



ANNUAL REPORT
2011-2012



AISHWARYA TELECOM LIMITED

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17th ANNUAL REPORT

2011 - 2012

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CORPORATE INFORMATION**BOARD OF DIRECTORS:**

- | | |
|--|---|
| 1. Mr. G. Rama Krishna Reddy
Chairman | 4. Mr. D. Venkata Subbiah
Independent Director |
| 2. Mr. G. Rama Manohar Reddy
Managing Director | 5. Mr. Harish K Jain
Independent Director |
| 3. Mrs. G. Amulya Reddy
Whole time Director | 6. Mr. M. Madhusudhana Reddy
Independent Director |

Registered Office:

1-3-1026 & 1027, Singadikunta,
Kawadiguda, Hyderabad-500080,
Andhra Pradesh.
Ph.Nos:040- 27531324/25/26
Fax: 040-27535423
Email: sales@aishwaryatelecom.com

Auditors:

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

Audit Committee:

- 1) Mr. D. Venkata Subbiah
- 2) Mr. G. Rama Krishna Reddy
- 3) Mr. M. Madhusudhana Reddy

Remuneration Committee:

- 1) Mr. M. Madhusudhana Reddy
- 2) Mr. G. Rama Manohar Reddy
- 3) Mr. D. Venkata Subbiah

Investor Grievance Committee:

- 1) Mr. D. Venkata Subbiah
- 2) Mr. G. Rama Krishna Reddy
- 3) Mr. Harish K Jain

Bankers:

State Bank of Hyderabad
Raj bhavan Road Branch
H.No. 6-3-1092, A Block
First Floor, Shanti Sikhara Complex
Bellavista, Somajiguda,
Hyderabad- 500 082, Andhra Pradesh.

Listing:

Bombay Stock Exchange Limited

Registrar & Share Transfer Agents:

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai-400072
Telephone: +91-022-28470652
Fax: +91-022-28475207
URL: www.bigshareonline.com
E- mail: info@bigshareonline.com

NOTICE

NOTICE is hereby given that the **17th** Annual General Meeting of the Shareholders of **AISHWARYA TELECOM LIMITED** will be held on Friday, the 28th September 2012 at 11.00 AM at 1-3-1026 & 1027, Singadikunta, Kawadiguda, Hyderabad-500080, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2012, and the Balance Sheet as at that date.
2. To appoint a director in place of Mr. Harish K Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. M. Madhusudhana Reddy who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Ramana Reddy & Associates, Chartered Accountants, Hyderabad as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company 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 a Special Resolution:

Amendment of Articles of Association

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed there under, the existing Articles of Association of the Company be and here by amended as under :

i) After Article 72(b) of the Articles of Association of the Company, the following new Article 72(c) shall be inserted:

72(c): The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

ii) After Article 93 of the Articles of Association of the Company, the following new Article 93(a) shall be inserted:

93(a): Directors may participate in Meetings of the Board and/or Committees thereof, through videoconference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”

NOTES :

1. An Explanatory Statement pursuant to section 173(2) of the companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company will be closed from 25.09.2012 to 28.09.2012 (Both days inclusive).
4. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. A Member desirous of receiving any information on the accounts or operations of the company is requested to forward his/her queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/Telephone Bill, Driving License or a copy of passport and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
7. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
8. It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares, for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.
9. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping this in view shareholders are requested to update their E-Mail ID with their DP.

**For and on behalf of the Board of
Aishwarya Telecom Limited**

**Place: Hyderabad
Date: 31.08.2012**

Sd/-
G. Rama Krishna Reddy
Chairman

Sd/-
G. Rama Manohar Reddy
Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5:

The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the companies to hold Board Meetings and Shareholders' Meetings through video conference facility, as part of the Green Initiatives under Corporate Governance.

Further, MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders' Meetings optional to the Company. In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company 1-3-1026 & 1027, Singadikunta, Kawadiguda, Hyderabad-500084 on any working day except holidays observed by the Company during usual business hours up to the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution No.5 as a Special Resolution.

None of the Directors is interested or concerned in this Resolution.

**For and on behalf of the Board of
Aishwarya Telecom Limited**

**Place: Hyderabad
Date: 31.08.2012**

**Sd/-
G. Rama Krishna Reddy
Chairman**

**Sd/-
G. Rama Manohar Reddy
Managing Director**

DIRECTORS REPORT

To

The Members of Aishwarya Telecom Limited

We have pleasure in presenting the 17th Annual Report with Audited Statements of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS:***On standalone Basis ;***

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Income	3671.81	3698.86
Expenditure	3976.15	3456.45
Profit/(Loss) for the year	(304.34)	242.41
Less: Tax	(17.82)	(27.04)
Add: Profit brought forward	1608.83	1423.99
Profit / (Loss) carried to Balance Sheet	1286.67	1639.36

On Consolidated Basis:

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Income	3671.81	3698.86
Expenditure	3976.59	3456.62
Profit for the year	(304.78)	242.24
Less: Tax	(17.82)	(27.78)
Add: Loss brought forward	1610.32	1426.38
Profit / (Loss) carried to Balance Sheet	1287.72	1640.84

PERFORMANCE REVIEW:**A.) STANDALONE:**

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 447 (E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from 1st April, 2011. The financial statements of your Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous year's figures have been reclassified/ regrouped to conform to this year's classification.

The Company has recorded a turnover of Rs.3671.81 Lakhs and the loss of Rs. 322.16 Lakhs in the current year against the turnover of Rs. 3698.86 lakhs and profit of Rs. 215.37 Lakhs in the previous financial year ending 31.03.2011.

The Company has been continuously working on quality upgradation and austerity measures for achieving efficient running of the organization.

B.) CONSOLIDATION:

The Company has recorded a turnover of Rs.3671.81 Lakhs and the loss of Rs. 322.60 Lakhs in the current year against the turnover of Rs. 3698.86 Lakhs and profit of Rs. 214.46 Lakhs in the previous financial year ending 31.03.2011.

The Consolidated Financial Statements of your company for the financial year 2011-2012, have been prepared in compliance with applicable Accounting Standards and where applicable Listing Agreement as prescribed by the Securities and Exchange Board of India.

DIVIDEND:

Your Directors have decided not to recommend dividend for the year keeping the poor business market conditions.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on the Bombay Stock Exchange.

CAPITAL OF THE COMPANY:

The authorized capital of the company stands at Rs. 12,00,00,000/- divided into 2,40,00,000 equity shares of Rs.5/- each, Issued, Subscribed & Paid up capital of the company stands at Rs. 10,78,19,710/- divided into 2,15,63,942 equity shares of Rs.5/- each.

SUBSIDIARY COMPANY:

The Company has a subsidiary company in the name of Bhashwanth Power Projects Private Limited.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Directors namely Mr. Harish K Jain and Mr. M. Madhusudhana Reddy retires by rotation and are eligible for re-appointment. Your Board recommends the re appointment of the Directors above in the best interests of the company.

DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm

- i) That the directors in the preparation of the annual accounts have followed the applicable accounting standards along with proper explanations relating to material departures.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on the going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO :

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D) : NIL
2. Technology absorption, adoption and innovation : NIL

C. Foreign Exchange Earnings and Out Go:

- Foreign Exchange Earnings : NIL
Foreign Exchange Outgo : Rs. 1198.53 Lakhs

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code of conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

EMPLOYEES STOCK OPTION SCHEME:

Pursuant to ESOP-2008, the Company has granted 2,40,000 options on 26.09.2009 to the eligible employees of the company and the same were exercised during the financial year at a price of Rs. 5/- per option. relevant disclosures were made in Annexure 'A'.

AUDITORS:

Your directors propose the appointment of M/s. Ramana Reddy & Associates, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as Annexure.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders

I.G. Rama Manohar Reddy, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board of
Aishwarya Telecom Limited

Place: Hyderabad
Date: 31.08.2012

Sd/-
G. Rama Krishna Reddy
Chairman

Sd/-
G. Rama Manohar Reddy
Managing Director