

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE



Name of the Company: **Goldstone Technologies Limited**

Quarter Ending: **30th September 2006**

| PARTICULARS | CLAUSE OF LISTING AGREEMENT | COMPLIANCE STATUS (Y/N) | REMARKS |
|---|-----------------------------|-------------------------|---|
| 1 | 2 | 3 | 4 |
| I. Board of Directors | 49I | YES | Constituted as per the provisions of Clause 49 read with Companies Act 1956 |
| (A) Composition of Board | 49(A) | YES | Composition as per the provisions of Clause 49 (1A)read with Companies Act 1956 |
| (B) Non-Executive Directors Compensation & Disclosures | 49(IB) | NA | |
| (C) Other Provisions as to Board and Committees | 49(IC) | YES | |
| (D) Code of Conduct | 49(ID) | YES | Will be Complied in the Next Board Meeting |
| II. Audit Committee | 49(II) | YES | |
| (A) Qualified and Independent Audit Committee | 49(IIA) | YES | |
| (B) Meeting of Audit Committee | 49(IIB) | YES | |
| (C) Powers of Audit Committee | 49(IIC) | YES | |
| (D) Role of Audit Committee | 49(IID) | YES | |
| (E) Review of Information by Audit Committee | 49(IIE) | YES | |
| III. Subsidiary Companies | 49(III) | NA | |
| IV. Disclosures | 49(IV) | YES | |
| (A) Basis of Related party transactions | 49(IVA) | YES | |
| (B) Board Disclosures | 49(IVB) | YES | |
| (C) Proceeds from Initial Public/Rights/Preferential (Issues) | 49(IVC) | YES | |
| (D) Remuneration of Directors | 49(IVD) | NA | |
| (E) Management | 49(IVE) | YES | |
| (F) Shareholders | 49(IVF) | YES | |
| V. CEO/CFO Certification | 49(V) | YES | |
| VI. Report on Corporate Governance | 49(VI) | - | Will be Complied In the Annual Report |
| VII. Compliance | 49(VII) | - | Will be Complied In the Annual Report |