



BOARD OF DIRECTORS

G.Amulya Reddy Director
G.Rama Manohar Reddy Managing Director

REGISTERED OFFICE

3C, SAMRAT COMMERCIAL COMPLEX,
OPP.A.G.OFFICE, SAIFABAD,
HYDERABAD – 500 004.

R & D CENTRE

4A, SAMRAT COMMERCIAL COMPLEX,
OPP.A.G.OFFICE, SAIFABAD,
HYDERABAD – 500 004.

FACTORY

2-338, Thota Street, Yanam,
State of Pondicherry

BANKERS

STATE BANK OF HYDERABAD
BELLAVISTA BRANCH,
SOMAJIGUDA, HYDERABAD

AUDITORS

A.M.REDDY&CO.,
Chartered Accountants,
Hyderabad – 500 028.





NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of the company will be held on Thursday the 30th day of September, 2004 at 11.00 AM at the Registered office of the company to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March'2004 and the Balance sheet as on that date together with the Directors' Report and Auditors' report thereon.
2. To declare dividend on Equity Shares
3. To appoint Auditors and fix their remuneration

Place : Hyderabad
Date : 01-09-2004

BY ORDER OF THE BOARD

Sd/-
(G.RAMA MANOHAR REDDY)
MANAGING DIRECTOR

- NOTE: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/herself and such a proxy need not be a member of the company.
2. The Proxy form duly stamped and executed should be deposited at the Registered Office of the company atleast 48 hours before the time fixed for the meeting.

DIRECTORS' REPORT

The Members of the Company,

Your Directors have pleasure in presenting the Ninth Annual Report along with the audited statement of accounts for the year ended 31st March'2004

FINANCIAL RESULTS:

During the year under review your company achieved a turnover of Rs 571.24 lakhs against Rs.412.98 lakhs in the previous year and earned a net profit of Rs 60.28 lakhs against Rs.30.02 lakhs in the previous year. Your Directors are taking active steps to project better financial results in the coming year.

DEPOSITS

The Company has not accepted any deposits from the public.

DIVIDEND

Your directors recommend a dividend of 10% on Equity Shares of the company for the year ended 31st March, 2004. The dividend, if approved at the forthcoming annual general meeting, will be paid to those members whose names appear on the register of members.

PARTICULARS REGARDING ENERGY CONSERVATION ETC.,

The information regarding energy conservation and technology absorption required to be disclosed 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 are as under.

A. Conservation of Energy

The company is taking all measures to reduce the energy consumption by adopting energy conservation measures.

B. Particulars with respect to Technology Absorption

Technology Absorption - Nil

**Research & Development**

- The company was given status of R&D Unit by the Department of Scientific and Industrial Research Government of India, New Delhi for the R&D work done for producing of test and measuring equipment for optical fiber and copper cable for telecom industry such as Optical Power Meter, Optical light source 1310nm and 1550nm, Optical Fiber Identifier, Optical Talk Set etc.
- During the year under report your company has approached Department of Scientific and Industrial Research, New Delhi for exemption u/s 35 (2AB) of the Income Tax Act, 1961 for in house R & D expenditure. Your directors are confident to get the approval for the year 2003-04 onwards from the said authorities.
- During the year the company has spent expenditure both in recurring and capital amounting to Rs. 43.12 lakhs.

C. Foreign Exchange Earnings & Out go:

- Foreign Exchange Earnings – Rs. 12.03 lakhs
- Foreign Exchange Outgo – Rs 79.16 lakhs
(Previous year – Rs.139.24 lakhs)

PARTICULARS OF EMPLOYEES

Particulars of employees required in pursuant of Sec 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of employees) Rules, 1975 – Nil

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed.

- that in the preparation of the accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a 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.
- That the 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.
- That the Directors have prepared the accounts for the financial year ended 31st March 2004 on a 'going concern basis.'

AUDITORS

M/s. A.M. Reddy & Co., Chartered Accountants retire at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their grateful thanks to the concerned banks for their valuable assistance. We would also like to record our appreciation to the sincere and dedicated services rendered by the employees of the company.

FOR AND BEHALF OF THE BOARD

Sd/-
(G. AMULYA REDDY)
DIRECTOR

Place : Hyderabad
Date : 01-09-2004

Sd/-
(G.RAMA MANOHAR REDDY)
MANAGING DIRECTOR

**A.M.Reddy & CO.,**

Chartered Accountants

10-5-6/B, My Home Plaza,
Off: 103, II Floor, Masabtank,
Hyderabad - 500 028
Ph: 23316426/23316912

AUDITORS' REPORT

The Members of
AISHWARYA TELECOM PRIVATE LIMITED,
HYDERABAD.

1. We have audited the attached Balance Sheet of M/s.AISHWARYA TELECOM PRIVATE LIMITED as at 31st March, 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;