

**GOLKONDA ENGINEERING
ENTERPRISES LIMITED**



**19TH
ANNUAL REPORT
2003-2004**

**GOLKONDA ENGINEERING ENTERPRISES LIMITED,
REGD.OFF: 7TH FLOOR, SURYA TOWERS,
S.P.ROAD, SECUNDERABAD-500003.**

NOTICE OF ANNUAL GENERAL MEETING

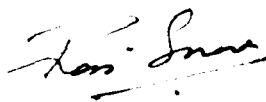
NOTICE is hereby given that the Nineteenth Annual General Meeting of the shareholder of M/s.Golkonda Engineering Enterprises Limited, will be held on Monday, the 20th day of December, at 2.30 P.M at 7th Floor, Surya Towers, S.P.Road, Secunderabad-500003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2004 and profit & Loss Account for the period ended 31st March, 2004 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Ravi Surana, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

RESOLVED THAT M/s.G.Ramamohan & Co. Chartered Accountants, Hyderabad be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the company till the conclusion of next Annual General Meeting of the company on such remuneration including out of pocket expenses as may be approved by the board of directors of the company in place of M/S.Sekhar & Co., Chartered Accountants , who expressed their desire to relinquish the office of the Auditors of the Company, due to their commitments.

BY ORDER OF THE BOARD,
FOR GOLKONDA ENGINEERING ENTERPRISES LIMITED



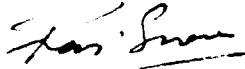
(RAVI SURANA)
DIRECTOR

Date: 24th NOVEMBER, 2004
Place: SECUNDERABAD

NOTES :

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies to be effective, it shall be lodged to the registered office of the company at least 48 hours before the meeting.
The Register of Members and the share Transfer books of the company will remain closed from 17th December to 20th December (both days inclusive)
3. The members are requested to bring the Annual Report along with them to the Annual General Meeting.
4. Members are also requested to send their queries, on the adoption of accounts well in advance so as to enable the company to place relevant records and information at the time of Annual General Meeting.
5. Members are requested to intimate the change of address, if any, to the Registered Office of the Company.
6. The equity shares of the company are listed on The Hyderabad Stock Exchange Limited, 6-3-654, Somajiguda, Hyderabad-500082 and The Mumbai Stock Exchange, Phirozee Jeejeeboy Towers, Dalal Street, Mumbai-400 001.

BY ORDER OF THE BOARD,
FOR GOLKONDA ENGINEERING ENTERPRISES LIMITED


(RAVI SURANA)
DIRECTOR

Date: 24th NOVEMBER, 2004
Place: SECUNDERABAD

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the NINETEENTH ANNUAL REPORT of the company together with the audited accounts for the period ended on 31.03.2004.

FINANCIAL RESULTS:

	(Rs. In Lacs)	
	Current Year 31.03.2004	Previous Year 31.03.2003
Turnover	1215.80	2228.29
Expenditure	1361.67	2505.37
Profit for the year	(146.92)	(277.09)
Prior period adjustments	(5.99)	15.56
Profit before taxation	(152.91)	(-) 261.52
Less: Provision for taxation	10.48	21.93
Income tax of earlier years	-----	-----
Profit after tax	(163.39)	(-) 283.46
Add: Balance brought forward from previous year	(283.04)	0.42
Balance available for appropriation and carried forward to Balance Sheet.	(446.43)	(-) 283.04

PERFORMANCE:

Your company has been able to achieve turnover of Rs. 1215.80 Lakhs for the year under review as against Rs. 2228.29 lakhs in the previous year resulting in a decrease of turnover by Rs. 1012.49 Lakhs. Your company has obtained sufficient orders from BSNL and MTNL to keep the operations going.

FUTURE OUT LOOK:

Yours Directors foresee the expansion of market and demand potentiality for the Jelly Filled Telephone cables as a result of growth of telecom industry.

DIVIDEND:

In order to conserve the financial resources for the future operation and expansion of your company, yours Directors regret their inability to recommend any Dividend for the year under review.

DEPOSITS:

The company has not accepted any deposits from the public within in the meeting of section 58 A of companies Act, 1956 during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of section 217 (2-AA) of the companies act, 1956, the Directors confirms that

1. In preparation of accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review
3. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. Directors have prepared the accounts for the financial year ended 31st March 2004. On a going concern basis.

CONSTITUTION OF AUDIT COMMITTEE:

As required under section 292A of the Companies Act, 1956, the constitution of Audit Committee does not apply to the company since the paid up capital of the company is less than Rs.5 Crores. Hence it was not formed.

PERSONNEL:

Since no employee drew remuneration within the section 217 (2A) of the companies Act, 1956 read with companies (Particulars of Employees) Rules, 1975, the information as required therein is not given.

DIRECTORS:

Shri Ravi Surana retire by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.

AUDITORS :

M/s.Sekhar & Co, Auditors of the company expressed their inability to continue as auditors of the company from this Financial Year and sent a letter in this regard on 1.4.2003. After due deliberations at the Board Meeting held after receipt of the resignation letter , the board approved the letter with very great pain and sorrow and recorded its appreciation of the services rendered to the company. In the same Board meeting the Board appointed M/S.G.Ramamohan & Co., Hyderabad, from the Financial Year starting on 1.4.2003 and will hold office till the end of the ensuing Annual General Meeting and is eligible for re-appointment.

STATUTORY INFORMAIION:

Information on conservation of Energy, Technology, Absorption Foreign Exchange Earnings and out go required to be disclosed under section 217 (1) (e) of the companies act, 1956, read with companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are provided as an Annexure to this report.

ACKNOWLEDGMENTS :

Your Directors take this opportunity to express their gratitude to our bankers and other central and state government Departments and local authorities for their guidance and support. Your Directors wish to place on record their sincere appreciation of the untiring efforts and team spirit of all the staff and executives and the workmen of the company.

BY ORDER OF THE BOARD
FOR GOLKONDA ENGINEERING ENTERPRISES LIMITED


(RAVI SURANA)
DIRECTOR

Date:24th NOVEMBER,2004

Place: SECUNDERABAD

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956,
READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT
OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Measures have been taken to conserve energy by continuous monitoring and effective use of energy.

b) Additional Investments and proposals being implemented for reduction of consumption of energy

Additional investment proposed for reduction of consumption of energy is in the nature of revenue expenditure. The proposals for reduction of consumption of energy would be proper upkeep of plant and machinery, imparting of training programmed to the employees concerned, sourcing of alternative cost effective fuel, and designing better process of manufacture.

c) Impact of measures at (a) and (b) above reduction of energy consumption and consequent impact on the cost of production of goods:

The energy conservation measures adopted by the company results in saving of consumption of power, better productivity and efficiency of operation.

d) Total energy consumption and energy consumption per unit of production

As per FORM-A annexed.

B. TECHNOLOGY ABSORPTION:

e) Efforts made in technology absorption:

As per form-B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no outflow of foreign exchange during the financial year

FORM-A			
(Disclosure of particulars with respect to conservation of energy)			
		Current Year 2003-2004	Previous Year 2002-2003
A)	Power and Fuel Consumption		
1.	Electricity		
a.	Purchased units (KWH)	803424	1431191
	Total Amount (Rs.)	6306878	11192484
	Cost Per Unit (Rs.)	7.85	7.82
b.	Own Generation	0	0
	Through Diesel Generator	0	0
	Units (KWH)	0	0
	Units per litre of Diesel	0	0
	Cost per unit (Rs.)	0	0
B)	Consumption per unit of production	0	0
	Product -jelly filled cables	0	0
	Unit-conducted Kilometers	0	
	Electricity (KWH)	803424	1431191
	Furnace oil - LDO (No. of LTRS)	0	0
	Cost of Electricity (Rs.)	6306878	11192484
	Cost of Furnace Oil-LDO (Rs.)		
	Total Cost of Energy (A) (Rs.)	6306878	11192484
	Total CKM Production		302340443
	a) Jelly Filled Cables in CKM		132071.85
	Cost per unit of production/ CKM		Rs. 37.019