

**Board of Directors:**

Mr. G. Ramakrishna Reddy	-	Chairman
Mr. G.Rama Manohar Reddy	-	Managing Director
Ms. G. Amulya Reddy	-	Whole-time Director
Mr. K. Hari Krishna Reddy	-	Director
Mr. D. Venkata Subbiah	-	Director
Mr. V. Krishnan	-	Director

**Company Secretary:**

Mr. CS. Bhavani Prasad. C.N

**Registered Office:**

# 3 C, Samrat Commercial Complex,  
Opp. AG's Office, Saifabad, Khairatabad,  
Hyderabad – 500 004 (AP)

**Factory:**

# 2-33C, Thota Street,  
YANAM – 533464 (Pondicherry)

**Statutory Auditors:**

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

**Factory:**

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

**Bankers**

State Bank of Hyderabad



## **Contents**

Notice

Directors' Report

Auditor's Report

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Balance Sheet

Profit & Loss Account

Schedules A to L



## NOTICE

NOTICE is hereby given that Twelfth Annual General Meeting of members of Aishwarya Telecom Limited will be held on Monday the 25<sup>th</sup> June, 2007 at 11.30 a.m. at the Registered Office of the Company at No. 3C, Samrat Commercial Complex, Opp. AG Office, Saifabad, Khairatabad, Hyderabad – 500004 Andhra Pradesh, India to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of, Mr. G. Rama Krishna Reddy who retires by rotation and being eligible has offered himself for reappointment.
4. To appoint M/s. A.M. Reddy & Co., Chartered Accountants, Hyderabad who shall hold office from the conclusion of this Annual General Meeting till 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 modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that Mr K Hari Krishna Reddy, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr K Hari Krishna Reddy as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that Mr D Venkata Subbiah, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr D Venkata Subbiah as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED** that Mr Venkataraman Krishnan, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr Venkataraman Krishnan as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution:

**"RESOLVED** that pursuant to the provisions of Sections 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or reenactment there of) and the Articles of Association of the Company, and subject to the regulations/rules/guidelines issued by the Government of India, Foreign Investment Promotion Board (herein after referred to as "FIPB"), secretariat for Industrial Assistance (herein after referred to as "SIA"), Government of India, Reserve Bank of India (herein after referred to as "the RBI") and /or under Foreign Exchange Management Act, 1999 (herein after referred to as "FEMA"), such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, corrections, changes and variations, if any, that may be stipulated under such approvals, permissions, sanctions and consents, (which may be accepted by the Board of Directors of the Company), as the case may be, consent of the Company, be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) for offering, issuing and allotting on a private placement and/or preferential basis to Sri G Rama Manohar Reddy, Smt. G Amulya Reddy and Sri B Avinash Reddy, promoter and his relatives, in one or more tranches and on such terms and conditions and in such manner up to 1,29,000 Equity Shares of Rs.10 each for cash at a premium of Rs.30 per share, as may be approved or finalized by the Board of Directors."

**"RESOLVED** further that for the purpose of giving effect to the aforesaid special resolution under Section 81 (1A) of the Companies Act, 1956, the Board of Directors (which term shall include any duly constituted and authorized committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as it may deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said Equity Shares."

"RESOLVED further that the Equity Shares to be issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects."

Registered Office:

#3C, Samrat Commercial Complex,  
Opp. AG's Office, Saifabad,  
Khairatabad, Hyderabad – 500004 (AP)

By order of the Board,

Sd/-

(G. Rama Krishna Reddy)  
Chairman

Place : Hyderabad

Date : 31-05-2007

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.**
2. Proxies in order to be effective, the proxy form duly completed and signed shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. An Explanatory statement as required U/s 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. Members are requested to notify immediately any change in their address to the Company's Registered Office.



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

**Item No:5**

Mr K Hari Krishna Reddy was appointed by the board of Directors of the Company on 31-08-2006 as an additional Director and, as per the provisions of Sec:260 of the Companies Act, 1956, he holds office as a Director up to the date of this Annual General Meeting. The Company has received a Notice from a Member alongwith a deposit of Rs:500, signifying his intention to propose the appointment of Mr K Hari Krishna Reddy as a Director of the Company.

The Directors commend the passing of the Resolution at Item No:5.

Mr K Hari Krishna Reddy may be deemed to be concerned or interested in the Resolution relating to his appointment.

**Item No:6**

Mr D Venkata Subbiah was appointed by the board of Directors of the Company on 15-09-2006 as an additional Director and, as per the provisions of Sec:260 of the Companies Act, 1956, he holds office as a Director up to the date of this Annual General Meeting. The Company has received a Notice from a Member alongwith a deposit of Rs:500, signifying his intention to propose the appointment of Mr D Venkata Subbiah as a Director of the Company.

The Directors commend the passing of the Resolution at Item No:6

Mr D Venkata Subbiah may be deemed to be concerned or interested in the Resolution relating to his appointment.

**Item No:7**

Mr Venkataraman Krishnan was appointed by the board of Directors of the Company on 28-05-2007 as an additional Director and, as per the provisions of Sec:260 of the Companies Act, 1956, he holds office as a Director up to the date of this Annual General Meeting. The Company has received a Notice from a Member alongwith a deposit of Rs:500, signifying his intention to propose the appointment of Mr Venkataraman Krishnan as a Director of the Company.

The Directors commend the passing of the Resolution at Item No:7

Mr D Venkataraman Krishnan may be deemed to be concerned or interested in the Resolution relating to his appointment.

**Item No:8**

Your Company has embarked upon a growth plan and has initiated steps to augment resources for meeting long term working capital requirements and general corporate purposes. The Company is in the process of making an Initial Public Offering pursuant to the resolution passed by the members in their meeting held on 15<sup>th</sup> February, 2007.



In the meanwhile, pending the proposed issue, the Company proposes to offer 1,29,000 Equity Share of Rs.10 each for cash at a premium of Rs.30 per share on preferential allotment basis to the promoters of the Company. The Equity Shares on a preferential allotment basis is offered for subscription only to the proposed allottees who have indicated that they would be willing, subject to necessary permissions in this regard to participate in the Equity Shares of the Company.

The disclosures as required under Rule 6 of Unlisted Public Companies (Preferential Allotment) Rules, 2003 is given below.

#### 1. The Objects of the issue through preferential offer

The objects of the proposed issue of Equity Shares to the proposed allottees is to augment the resources of the Company for meeting long term working capital requirements and general corporate purposes.

#### 2. Intention of Promoters/Directors / Key Management Persons to Subscribe to the Offer

Sri G Rama Manohar Reddy, promoter and Managing Director of the Company and his relatives are subscribing to the Equity Shares being issued on preferential basis.

#### 3. The Classes or Classes of Persons to whom the allotment is proposed to be made

- a. Promoters and their relatives

#### 4. The Price or Price Band at which the allotment is proposed

The Equity Shares are to be issued to the investors at a price of Rs.10 each per share for cash at a premium of Rs.30 per share.

#### 5. Relevant Date on the basis of which price has been arrived at

The relevant date is taken as 31st day of May, 2007.

#### 6. Proposed time within which the allotment shall be completed

The allotment of the Equity Shares being issued on preferential basis is proposed to be made within a period of 12 months from June 25, 2007, being the date on which the shareholders approval is obtained for the preferential issue.

#### 7. Change in Control or Management

The issue of Equity Shares as aforesaid will not result in change in the management or control of the Company.

#### 8. Shareholding Pattern of the Promoters and other classes before and after the proposed issue of Equity Shares pursuant to the resolution.

Category	Pre-Issue		Post-Issue	
	No. of Shares	%	No. of Shares	%
1 Promoters	53,30,400	100.00	54,59,400	100.00
Total	53,30,400	100.00	54,59,400	100.00



## 9. Auditors Certificate

A Certificate as required certifying that the proposed issue is in accordance with the rules under Unlisted Public Companies (Preferential Allotment) Rules, 2003 has been obtained from the Auditors of the Company and will be available for inspection prior to the date of the Annual General Meeting at the Registered Office of the Company between 10 AM and 1 PM on any working day.

Sri G Rama Manohar Reddy, Smt. G Amulya Reddy and Sri G Rama Krishna Reddy are concerned or interested in the resolution and none of the other Directors interested or concerned in the resolution.

Registered Office:

#3C, Samrat Commercial Complex,  
Opp.AG's Office, Saifabad,  
Khairatabad, Hyderabad – 500004 (AP)

By order of the Board,

Sd/-

(G. Rama Krishna Reddy)  
Chairman

Place: Hyderabad.

Date: 31st May, 2007

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## DIRECTORS' REPORT

To

The Members of  
**AISHWARYA TELECOM LIMITED,**

Your Directors have pleasure in presenting their TWELFTH Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2007

### REVIEW OF OPERATIONS

Your Company's performance during the year under review was encouraging mainly due to the increase in Trading Activities of the company.

During the year under review, your company has recorded a Profit After Tax (PAT) of Rs. 3.03 Crores (previous year Rs. 2.35 Crores)

During the year under review, your company has achieved a Turnover of Rs. 22.00 Crores when compared to the previous year turnover of Rs. 16.65 Crores

### FINANCIAL RESULTS

(Rupees in Thousands)

Particulars	2007	2007	2006	2006
<b>Income from operations</b>				
Sales	220016		166504	
Increase in stocks	6373		4530	
Other Income	1234	227623	410	171444
<b>Expenditure</b>				
a) Trade Purchases		134591		100374
b) Manufacturing Expenses		7705		9301
c) Payment & Benefits to Employees		8406		6777
d) Administrative Expenses		22326		17458
<b>Financial Charges</b>		6788		3236
<b>Depreciation</b>		4696		2975
<b>Net Profit for the year before tax</b>		43111		31323
Provision for Taxation		12812		7785
<b>Profit After Tax</b>		30299		23538
Add: Balance brought from previous year		17350		13055
<b>Balance available for appropriation</b>		47649		36593
<b>Appropriations:</b>				
Transfer to General Reserve		3000		2500
Proposed Dividend		4975		3154
Income Tax on Distributed Profits		698		442
Balance Carried to Balance Sheet		38976		30493
<b>Earnings per share</b>		5.68		5.30
<b>No. of Equity Shares</b>		5330400		4442000

Your company's operations during the year witnessed a steady growth in the Telecom Testing Equipment Market. The performance has been excellent also due to Quality products, Excellent after sales services, Quick deliveries, Quick Calibration Services, and good marketing strategies.

Your company's performance on the Trading front is on a progressive platform even under the stiff competitive environment prevailing amongst the International Telecom equipment Players.

## **FUTURE PROSPECTS**

### **INITIAL PUBLIC OFFER:**

The Company is planning for an IPO (Initial Public Offer) with an offer amount of Rs.24.00 Crores for the purpose of expansion of Company's business activities into various areas.

For this purpose Company has appointed M/s SREI Capital markets Limited as Book Running Lead Managers to look after the Issue.

### **HIGH END TECHNOLOGIES:**

Your company is targeting to introduce high end technologies, such as OTDR (MAINFRAME), ETHERNET TRAFFIC ANALYZERS, NETWORK SYNCHRONISATION PRODUCTS, in the coming two years. Your company is proposing to provide Quality Audit services to all mobile operators, for which Quality Assessment and validation is mandatory as per TRAI norms. In light of the above developments to be taken the company proposing for IPO projecting the project cost Rs.2400.00 Lakhs (Approx.) for Capital equipment for R&D, production, Quality Audit Services, land & building and working capital requirements.

With the above developments, your Board of Directors are confident that your company would be in a position to increase its performance doubled in the forthcoming year. The Company has also taken certain initiatives towards reducing the cost of existing term and small personal loans, which would also help in enabling the company to utilise the funds effectively.

### **COMMERCIAL ACTIVITY AT DEHRADUN:**

Your company has set up a manufacturing unit at Dehra Dun, State of Uttarakhand to take benefits of the Excise Duty and Tax concessions available to backward states.

Many Foreign Companies are interested to give Technology transfer or assemble their products at Dehra Dun to avail these concessions for cost savings and sell the products at lower price to the Govt Organisations like BSNL, MTNL, ITI Railways etc to increase the market share.

## **DIRECTORS**

Pursuant to Section 255 and 256 of the Companies Act, 1956, Mr. G. Rama Krishna Reddy, Director retires by rotation and being eligible has offered himself for reappointment.