

15th

ANNUAL REPORT
2009 - 2010



AISHWARYA TELECOM LIMITED

BOOK - POST

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To

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AISHWARYA TELECOM LIMITED

1-3-1026 & 1027, Singadikunta, Kawadiguda,
Hyderabad - 500 080 A.P. India
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AISHWARYA TELECOM LIMITED

15th Annual Report
2009-2010

Board of Directors

Mr. G. Rama Krishna Reddy
Chairman

Mr. D. Venkata Subbiah
Independent Director

Mr. G. Rama Manohar Reddy
Managing Director

Mr. Harish K Jain
Independent Director

Mrs. G. Amulya Reddy
Whole-time Director

Mr. M. Madhusudhana Reddy
Independent Director

Registered Office:

Aishwarya Telecom Limited,
1-3-1026 & 1027, Singadikunta,
Kawadiguda, Hyderabad – 500 080 (A.P)

Factory:

Plot No: F-102
UPSIDC Industrial Area
Selaqui, Dehradun-248 008
Uttarakhand

Auditors :

M/s. Ramana Reddy & Associates
(Formerly M/s. A.M. Reddy & Co.,)
Chartered Accountants
10-5-6/B, My Home Plaza,
Off: 103, II Floor, Masab Tank,
Hyderabad – 500 028 (A.P)

Banker :

State Bank of Hyderabad
Raj bhavan Road Branch
H.No. 6-3-1092, A Block
1st Floor, Shanti Sikhara Complex
Bella vista, Somajiguda
Hyderabad - 500 082 (A.P)

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NOTICE

NOTICE is hereby given that 15th Annual General Meeting of M/s. Aishwarya Telecom Limited will be held as per the schedule given below to transact the following business:

Day and Date	Monday, September 27, 2010
Time	11:00 AM
Venue	Registered Office: 1-3-1026 & 1027 Singadikunta, Kawadiguda Hyderabad 500 080

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a) The Audited Balance sheet as at March 31, 2010
 - b) The Audited Profit and Loss Account for the year ended on that date
 - c) The Auditors' report, thereon; and
 - d) The Directors' report
2. To declare dividend of 5% on Equity share capital.
3. To appoint a Director in place of Mr. Harish K Jain who retires by rotation and being eligible has offered himself for reappointment.
4. To re - appoint M/s. Ramana Reddy & Associates., Chartered Accountants, Hyderabad formerly known as M/s. A.M. Reddy & Co., as auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. M. Madhusudhana Reddy, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f 12.01.2010 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation"

For and on behalf of the Board of
M/s. Aishwarya Telecom Limited

(G. Rama Manohar Reddy)
Managing Director

Place : Hyderabad
Date : 18-08-2010

Notes

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.** Proxy forms in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of this Annual report
2. The register of members and share transfer books of the Company will remain closed from 25.09.2010 to 27.09.2010 (both days inclusive)
3. The dividend of 5% for the year ended 31st March 2010 as recommended by the Board, if sanctioned at the AGM will be payable to those members whose names appear on the Company's Register of Members on 24th September, 2010.
4. Members are requested to notify immediately any change in their address to the Company's Registered Office.
5. An Explanatory statement as required U/s 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
6. Members/Proxies are requested to bring duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.
7. Members holding shares in the physical form may write to the Company for any change in their addresses and bank mandates. Members holding shares in electronic form may write to their depository participants for immediate updation so as to enable the Company to dispatch dividend warrants to the correct address.

ANNEXURE TO THE RESOLUTION**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956****Item No.5:**

The members may note that Mr. M. Madhusudhana Reddy was inducted into Board as Additional Director of the company, under Independent Director Category with effect from 12.01.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors except Mr. M. Madhusudhana Reddy may be deemed to be concerned or interested in the resolution.

For and on behalf of the Board of
M/s. Aishwarya Telecom Limited

(G. Rama Manohar Reddy)
Managing Director

Place : Hyderabad
Date : 18-08-2010

DIRECTORS' REPORT

To

The Members of
AISHWARYA TELECOM LIMITED,

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March 2010

REVIEW OF OPERATIONS

During the year under review, your company has recorded a Profit after Tax (PAT) of **Rs.6.21Crores** (previous year Rs. 1.65 Crores).

During the year under review, your company has achieved an increased Turnover of **Rs. 42.98 Crores** inspite of global economic slowdown when compared to the previous year turnover of Rs. 42.01Crores.

FINANCIAL RESULTS

(Rupees in Thousands)

Particulars	2010	2010	2009	2009
Income from operations				
Sales	429775		420097	
Increase in stocks	29755		21414	
Other Income	16599	476129	6845	448356
Expenditure				
a) Trade Purchases	274852		289784	
b) Manufacturing Expenses	64829		34295	
c) Payment & Benefits to Employees	14049		15563	
d) Administrative Expenses	37080	390810	74691	414333
Profit before Depreciation and Interest		85319		34023
Financial Charges		8513		10396
Depreciation		7852		6685
Net Profit for the year		68954		16942
Add: Prior Period Adjustment		1308		0
Net Profit for the year before tax		70262		16942
Provision for Taxation		8152		419
Profit After Tax		62110		16523
Add: Balance brought from previous year		88058		78186
Balance available for appropriation		150168		94709
<i>Appropriations:</i>				
Transfer to General Reserve		1553		413
Proposed Dividend		5331		5331
Income Tax on Dividend		885		906
Balance Carried to Balance Sheet		142399		88059
Earnings per share		2.91		1.61
No. of Equity Shares (weighted Avg.)		21323942		10661971

DIVIDEND

Your directors recommend a final dividend of Rs. 0.25 ps per equity share for your approval. Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

Financial year ended	Date of declaration of dividend	Unclaimed Dividend	Due for transfer to IEPF on
2008-09	19-09-2009	Rs.2,18,890.50	19-09-2016
2007-08	22-09-2008	Rs.1,34,498.00	22-09-2015
2006-07	25-06-2007	Rs. 12,320.00	25-06-2014
2005-06	25-08-2006	Rs. 1,472.00	25-08-2013

TRANSFER TO RESERVES:

The company transfers Rs.15,53,000/- to the general reserve.

PAID UP CAPITAL OF THE COMPANY:

The paid up capital of the Company stands at Rs.10,66,19,710, consisted of 2,13,23,942 fully paid up Equity shares of Rs.5/- each

SUBSIDIARY

During the year 2009-10 M/s. Bhashwanth Power Projects Private Limited was acquired by the company. The company holds 75% of shares in the subsidiary company.

DIRECTORS

In accordance with the Companies Act, 1956 read with Articles of Association of the company the directors namely Mr. Harish K Jain retires by rotation and Mr. K. Hari Krishna Reddy and Mr. Srinivas Rao Pabbati have submitted their resignations due to their pre-occupation and the same were accepted by the Board and relieved them from the office of directorship.

The Board placed on records its sincere appreciation for the valuable services rendered by Mr. K. Hari Krishna Reddy and Mr. Srinivas Rao Pabbati during their tenure as directors of the company.

Mr. M. Madhusudhana Reddy was appointed as Independent & Non-Executive Director of the Company w.e.f. 12.01.2010.

Mr. M. Madhusudhana Reddy aged 35 years, is a Fellow Member of The Institute of Chartered Accountants of India (F.C.A) and a practicing Chartered Accountant having over 12 years experience in the areas of audit of Corporate Organizations and Non-corporate Organizations, Tax Planning for Corporate and non-corporate clients, Project Financing and Analysis of Financial Statements

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed: