual liability basis.

(i) **Details of Pending major Litigations against the Acquirer**

There are no pending litigations against the Company.

(ii) **Name and other Details of compliance Officer:**

Mr. PVS Sarma
6/10 Shanti Niketan,
New Delhi- 110024
Tel No: (011) 24110561
Fax No: (011) 24111153,
E Mail: sarma@goldstone.net

(iii) **There has been no change of name, merger/demerger, spinoff involving the Acquirer during last 3 years. Further the Acquirer is unlisted Company.**

(iv) **Shareholding pattern of the Acquirer as on the date of PA is as under:**

Name	As on 31.03.2006	% of total share holding
Promoters		
Ms. Mahita Caddell	1214980	43.08
Ms. Sunitha Prasad	1604980	56.91
Non Promoter		
Private Body Corporates	10	0.00
Public	40	0.01
Total	**2820010**	**100**

(v) **Status of Corporate Governance:**

Since the acquirer is a closely held unlisted deemed public limited company, the provisions of Corporate Governance is not applicable to the acquirer.

THE ACQUIRER IS NOT AN INDIVIDUAL AND THERE ARE NO PERSONS ACTING IN CONCERT WITH THE ACQUIRER IN THIS OFFER.

4. **DISCLOSURE IN TERMS OF REGULATION 16(IX) OF THE REGULATIONS**

a) Objects of the Acquisition /Offer

This Offer to acquire 20% of the post preferential issue equity share capital i.e. 26,00,264 shares of GTL is made in terms of Regulations 10 of the SEBI (SAST) Regulations.

b) Reason for acquisition of shares

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 was not possible to pay back the loan extended by them and therefore M/s. Goldstone Exports Ltd., agreed to the conversion of the loan extended by them into equity capital of the Company in terms of SEBI Guidelines.

For the purpose of the conversion of the said loan, 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.

c) Further, Acquirer undertakes that they shall not sell, dispose of or otherwise encumber any substantial asset of GTL except with the prior approval of the GTL's shareholders.

d) The Acquirer does not have any plan to dispose off or otherwise encumber any assets of GTL except in the ordinary course of business of GTL.

e) There was delay of 321 days in complying with Chapter II compliances of SAST Regulations by the Acquirer Company in the year 2001. No action has so far been taken by the Stock Exchanges or SEBI against Acquirer, its Directors or promoters. However, SEBI may initiate suitable action against the Acquirer due to delay in complying with the provisions of SAST Regulations.

f) There were two interse transfer between Acquirer and other Promoters of GTL in December 99 and January 2004 respectively. GEL had not filed the report under Regulation 3(4) during the period of transfers for claiming the exemption from the applicability of Regulation 11 of SAST Regulations 1997. However, the reports have been filed by the Acquirer by their letters dated 1st December 2006. SEBI may initiate appropriate action for non-compliance with Regulations in this regard.

5. FUTURE PLANS/STRATEGIES OF THE ACQUIRER WITH REGARD TO THE TARGET COMPANY.

The Company sees great potential in the business prospects of Information Technology given the experience of the board of directors have in this particular field of business, foresee good growth prospects for GTL.

6. DISCLOSURE IN TERMS OF REGULATION 21 (3) OF THE SEBI (SAST) REGULATIONS, 1997:

Pursuant to this Offer (assuming full acceptance) and acquisition under the preferential allotment, the public shareholding in GTL will not be reduced below the limit specified in the Listing Agreement with the NSE and BSE for the purpose of listing on continuous basis.

7. BACKGROUND OF GOLDSTONE TECHNOLOGIES LIMITED (GTL) ("THE TARGET COMPANY")

a) 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 the Registrar of Companies, Andhra Pradesh, issued fresh certificate to this effect. 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 itself 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 its 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 viz., 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 the payment consideration for which was to be made as \$18.5 lacs in cash and remaining \$2.5 lacs in form of equity shares of GTL. and made this company also 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. GTL has also received the in principle approval for 19,00,000 shares allotted to the acquirer from BSE & NSE vide their letter dated 19th May, 2006 and 23rd May 2006. However, listing approval is pending from all other stock exchanges. The Acquirer ensures to list the shares on all stock exchanges where the shares of the target company are listed.

b) The preferential allotment of 19,00,000 shares to the Acquirer 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.

c) 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, anarendra@goldstonetech.com, Website: www.goldstonetech.com

d) 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.

e) 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.

f) **Manufacturing / Development / Tech Support facility**

The Company's software development centre is located at:
2nd and 3rd floor, Maharshi Building
Road no. 2, Banjara Hills
Panjagutta, Hyderabad - 500 082

g) The Equity Shares of the Target Company are listed at the following stock exchanges: The Stock Exchange, Mumbai (BSE)[N3], 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).

h) GTL was promoted by Goldstone Exports Limited, Mr. LP Sashikumar, Mrs. L Preetha Priyadarshini and Mr. Ramana Kumar Peddu.

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

j) Share Capital structure of GTL

Particulars	**No. of Shares / Voting Rights (VR)***	**% of Shares / VR**
Fully Paid up Equity Shares	1,30,01,320	100.00
Partly Paid up Equity Shares	Nil	—
Total Paid up Capital	1,30,01,320	100.00
Total Voting Rights	1,30,01,320	100.00

*In principle approval for 2,62,920 shares is pending from DSE and for 19,00,000 Equity Share allotted to Acquirer from ASE, DSE, HSE and MSE.

j) In the EGM held on 8th May 2006, the shareholders approved the allotment of 54,00,000 warrants at the price of Rs. 21 per share i.e. 27,00,000 Warrants to Summit Communications Pvt Ltd (14.67% of equity capital of the company post conversion of warrants into equity shares) and 27,00,000 shares to Horizon Television Pvt Ltd. (14.67% of equity capital of the company post conversion of warrants into equity shares). 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. However, GTL as well as the allottees of the warrants have given undertakings that they will not convert the warrants into shares till 15 days from the date of closure of the offer. Therefore these warrants have not been considered for the purpose of calculating 20% of the voting capital of the Company. 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. The Allotment Committee has made the above preferential allotments on May 23, 2006.

k) The total issued, subscribed and paid-up capital of GTL comprising of 13001320 fully paid-up equity shares of Rs.10/- each aggregate to Rs. 1300.13 lacs. There are no partly paid-up shares. The Current capital structure and its build up since inception is as under:

Date of allotment	**No of shares issued**	**Cumulative paid up capital (No. of shares)**	**% of shares allotted to total paid up capital**	**Mode of allotment**	**Identity of allottees (promoters/ ex-promoters/ others)**	**Status of compliance with SEBI guidelines**
18/03/1994	5000	5000	100.00	Incorporation	Promoters	N A
9/3/1995	2450020	2455020	99.80	Private Placement	Promoters / Others	N A
30/6/1995	1195000	3650020	32.74	Private Placement	Promoters / others	N A
30/10/1995	900000	4550020	19.78	Public Issue / Firm allotment	NRI'S	Complied
29/11/1995	9980	4560000	0.22	Public Issue / Firm allotment	Promoters	Complied

Date of allotment	No of shares issued	Cumulative paid up capital (No. of shares)	% of shares allotted to total paid up capital	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance with SEBI guidelines
1/2/1996	2500900	7060900	35.42	Public Issue	Indian Public	Complied
1/2/1996	840000	7900900	10.63	Public Issue	IFI'S/Banks	Complied
17/09/1997	700	7901600	0.01	Telecom Amalgamation the Company	Directors of	Complied
30/04/1999	1000000	8901600	11.23	Preferential Allotment	UTI & UTI India Growth Fund	Complied
4/10/1999	236800	9138400	2.59	Softech Amalgamation	Goldstone Exports Limited	Complied
3/3/2000	600000	9738400	6.16	Preferential Allotment	Bodies Corporate	Complied
30/08/2000	1050000	10788400	9.73	Acquisition of Prime soft LLC	Promoters of Primesoft LLC	Complied
15/09/2000	50000	10838400	0.46	Acquisition of Prime soft LLC	Promoters of Primesoft LLC	Complied
1/6/2005	262920	11101320	2.37	Acquisition of Stay Top Systems Inc; USA	Promoters of M/s Stay Top Systems Inc; USA	Listing Approval is pending from DSE
23/05/2006	1900000	13001320	14.61	Preferential Allotment	Goldstone Exports Limited	In principle has been received from BSE & NSE. Listing Approval is pending from other Stock Exchanges.

l) The target Company as well as the Promoters and major shareholders have complied with all the applicable provision of Chapter II of the Regulations except as mentioned in Annexure I and II. There was delay of 321 days in complying with Chapter II compliances of SAST Regulations by the Company in the year 2001. No action has so far been taken by the Stock Exchanges or SEBI against GTL, its Directors or promoters. However, SEBI may initiate suitable action against the Company due to delay in complying with the provisions of SAST Regulations.

m) There has been no suspension of trading in the shares of GTL on any of the stock exchanges. GTL has been paying listing fee regularly and there are no arrears of listing fee. 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. However, SEBI may initiate suitable action against the Company and the Promoters due to delay in complying with the provisions of SAST Regulations

n) GTL has allotted 2,62,920 shares at the price of Rs. 25 per equity shares towards partial consideration for acquiring Staytop Systems Inc. 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 further shares at Rs. 25 per equity share. However, the in- principle approval for the same is pending from the Stock Exchanges. Hence same is not considered in paid up capital of GTL.

o) Board of Directors of GTL as on the date of PA i.e. 30th March 2007:

Name & Qualification	Designation / Experience in years	Date of Appointment	Residential Address
C Travis Caddell, B. Sc Computer Science from University of North Carolina, USA.	Managing Director Over 5 years of Experience in Software	22/03/2006	11102 Elliston Court, Bristow Virginia, USA
Mahita Caddell, MS (International Business Administration, and Information Systems), Graduate from the University of Carolina, USA	Directors Over 6 Years of Experience in Software	17/01/2000	11102 Elliston Court, Bristow Virginia, USA
D P Sreenivas, Bachelor of Commerce (S V University),	Director Over 15 years of Experience in Managerial, Technical and Liaison	22/03/2006	Flat No. 607, Amarchand Sharma Complex, S D Road, Secunderabad
V P Singh Master of Commerce Degree, Bachelor of Law, and CAIIB	Director Over 40 years of Experience in Banking Industry, and also Ex-Chairman of FICCI	01/06/2005	B-303, Chaitanya Towers, Babasaheb Marathe Marg, Prabhadevi Mumbai - 400 025
Nandan Kundetkar Post Graduate in Electronics	Director, Over 10 years of experience in Technological Innovations and Products	24/04/2006	10 Ubi Crescent # 05-44 Ubi Techpark Singapore 408564

None of the above Directors are representing the acquirer except Ms. Mahita Caddell , who is also on the Board of the acquirer.

p) 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.

q) The details of change of name and listing are as under:

Change of Name	**Date of Change**
Goldstone Engineering Private Limited to Goldstone Engineering Limited	16th November 1994
Goldstone Engineering Limited to Goldstone Technologies Limited	17th December 1999
Listing on	**Year of Listing**
ASE, BSE, DSE, HSE and MSE	February 1996
NSE	January 2000

r) Brief Financials of GTL

The financial details of GTL are as under, in compliance with the provisions of Clause 6.14 to the Standard letter of offer format as prescribed by SEBI:

Rs in Lacs

Profit & Loss Statement	**31.03.2003**	**31.03.2004**	**31.03.2005**	**31.03.2006**	**9 months ended 31.12.2006 (Unaudited)**
Total Income	4889.11	5732.33	4157.09	3611.77	3266.55
Total Expenditure before Interest & Depreciation	(4533.80)	(5066.52)	(3786.82)	(3294.32)	2530.13
Misc Expenses written off	(6.59)	(26.00)	-	-	-
Profit Before Depreciation Interest and Tax	348.72	639.81	370.27	317.45	736.42
Depreciation	(91.07)	(161.69)	(158.02)	(163.32)	(31.60)

Profit & Loss Statement	31.03.2003	31.03.2004	31.03.2005	31.03.2006	9 months ended 31.12.2006 (Unaudited)
Interest	(94.22)	(101.69)	(84.82)	(85.28)	(138.30)
Profit (Loss) Before Tax	163.43	376.43	127.43	68.85	566.52
Provision for Tax (Inc Deferred Tax)	5.09	9.62	35.08	21.43	7.00
Profit (Loss) After Tax (before adjustments)	168.52	386.05	162.51	90.28	573.52
Prior period adjustments	(117.56)	(7.49)	(3.52)	(26.73)	-
Profit (Loss) After Tax (After adjustments)	50.96	378.56	158.98	63.55	573.52

Balance Sheet Statement	31.03.2003	31.03.2004	31.03.2005	31.03.2006	9 months ended 31.12.2006 (Unaudited)
Sources of funds					
Paid up share capital	1083.84	1083.84	1083.84	1110.13	1300.13
Share Application Money	-	-	437.00	30.90	144.30
Reserves and Surplus	1055.62	1055.61	1166.42	1207.11	1699.53
Less : Profit & Loss A/c (Dr. Balance)	(680.95)	(302.39)	(143.41)	(79.85)	-
Less : Miscellaneous expenditure not written off	(90.54)	(367.10)	(124.26)	(426.83)	(426.83)
Net Worth	1367.97	1469.96	2419.59	1841.46	2717.13
Share Warrant Money	-	135.00	-	-	-
Secured loans	720.00	630.00	606.11	433.15	231.23
Unsecured loans	-	-	-	200.00	200.00
Total	**2087.97**	**2234.96**	**3025.70**	**2474.61**	**3148.36**
Uses of funds					
Net fixed assets (Inc. Capital WIP)	1678.38	1600.07	1789.62	1374.23	1240.37
Investments	166.98	166.98	204.76	576.63	805.30
Net current assets	372.67	588.35	1116.69	578.80	1135.23
Net Deferred Tax Assets	(130.06)	(120.44)	(85.37)	(55.04)	(32.54)
Total	**2087.97**	**2234.96**	**3025.70**	**2474.62**	**3148.36**

Other Financial Data	31.03.2003	31.03.2004	31.03.2005	31.03.2006	9 months ended 31.12.2006 (Unaudited)
Dividend (%)	-	-	-	-	-
Earning Per Share (Rs.)	0.47	3.49	1.47	0.58	4.41
Return on Net Worth (%)	3.72	25.75	6.57	3.45	21.11
Book Value Per Share (Rs.)	12.62	13.56	22.32	16.59	20.90

Details of Contingent Liabilities as on March 31, 2006

Bank Guarantees	Rs. 2 lacs
Disputed Income Tax Demand	Rs. 7.50 lacs

Reasons for fall/rise in PAT or Total Income during above period:

In FY 2004-05, the Company had registered revenue of Rs. 4157 lacs as against Rs. 5732 lacs in the FY 2003-04.

Similarly, in FY 2005-06 the total income of the Company was 3611.77 lacs as compared to Rs. 4157 lacs in the FY 2004-05. The decrease in revenue was mainly due to tightened laws in US due to which the onsite business had witnessed slow down.

a) Pre and Post offer Shareholding Pattern of GTL:

Shareholders' category	Share holding & voting rights prior to the Preferential Issue of Equity shares.		Shares /voting rights agreed acquired through Preferential Issue of Equity shares.		Shareholding & voting rights post Preferential Issue of Equity shares but prior to the Open offer.		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(D)		(A)+(B)+(D)=(E)	
	No	%	No.	%	No.	%	No.	%	No.	%
(1) Promoter group										
a. Parties to agreement, if any	-	-	-	-	-	-	-	-	-	-
b. Promoters other than (a) above										
c. Promoters other than acquirer	124374	1.12	-	-	124374	1.12	-	-	124374	0.96
Promoter (Acquirer)	1519272	13.69	1900000	14.61	3419272	26.30	2600264	20.00	6019536	46.30
Goldstone Exports Limited										
b. PACs	-	-	-	-	-	-	-	-	-	-
Promoter group holding	-	-	-	-	-	-	-	-	-	-
Total 1(a+b)	1643646	14.81	1900000	14.61	3543646	27.26	2600264	20.00	6143910	47.26
(2) Acquirers other than Promoter acquirer	-	-	-	-	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-	-	-	-	-
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, acquirers & PACs)										
a. FIs/MFs/FIIs/Banks, SFIs (indicate names)	17412	0.16	-	-	17412	0.13	-	-	17412	0.13
b. Others										
(The total number of shareholders in "Public category is 9675)	9440262	85.03	-	-	9440262	72.61	-	-	6839998	52.61
Total (4)(a+b)	9457674	85.19	-	-	9457674	72.74	-	-	6857410	52.74
GRAND TOTAL (1+2+3+4)	**11101320**	**100.00**	**1900000**	**14.61**	**13001320**	**100.00**	**2600264**	**20.00**	**13001320**	**100.00**

Changes in Shareholding pattern of Promoter group and compliance with Regulations:

Capital Built Up of Goldstone Exports Limited

Date of Allotment	No. of Shares alloted / aquired	No of Shares Sold	Balance Shares	% of total share capital	Mode of acquisition / sale	Compliances with SEBI takeover law if applicable	Share Capital of GTL
18-Mar-94	2100		2100	42.00	Allotment	NA	5000
9-Mar-95	1450000		1452100	59.15	Allotment	NA	2455020
30-Jun-95	123200		1575300	43.16	Allotment	NA	3650020
22-Mar-96	2354700		3930000	49.74	Market Purchase	NA	7900900
18-Dec-96	393500		4323500	54.72	Reissue of forfeited shares	NA	7900900
25-Jul-98		10000	4313500	54.59	Market Sale	NA	7901600
26-Nov-98		10900	4302600	54.45	Market Sale	NA	7901600
15-Dec-98		5000	4297600	54.39	Market Sale	NA	7901600
4-May-99		677600	3620000	40.67	Market Sale	NA	8901600
12-May-99		500000	3120000	35.05	Market Sale	NA	8901600
5-Jun-99		50000	3070000	34.49	Market Sale	NA	8901600
25-May-99	137200		3207200	36.03	Reissue of forfeited shares	NA	8901600
1-Sep-99		100000	3107200	34.91	Market Sale	NA	8901600
4-Oct-99	236800		3344000	36.59	Allotment in scheme of Amalgamation	NA	9138400
26-Oct-99		25000	3319000	36.32	Market Sale	NA	9138400
5-Nov-99		50000	3269000	35.77	Market Sale	NA	9138400
11-Nov-99		12000	3257000	35.64	Market Sale	NA	9138400
30-Nov-99		400000	2857000	31.26	Market Sale	NA	9138400
2-Dec-99		123100	2733900	29.92	Market Sale	NA	9138400
8-Dec-99	18220		2752120	30.12	Market Purchase	NA	9138400
8-Dec-99	350000		3102120	33.95	Interse Transfer	NA	9138400
23-Dec-99	12480		3114600	34.08	Market Purchase	NA	9138400
6-Jan-00		200000	2914600	31.89	Market Sale	NA	9138400
7-Jan-00		5000	2909600	31.84	Market Sale	NA	9138400
14-Feb-00		5000	2904600	31.78	Market Sale	NA	9138400
4-Mar-00		100000	2804600	28.80	Market Sale	NA	9738400
10-May-00	44800		2849400	29.26	Market Purchase	NA	9738400
10-Jun-00	5000		2854400	29.31	Market Purchase	NA	9738400
10-Jun-00		49800	2804600	28.80	Market Sale	NA	9738400
3-Jul-00		20000	2784600	28.59	Market Sale	NA	9738400
27-Jul-00	20000		2804600	28.80	Market Purchase	NA	9738400
8-Aug-00	300		2804900	28.80	Market Purchase	NA	9738400
1-Sep-00		75000	2729900	25.30	Market Sale	NA	10788400

15-Sep-00	13688		2743588	25.31	Market Purchase	NA	10838400
22-Sep-00	3500		2747088	25.35	Market Purchase	NA	10838400
28-Sep-00	30100		2777188	25.62	Market Purchase	NA	10838400
17-Oct-00	50000		2727188	25.16	Market Sale	NA	10838400
6-Feb-01	10000		2737188	25.25	Market Purchase	NA	10838400
21-Feb-01		180000	2557188	23.59	Pledge	NA	10838400
7-Mar-01		50000	2507188	23.13	Pledge	NA	10838400
13-Mar-01		70000	2437188	22.49	Pledge	NA	10838400
15-Mar-01		100000	2337188	21.56	Pledge	NA	10838400
12-Mar-01	8725		2345913	21.64	Market Purchase	NA	10838400
21-Mar-01	15200		2361113	21.78	Market Purchase	NA	10838400
3-Apr-01		200000	2161113	19.94	Market Sale	NA	10838400
12-Apr-01	65000		2226113	20.54	Market Purchase	NA	10838400
20-Apr-01	11220		2237333	20.64	Market Purchase	NA	10838400
26-Apr-01		10000	2227333	20.55	Market Sale	NA	10838400
4-May-01	39000		2266333	20.91	Market Purchase	NA	10838400
4-May-01	43900		2222433	20.51	Market Sale	NA	10838400
14-May-01	290000		2512433	23.18	Pledge Closure	NA	10838400
4-Jul-01	30674		2543107	23.46	Pledge Closure	NA	10838400
26-Nov-01		13526	2529581	23.34	Market Sale	NA	10838400
1-Dec-01		41250	2488331	22.96	Market Sale	NA	10838400
19-Apr-02		2000	2486331	22.94	Market Sale	NA	10838400
19-Jun-02	150000		2636331	24.32	Market Purchase	NA	10838400
9-Jul-02		300000	2336331	21.56	Market Sale	NA	10838400
10-Jul-02		100000	2236331	20.63	Market Sale	NA	10838400
23-Oct-02		200000	2036331	18.79	Market Sale	NA	10838400
8-Jan-03		100000	1936331	17.87	Market Sale	NA	10838400
20-Jan-03	50000		1986331	18.33	Market Purchase	NA	10838400
24-Jan-03	102500		2088831	19.27	Market Purchase	NA	10838400
16-Oct-03		2800	2086031	19.25	Market Sale	NA	10838400
29-Oct-03		250000	1836031	16.94	Market Sale	NA	10838400
7-Nov-03		100000	1736031	16.02	Market Sale	NA	10838400
7-Nov-03	206618		1942649	17.92	Market Purchase	NA	10838400
8-Dec-03		45000	1897649	17.51	Market Sale	NA	10838400
9-Dec-03		105000	1792649	16.54	Market Sale	NA	10838400
10-Dec-03		55000	1737649	16.03	Market Sale	NA	10838400
11-Dec-03	55000		1792649	16.54	Market Purchase	NA	10838400
15-Dec-03		1000	1791649	16.53	Market Sale	NA	10838400
16-Dec-03		19000	1772649	16.36	Market Sale	NA	10838400
22-Dec-03	10000		1782649		Market Purchase	NA	10838400

22-Dec-03	154964		1937613	17.88	Interse Transfer	NA	10838400
30-Dec-03		200000	1737613	16.03	Market Sale	NA	10838400
20-Jan-04		100000	1637613	15.11	Market Sale	NA	10838400
21-Jan-04	154963		1792576	16.54	Interse Transfer	NA	10838400
23-Jan-04	6423		1798999	16.60	Market Purchase	NA	10838400
24-Jan-04	11577		1810576	16.71	Market Purchase	NA	10838400
14-Oct-04	191304		1619272	14.94	Market Sale	NA	10838400
18-Oct-04		100000	1519272	14.02	Market Sale	NA	10838400
23-May-06		1900000	3419272	26.30	Pref. Allotment	Complying	13001320

Mr. L P SASHIKUMAR

Sr. No	Date of Allotment	No. of Shares alloted /acquired	No of shares sold	Balance Shares	Compliances with SEBI takeover law if applicable
1	18-Mar-94	1100		1100	NA
2	30-Jun-95	30000		31100	NA
3	1996-97		10000	21100	NA
4	1997-98	26000		47100	NA
5	23-Mar-99	20000		67100	NA
6	5-Mar-01	2000		69100	NA
7	2001-02		11810	57290	NA
8	2002-03		9290	48000	NA
9	2002-03		26000	22000	NA
10	2002-03		20000	2000	NA
11	2002-03		1000	1000	NA
12	2002-03		243	757	NA

Mrs. L PREETHA PRIYADARSHINI

Sr. No	Date of Allotment	No. of Shares allotted /acquired	No of shares sold	Balance Shares	Compliances with SEBI takeover law if applicable
1	18-Mar-94	100		100	NA
2	30-Jun-95	20000		20100	NA
3	1996-97		10000	30100	NA
4	9-Aug-02	1000		31100	NA
5	19-Aug-02	5424		36524	NA
6	26-Aug-02	1000		37524	NA
7	27-Aug-02	4000		41524	NA
8	29-Aug-02	4000		45524	NA
9	3-Sep-02	1000		46524	NA
10	19-Dec-02	5000		51524	NA

11	23-Dec-02	10000		61524	NA
12	8-Jan-03	75000		136524	NA
13	25-Jul-03	500		137024	NA
14	19-Sep-03	5000		142024	NA
15	1-Sep-04	5000		147024	NA
16	1-Sep-04	50000		197024	NA
17	2001-02		30000	167024	NA
18	2002-03		14000	153024	NA
19	2004-05		30000	123024	NA

Mr. RAMANA KUMAR PEDDU

Sr. No	Date of Allotment	No. of Shares alloted / acquired	No of shares sold	Balance Shares	Mode of Aquisation / Sales	Compliances with SEBI takeover law if applicable
1	30-Aug-00	388500		388500	Allotment	NA
2	15-Sep-00	18500		407000	Allotment	NA
3	2003-04		186065	220935	Market Sale	NA
4	2003-04		78935	142000	Market Sale	NA
5	2003-04		92706	49294	Market Sale	NA
6	2005-06		48701	593	Market Sale	NA

Note: In above tables, we have mentioned the financial year instead of the date of purchase or sale wherever dates of purchase or sale are not available.

b) The shares of the Target Company are listed on ASE, BSE, DSE, HSE, MSE and NSE.

1. Status of Corporate Governance compliances by GTL:

   The provision of Clause 49 of the Listing Agreement with the Stock Exchange dealing with Corporate Governance has been complied with. Certificate of Compliance on Corporate Governance received from the Statutory Auditors had been published in the Annual Report for the year ended 31st March, 2006 and compliance certificates on quarterly basis have been filed with the Stock Exchanges within the stipulated times.

2. There are no Pending Litigations against GTL

3. Name and other Details of compliance Officer:

   P V R Murthy
   9-1-83 & 84,
   Amarchand Sharma Complex,
   Sarojini Devi Road, Secunderabad - 500 003
   Tel. No:- 040- 39100012, 39100013, 27807640
   Fax No:- 040 - 39120023
   Email id: pvrmurthy@goldstonetech.com
   anarendra@goldstonetech.com

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

a. The shares of GTL are listed on BSE, NSE, DSE, HSE, ASE and MSE (collectively referred as "Stock Exchanges"). However, listing of 2,62,920 shares is pending in DSE. Also, GTL has received the in principle approval from BSE &NSE for listing of 19,00,000 shares allotted to the acquirer. However, listing approval is pending from remaining stock exchanges.

b. The "Reference date" for the purpose of calculation of offer price is 10th April, 2006, being the date on which Board of Directors of GTL, had decided to convene an Extra Ordinary General Meeting (EGM) of the members of GTL on May 8, 2006 to consider preferential allotment of 19,00,000 Equity Shares.

c. The annualized trading turnover based on the trading volume in the shares of GTL on each of the above mentioned stock exchanges during October 2005 to March 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	18,28,928	1,11,01,320	32.95
NSE	24,44,400	1,11,01,320	44.04
ASE	-	1,11,01,320	-
HSE	-	1,11,01,320	-
MSE	-	1,11,01,320	-
DSE	-	1,08,38,400*	-

*Listing approval for 2,62,920 shares is pending.

d. 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)

e. Average Stock Price of Last Twenty Six Weeks from 10th October 2005 to 7th April 2006 i.e. from the date of board meeting for considering the allotment of Equity Shares on preferential basis, in NSE, in which shares of the Company are most frequently traded.

Annexure - I

S. No	Week		High	Low	Average	Volume
1	10-Oct-05	14-Oct-05	24.80	23.95	24.38	82816
2	17-Oct-05	21-Oct-05	23.10	20.10	21.60	129774
3	24-Oct-05	28-Oct-05	21.60	20.30	20.95	82958
4	31-Oct-05	2-Nov-05	20.85	20.35	20.60	25092
5	7-Nov-05	11-Nov-05	22.20	20.90	21.55	104242
6	14-Nov-05	18-Nov-05	22.45	21.20	21.83	65228
7	21-Nov-05	26-Nov-05	22.60	22.15	22.38	75892
8	28-Nov-05	2-Dec-05	21.65	20.85	21.25	57889
9	5-Dec-05	9-Dec-05	21.10	20.45	20.78	65446
10	12-Dec-05	16-Dec-05	20.50	19.35	19.93	65927
11	19-Dec-05	23-Dec-05	19.70	18.95	19.33	61122
12	26-Dec-05	30-Dec-05	20.90	18.05	19.48	82162
13	2-Jan-06	6-Jan-06	23.05	21.00	22.03	157587
14	9-Jan-06	13-Jan-06	22.05	21.00	21.53	52121

S. No	Week		High	Low	Average	Volume
15	16-Jan-06	20-Jan-06	21.05	20.05	20.55	88642
16	23-Jan-06	27-Jan-06	20.90	19.25	20.08	94012
17	30-Jan-06	3-Feb-06	21.25	19.20	20.23	171654
18	6-Feb-06	10-Feb-06	20.75	19.80	20.28	77053
19	13-Feb-06	17-Feb-06	20.65	19.00	19.83	86729
20	20-Feb-06	24-Feb-06	19.05	18.00	18.53	59687
21	27-Feb-06	3-Mar-06	18.50	17.30	17.90	85743
22	6-Mar-06	10-Mar-06	18.10	17.20	17.65	54167
23	13-Mar-06	17-Mar-06	18.60	17.10	17.85	106116
24	20-Mar-06	24-Mar-06	17.15	16.15	16.65	102000
25	27-Mar-06	31-Mar-06	17.55	16.80	17.18	142450
26	3-Apr-06	7-Apr-06	18.70	17.85	18.28	75569
Total					**20.10**	**2252078**

The daily high and low prices of equity shares of GTL on NSE during the 2-week period preceding the reference date are given below:

Annexure - II

Sr. No.	Date	High	Low	Average	Volume
1	27-Mar	17.10	16.60	16.85	37800
2	28-Mar	17.75	16.50	17.13	37960
3	29-Mar	17.00	16.35	16.68	14431
4	30-Mar	17.30	16.00	16.65	27449
5	31-Mar	17.65	16.00	16.83	24810
		(a)	**16.83**		
1	3-Apr	18.30	17.50	17.90	17606
2	4-Apr	18.45	17.50	17.98	14447
3	5-Apr	19.00	17.80	18.40	16384
4	7-Apr	19.60	17.90	18.75	27132
		(b)	**18.26**		
		{(a) + b)}/2	**17.54**		

f. 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. April 10th, 2006	Rs.20.10 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. April 10th, 2006	Rs. 17.54 per share

The Offer Price of Rs. 24.01 (Rupees twenty four and one paisa Only) per share, being higher than 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.

g. 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
NAV*	18.29	16.59
EPS	1.47	0.58
RONW %	6.57	3.45
Industry PE Ratio*	27.50	

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

M/s Nataraja Iyer & Co., Chartered Accountants, Address 1-10-126, Ashoknagar, Hyderabad - 500 020. Telephone No. 040- 27601985, Fax - 040 - 27610990, have vide their report dated 01.07.2006 certified that Fair Value per share of GTL, based on the valuation methodology as laid down by the Honorable Supreme Court of India in the case of Hindustan Lever Employees Union V/s Hindustan Lever Limited, 1995 (83 com case 30), would be Rs. 17.07 (Rupees Seventeen and Seven Paise Only).

h. 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.

i. There is no non-compete agreement.

j. If GEL acquires shares after the date of Public Announcement upto 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the shares tendered in the offer and accepted under the offer.

8.2 Financial Arrangements

a. The total fund requirement for implementation of the Offer at 25.81 (Rupees twenty five and Eighty One Paise Only) per share aggregates to Rs. 6.71 crore (approx) 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.

b. 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:

   i. Cash deposit of Rs. 6,72,000 (Six lacs and seventy two thousands only), being 1% of total funds required for the offer, 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 in accordance with the Regulations.

   ii. Bank Guarantee dated 30th May 2006 and 28th March, 2007, UCO Bank, Abids branch, Hyderabad for Rs. 1,67,80,000.00 (Rupees one crore sixty seven lacs and eighty 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 9th July 2007.

c. In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.

d. The Acquirer is having sufficient internal accruals to fulfill the obligations of the offer. The same has been certified by the statutory auditor of the Company. The funds will be arranged through Bank Deposits of the Company.

e. As per certificate dated June 12, 2006 from Mr. B Appa Rao (M. No 28341), 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. 2804.02 Lacs (including revaluation reserve of Rs. 898.12 lacs) (based on provisional balance sheet)

f. Mr. B Appa Rao (M. No 28341), 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.

On the basis of the above, the Manager to the Offer is satisfied about the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations.

9. TERMS AND CONDITIONS OF OFFER

9.1 Statutory Approvals

a. Non-resident shareholders will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares tendered in the offer.

b. The Acquirer will make the requisite application to RBI to obtain permission under FEMA for the acquisition of shares under this Offer.

c. There are no other statutory approvals required to acquire the shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.

d. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer.

e. 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.

f. 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.

g. If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations.

9.2 Others Terms and Conditions

a. 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, 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 March 31, 2007 (specified date).

b. 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.

c. All the shareholders, except the Acquirer, 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.

d. The preferential allotment of 19,00,000 shares and entire pre preferential shareholding of GEL in GTL are subject to lock-in as per the SEBI (DIP) Guidelines.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a. The Acquirer has appointed Venture Capital and Corporate Investments Limited as Registrar to the Offer. Registrars have set up the following center 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.

b. Registered Shareholders (holders of shares in physical form) should enclose:

- **Form of Acceptance Cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- **Original Share Certificate(s)**
- **Valid Share Transfer deed(s)** duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with GTL and duly witnessed at the appropriate place(s).

c. Beneficial owners (holders of shares in dematerialized form) should enclose:

- **Form of Acceptance Cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial holders of shares as per the records of the DP.
- **Photocopy/Counterfoil of Delivery Instruction slip in** "off market" mode in favour of the special depository account mentioned above, duly acknowledged by DP

d. 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.

e. 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.**

f. Unregistered Shareholders should enclose:

- **Form of Acceptance-cum-Acknowledgement or an application on plain paper** duly completed and signed in accordance with the instructions contained therein by the person(s) accepting the Offer. Application on plain paper should be 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
- **Original Share Certificate(s)**
- **Original Contract Note(s) from the broker through whom the shares were acquired.**
- **Valid Share Transfer deed(s)** as received from market. The details of buyer should be left blank failing which, the same will be invalid under this offer. All other requirements for valid transfer will be pre condition for valid acceptance.
- **No indemnity is required from the unregistered owners.**

g. 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. 30th April, 2007. 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.

h. **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.**

i. 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 any of the collection centers 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.

j. In case any person has lodged shares of GTL for transfer and the transfer has not yet been effected, the concerned person may apply 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 and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct GTL and its Registrars & Transfer Agents to send the transferred share certificate(s) directly to the collection centers of Registrars to the offer as mentioned above before the date of closing of the offer.

k. 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. 30th April 2007, else the application will be rejected.

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

m. 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.

n. 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. 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.

o. 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 previous **RBI Approvals not being submitted, 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.

p. 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.

q. 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.

r. 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.

s. The shares and other relevant documents should not be sent to the acquirer/PACs/ Target Company by the shareholders.

11. PROCEDURE FOR WITHDRAWAL OF APPLICATION / ACCEPTANCE

a) 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. up to 25th April 2007.

b) 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.

c) 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 30th April 2007.

12. MATERIAL DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of UTI Securities Limited, Dheeraj Arma, 1st Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051 from 10.00 a.m. to 1.00 p.m. and from 2.30 p.m. to 4.30 p.m. on any working day, except Saturdays, Sundays, and Public/Bank Holidays until the offer closes:

a) Memorandum & Articles of Association and Certificate of Incorporation of Goldstone Technologies Limited.

b) Memorandum & Articles of Association and Certificate of Incorporation of Goldstone Exports Limited.

c) Memorandum of Understanding between Goldstone Exports Limited and UTI Securities Limited as Managers to the Offer.

d) Copy of Certificate dated 23rd May 2006 from M/s. Boppudi & Associates, Chartered Accountants, certifying about the adequacy of resources of Acquirer in fulfilling the obligations of the offer.

e) Copy of Certificate dated 12th June 2006 from M/s. Boppudi & Associates, Chartered Accountants, certifying about the net worth of GEL as Rs. 2804.02 lacs (including revaluation reserve of Rs. 898.12 lacs) as on March 31st 2006 (Based on the provisional figures).

f) Annual Reports of GTL for FY 2002-03 , 2003-04, 2004-05 and 2005-06 certified by the statutory Auditors of the Company and brief unaudited financials for 9 months ended December 31, 2006 as certified by the statutory Auditors.

g) Annual Report of GEL for FY 2002-03, 2003-04, 2004-05 and 2005-06 certified by the statutory Auditors of the Company and brief unaudited financials for 11 months ended February 28, 2007 as certified by the statutory Auditors.

h) Bank Guarantee dated 30th May 2006 and 28th March 2007 from UCO Bank for Rs. 1,56,10,000 anr Rs. 11,70,000 respectively in favour of UTI Securities Limited.

i) Copy of Certificate dated 26th April 2006 from M/s. Nataraja Iyer & Co., Chartered Accountants, giving the GTL's share price working on which shares were allotted to GEL on preferential basis at Rs. 21/- per share.

j) Copy of the agreement with Depositary participant for opening of a special depository account for the purpose of the offer.

k) Copy of Public Announcement dated 1st June 2006.

l) Copy of Revised Public Announcment dated 30th March 2007.

m) Undertakings from Summit Communications Private Limited and Horizon Television Private Limited stating that warrants allotted to them would not be converted in to shares till the 15 days after the closure of the offer.

13. RESPONSIBILITY STATEMENT

a) The Acquirer accepts full responsibility for the information contained in this Letter of Offer.

b) Further the Acquirer accepts full responsibility, jointly and severally, for ensuring compliance of the SEBI (SAST) Regulations.

Signed on behalf of Acquirer
For and on behalf of Board of
Goldstone Exports Limited

Sd/-
(PVS Sarma)
Alternate Director

Date: 30th March 2007
Place: New Delhi

Encl: FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL, TRANSFER DEED(S)

ANNEXURE I

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGUALTIONS (as applicable)

By the promoters/Sellers/major shareholders/Acquirers, separately (as may be applicable)

GOLDSTONE EXPORTS LIMITED

Sl. No.	Regulation/ Sub- regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4- Col. 3	Remarks
1	2	3	4	5	6
1	6(1)	20.04.1997	18.4.1997	N A	In Time
2	6(3)	20.04.1997	18.4.1997	N A	In Time
3	8(2)	18.07.1997	18.07.1997	N A	In Time (Record date for dividend)
4	8(1) & 8(2)	21.04.1998	22.04.1998	Delay by one day	
5	8(2)	16.06.1998	16.06.1998	N A	In Time (Record date for dividend)
6	8(1) & 8 (2)	21.04.1999	20.04.1999	N A	In Time
7	8(2)	26.12.1999	26.12.1999	N A	In Time (Record date for dividend)
8	8(1) & 8(2)	21.04.2000	13.04.2000	N A	In Time
9	8(2)	06.06.2000	06.06.2000	N A	In Time (Record date for dividend)
10	8(1) & 8(2)	21.04.2001	08.03.2002	Delay by 321 days	By oversight
11	8(1) & 8(2)	21.04.2002	15.04.2002	N A	In Time
12	8(1) & 8(2)	21.04.2003	16.04.2003	N A	In Time
13	7 (2)	31.10.2003	Not Disclosed`	-	By oversight
14	8(1) & 8(2)	21.04.2004	15.04.2004	N A	In Time
15	8(2)	21.04.2005	08.04.2005	N A	In Time
16	8(2)	21.04.2006	10.04.2006	N A	In Time

ANNEXURE II

By the target company

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4- Col. 3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(2)	20.05.1997	19.05.1997	N A	In Time
2	6(4)	20.05.1997	19.05.1997	N A	In Time
3	8(3)	27.07.1997	23.07.1997	N A	In Time (Record date for dividend)
4	8(3)	30.04.1998	22.04.1998	N A	In Time
5	8(3)	30.04.1999	20.04.1999	N A	In Time
6	8(3)	25.06.1998	23.06.1998	N A	In Time (Record date for dividend)
7	8(3)	04.01.2000	04.01.2000	N A	In Time (Record date for dividend)
8	8(3)	30.04.2000	13.04.2000	N A	In Time
9	8(3)	15.06.2000	30.05.2000	N A	In Time (Record date for dividend)
10	8(3)	30.04.2001	8.03.2002	Delay by 312 days	Late submission by the Promoter
11	8(3)	30.04.2002	15.04.2002	N A	In Time
12	8(3)	30.04.2003	16.04.2003	N A	In Time
13	7 (3)	07.11.2003	Not Disclosed	-	Non submission by promoter
14	8(3)	30.04.2004	15.04.2004	N A	In Time
15	8(3)	30.04.2005	08.04.2005	N A	In Time
16	8(3)	30.04.2006	10.04.2006	N A	In Time

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Venture Capital & Corporate Investments Ltd. at any of the collection centres as mentioned in the Letter of Offer)

Offer Opens on	9th April 2007, Monday
Last Date for Withdrawal of Application	25th April 2007, Wednesday
Offer Closes on	30th April 2007, Monday

From
(Name & Complete Address)

Tel No. ____________________________ **Fax No.** ________________________ **Email** ____

To,
VENTURE CAPITAL & CORPORATE INVESTMENTS LIMITED
6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad- 500004

Dear Sir,

Sub: Open Offer for acquisition of equity shares of Goldstone Technologies Ltd. ("GTL") by Goldstone Exports Limited ("Acquirer").

I/We refer to the letter of offer dated 30th March, 2007 for acquiring the equity shares held by me/us in Goldstone Technologies Limited.

I/We, the undersigned have read the letter of offer and understood its contents including the terms and conditions as mentioned therein.

For Shares held in Physical Form :

I/We, accept the offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of shares
			From	To	
Total number of equity shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the offer till the time the acquirer gives the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the acquirer will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named "VCCIL ESCROW ACCOUNT GTL OPEN OFFER" (the "Special Depository Escrow Account") with the following particulars:

DP Name - Stock Holding Corporation of India Limited Client ID - 21315578 DP ID - IN301022

Shareholders whose shares are held in beneficiary Account with CDSL have to use an inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL.

I/We note and understand that the Shares would lie in the Special Depository Escrow Account until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of Goldstone Technologies Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the merchant banker and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer or their Merchant Banker to send by Registered Post / Courier the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

The Permanent Account Number (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN/GIR No.			

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank		**Account No.**		**Saving/Current/NRE/NRO/ Others (Please tick)**
Address of Branch				

Yours faithfully,

Signed & Delivered by	Full Names (s) & Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal and necessary Board resolution should be attached.

Place : Date :

--Tear along this line --

Acknowledgement slip

Stamp of collection Center	
Signature of Official	
Date of Receipt	

Received from Mr./Ms. __________________________ Folio No. _____________________ Form of Acceptance cum Acknowledgement, ______________________Number of certificates for _______________________ equity shares / Copy of Delivery instruction to DP for _____________________ equity shares.

INSTRUCTIONS

1. Pease read the enclosed Letter of Offer carefully before filling this Form of Acceptance.

2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Equity Shareholders of GTL. Each equity shareholder of GTL to whom this Offer is being made is free to offer his equity shareholding in GTL in whole or in part while accepting the Offer.

3. In case of joint holdings, all the holders whose names appears on the Equity Share Certificate must sign this Form of Acceptance in the same order in which these names appears on the register of members and as per the specimen signature(s) lodged with GTL.

4. In case of physical Equity Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with GTL and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or Manager of the transferors' bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER FORM. Relevant Equity Share Certificates must be annexed.

5. In case of Bodies Corporate, proper corporate authorization should be enclosed.

6. Persons who own Equity Shares (as on the Specified Date or otherwise) but are not the registered holders of such Equity Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the Equity Share Certificate(s) and valid transfer deed(s) and other relevant documents. In case, the Equity Share Certificate(s) and transfer deed(s) are lodged with GTL for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement or receipt by GTL Limited.

7. Shareholders of GTL, who wish to avail this Offer should forward the relevant documents, by registered post with acknowledgement due or by hand delivery only to the Registrar to the Offer, so as to reach on or before 30th April 2007.

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Note: All future correspondence, if any, should be addressed to the Registrar to the offer, at the address mentioned below:

Venture Capital and Corporate Investments Limited
6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad- 500004

FORM OF WITHDRAWAL

Offer Opens on	9th April 2007, Monday
Last Date for Withdrawal of Application	25th April 2007, Wednesday
Offer Closes on	30th April 2007, Monday

From
(Name & Complete Address)

Tel No. ____________________________ **Fax No.** ________________________ **Email** ____

To,
VENTURE CAPITAL & CORPORATE INVESTMENTS LIMITED
6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad- 500004

Dear Sir,
Sub: Open Offer for acquisition of equity shares of Goldstone Technologies Ltd. ("GTL") by Goldstone Exports Limited ("Acquirer").
I/We refer to the letter of offer dated 30th March 2007 or acquiring the equity shares held by me/us in Goldstone Technologies Limited.
I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/ Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer on or before the last date of withdrawal.
I/We note that the Acquirer/Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.
The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio No.	Certificate No.	Distinctive Nos.		No. of shares
	Tendered			
Total number of equity shares Tendered				
	Withdrawn			
Total number of equity shares Withdrawn				

(In case of insufficient space, please use additional sheet and authenticate the same)
I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "VCCIL ESCROW ACCOUNT GTL OPEN OFFER" (Special Depository Escrow Account) as per the following particulars:

DP Name - Stock Holding Corporation of India Limited	**Client ID - 21315578**	**DP ID - IN301022**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.
In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.
I/We confirm that the particulars given above are true and correct.

Signed & Delivered by	Full Names (s) & Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place : Date :

--Tear along this line --

Acknowledgement slip

Received from Mr./Ms. __________________________ Folio No. ____________________ Form of withdrawal cum Acknowledgement, ______________________Number of certificates for _______________________ equity shares / Copy of Delivery instruction to DP for _____________________ equity shares.

Stamp of collection Center	
Signature of Official	
Date of Receipt	

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
2. Shareholders should enclose the following:

   i. **<u>For Equity Shares held in demat form:</u>**

   Beneficial owners should enclose

   - Duly signed and completed form of Withdrawal.
   - Copy of the form of acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip.
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP.

   ii. **<u>For Equity Shares held in physical form:</u>**

   Registered Shareholder should enclose

   - Duly signed and completed form of withdrawal.
   - Copy of the form of acceptance-cum-acknowledgement / Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holding(s) in the same order and as per specimen signatures registered with GTL, and duly witnessed at the appropriate place.

   iii **<u>Unregistered owners should enclose:</u>**

   - Duly signed and completed Form of withdrawal.
   - Copy of the Form of Acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.
3. The withdrawal of shares will be available only for the Share Certificate/shares that have been received by the registrar to the Offer/special Depository Escrow Account.
4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company / Depository as the case may be.
5. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is only available to registered shareholders.
7. **Shareholders holding shares in dematerialized form are required to issue the necessary standing instruction for receipt of the credit in their DP Account.**

TEAR HERE

Note: All future correspondence, if any, should be addressed to the Registrar to the offer, at the address mentioned below:

Venture Capital and Corporate Investments Limited
6-2-913/914, Third Floor, Progressive Towers,
Khairatabad, Hyderabad- 500004