

Chairman's Speech

I, on behalf of the board of City Online Services Ltd welcome all the members of our company to the 6th annual general body meeting. It's our pleasure to have you among us today.

I wish to place before you the review of last financial year and the prospects for the coming year.

The financial results for financial year 2004-2005 is before you. Your company did a turn over of Rs 3.13crores during the year.

During the Year 2004-05, due to revival of Economy globally and home Front the IT market in India has grown many folds as a result of which the demand for internet bandwidth has Increased .Taking advantage of this situation your company marketed aggressively at Hyderabad and Bangalore there by there was tremendous Increase in Corporate Clientele during this period . The cost of bandwidth has reduced by 50% as a result of which the increase is not reflected in the financial figures

Your company is expanding its network in the entire state of Andhra Pradesh with branches at nodal towns like Vijayawada, Guntur, Vizag and Other places apart from corporate office at Hyderabad catering to the needs of the Twin cities of Hyderabad, and Secunderabad.

In Karnataka your company is expanding its services to Mysore, Davangere and to near by Towns around Bangalore.

The Board of Directors are confident to achieve better results for 2005-2006 as the outlook for the forth coming year is promising from all the fronts with reviving economy globally. As a result, new IT companies and MNCs are coming up in India to set up their operations especially in Hyderabad and Bangalore.

Your company has noticed that the IT companies are now spreading allover the cities to enable to reach all the corners for Providing Internet bandwidth and Other Services like VOIP, your company is planning to set up Internet Nodes around the city in Bangalore and Hyderabad, From the Nodes your company plans to provide Internet Bandwidth to the customers through Wireless solution. Your Company has already started importing the wireless equipments at very competitive cost. Your Company plans to package the Service by leasing out the wireless Kits to provide end to end solutions to the Customers at a very competitive price. The company is targeting to double the customer base.

Your Company is providing end to end Solutions for providing Internet Bandwidth to Call centers, Hotels and Commercial Complexes and also Software Parks through wired and wireless solutions.

Your Company is providing end to end Solutions in VOIP to call centers, Offices, Residential apartments and Public telephone Booths for International calling with Billing solutions. Your Company foresees a huge potential in this segment.

Your Company is also providing Co- Location and Dedicated Server services, FTP services to its Customers

Your company is endeavoring to implement innovative marketing strategies to tap the semi urban internet users where potential is increasing by setting up branches in different districts in Andhra Pradesh and Karnataka.

On behalf of the board I assure you a growth of at least 35% in the coming year. Once again I thank all the members present here and also our sincere thanks to all the members of our company who have reposed faith in the company and our special thanks to the central govt, State govt. Dept of Telecommunications, APIDC and to the company bankers for their Continuous support during the year and look forward to receive the same in the future.