



BOARD OF DIRECTORS

G.Amulya Reddy	Director
G.Rama Krishna 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 Tenth Annual General Meeting of the members of the company will be held on Friday the 27th day of May, 2005 at 10.30 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, 2005 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

SPECIAL BUSINESS:

4. To receive, consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.

"RESOLVED that Sri.G.Rama Krishna Reddy, who being an additional director of the company vacates his office at the ensuing Annual General Meeting and offers himself for re-appointment".

BY ORDER OF THE BOARD

Place : Hyderabad

Date : 02-05-2005

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.
 3. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF
THE COMPANIES ACT, 1956**

ITEM NO.4

Sri.G.Rama Krishna Reddy was co-opted into the board by the Board of Directors of the company. However in pursuant to Section 260 of the Companies Act, 1956, Sri.G.Rama Krishna Reddy holds his office as Director upto the date of ensuing Annual General Meeting, but he is eligible for re-appointment. The company has received notice from one of the members signifying his intention to propose the appointment of Sri.G.Rama Krishna Reddy. The Board considered it desirable that the Company should continue to avail the benefit of his services

Members are requested to pass the resolution.

None of the Directors are interested except Sri.G.Rama Krishna Reddy, Director and Sri.G.Rama Manohar Reddy son of Sri.G.Rama Krishna Reddy.

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DIRECTORS' REPORT

The Members of the Company,

Your Directors have pleasure in presenting the Tenth Annual Report along with the audited statement of accounts for the year ended 31st March, 2005

FINANCIAL RESULTS:

During the year under review your company achieved a turnover of Rs.782.81 lakhs as against Rs.571.24 lakhs in the previous year and earned a net profit of Rs.128.77 lakhs as against Rs.60.28 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, 2005. The dividend, if approved at the forthcoming annual general meeting, will be paid to those members whose names appear on the register of members.

DIRECTORS

During the year under report Sri.G.Rama Krishna Reddy who being an additional director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

- Your company continues to enjoy the status of R & D unit given by the Department of Scientific & Industrial Research (DSIR), Government of India, New Delhi for the R & D work in producing Telecom Test & Measuring equipment for optical Fiber Data Cable and Copper Cable. The company has been successful in developing products like Optical Power Meter, Optical Light Source, Optical Talkset, Optical Variable Attenuator, Optical Time Domain Reflectometer, High Speed Data Tester etc.
- Your company continues to enjoy the exemption u/s.35(2AB) of the Income Tax Act, 1961 from DSIR for the in house R & D expenditure for second successive year.
- During the year the company has incurred expenditure both in recurring and capital amounting to Rs.95.83 lakhs.

C. Foreign Exchange Earnings & Out go:

- Foreign Exchange Earnings – Rs.16.93 lakhs
- Foreign Exchange Outgo – Rs.167.19 lakhs
(Previous year – Rs.79.16 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 Directors' Responsibility Statement, it is hereby confirmed.

- that in the preparation of the accounts for the financial year ended 31st March 2005, 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.



- (iii) 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.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2005 on a 'going concern basis.'

AUDITORS

M/s.A.M.Reddy & Co., Chartered Accountants who being auditors of the company 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 : 02-05-2005

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