



**AISHWARYA TELECOM LIMITED  
FOURTEENTH ANNUAL REPORT  
2008-2009**

# AISHWARYA TELECOM LIMITED



**14th Annual Report  
2008-09**

**Board of Directors:**

**Sri G. Rama Krishna Reddy**  
Chairman

**Sri G. Rama Manohar Reddy**  
Managing Director

**Smt. G. Amulya Reddy**  
Whole-time Director

**CA K. Hari Krishna Reddy**  
Independent Director

**Sri D. Venkata Subbiah**  
Independent Director

**Sri V. Krishnan**  
Independent Director

**Sri Harish K Jain**  
Independent Director

**Registered Office:**

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

**Factory:**

**Unit I**  
# 2-330, Thota Street,  
YANAM – 533464 (Pondicherry)

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

**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)

**Bankers:**

State Bank of Hyderabad

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**NOTICE**

NOTICE is hereby given that 14th Annual General Meeting of Aishwarya Telecom Limited will be held as per the schedule given below to transact the following business:

<b>Day and Date</b>	Saturday, September 19, 2009
<b>Time</b>	11:00 AM
<b>Venue</b>	<b>Registered Office:</b> 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, 2009
  - 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. Venkataraman Krishnan who retires by rotation and who has expressed his unwillingness to be reappointed as a director of the company.
4. To appoint a Director in place of Mr. D. Venkata Subbiah who retires by rotation and being eligible has offered him for reappointment.
5. To appoint M/s. A.M. Reddy & Co., Chartered Accountants, Hyderabad as auditors of the Company who shall hold office from the conclusion of this Meeting till conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

**6. Re- appointment of Mr. G. Rama Manohar Reddy as Managing Director of the Company**

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. G. Rama Manohar Reddy as Managing Director of the Company for a period of 5 years (five) years w.e.f. 01.04.2009 and all other terms and conditions remain same.

**7. Re- appointment of Mrs. G. Amulya Reddy as Whole Time Director of the Company**

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for re-appointment of Mrs. G. Amulya Reddy as Whole Time Director of the Company for a period of 5 years (five) years w.e.f. 01.04.2009 and all other terms and conditions remain same.

**For and on behalf of the Board,**

**(G. Rama Manohar Reddy)**

**Managing Director**

Place : Hyderabad

Date : 30-07-2009

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**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.** Proxies 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 17.09.2009 to 19.09.2009 (both days inclusive)
3. The dividend of 5% for the year ended 31<sup>st</sup> March 2009 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 16<sup>th</sup> September, 2009.
4. Members are requested to notify immediately of 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.

**AISHWARYA TELECOM LIMITED**

**ANNEXURE TO THE RESOLUTION**

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

**Item No.6: Re-appointment of Mr. G. Rama Manohar Reddy as Managing Director:**

The term of Mr. G. Rama Manohar Reddy, expired on 31.03.2009 as Managing Director of the Company. Considering the contribution of Mr. G. Rama Manohar Reddy in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company, in its meeting held on 31.01.2009, subject to approval of the members, has re-appointed him for further period of 5 years w.e.f 01.04.2009 and all other terms and conditions are remain same.

Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mr. G. Rama Manohar Reddy, as Managing Director.

Further the same be treated as abstract of the contract pursuant to Section 302(1) (b) of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval.

None of the directors of the company except Mr G. Rama Manohar Reddy, Mr G Rama Krishna Reddy and Mrs G Amulya Reddy being relatives, may be deemed to be concerned or interested in the resolution.

**Item No.7: Re-appointment of Mrs. G. Amulya Reddy as Whole Time Director:**

The term of Mrs. G. Amulya Reddy, whose term expired on 31.03.2009 as Whole Time Director of the Company, Considering the contribution of Mrs. G. Amulya Reddy in the growth of the company and based on recommendation of remuneration committee, the Board of Directors of the Company in its meeting held on 31.01.2009, subject to approval of the members, has re-appointed him for further period of 5 years w.e.f 01.04.2009 and all other terms and conditions are remain same.

Under the provisions of Section 198, 310, 311, and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the members of the company is required for Re-appointment of Mrs. G. Amulya Reddy, as Whole Time Director.

Further the same be treated as abstract of the contract pursuant to Section 302(1) (b) of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval.

None of the directors of the company except Mr G. Rama Manohar Reddy, Mr G Rama Krishna Reddy and Mrs G Amulya Reddy being relatives, may be deemed to be concerned or interested in the resolution.

**For and on behalf of the Board,**

**(G. Rama Manohar Reddy)**  
**Managing Director**

**Place: Hyderabad.**  
**Date: 30th July, 2009**

## DIRECTORS' REPORT

To

The Members of  
**AISHWARYA TELECOM LIMITED,**

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009

**REVIEW OF OPERATIONS**

During the year under review, your company has recorded a Profit after Tax (PAT) of Rs.1.65 Crores (previous year Rs.5.49 Crores). The major reason for the decline in Net Profit is adverse Foreign Exchange fluctuation as in the current year the company has suffered forex loss of Rs.4.29 Crores.

During the year under review, your company has achieved an increased Turnover of Rs. 42.01 Crores inspite of economy slowdown when compared to the previous year turnover of Rs. 34.55 Crores

**FINANCIAL RESULTS***(Rupees in Thousands)*

Particulars	2009	2009	2008	2008
<b>Income from operations</b>				
Sales	420097		345534	
Increase in stocks	21414		833	
Other Income	6845	448356	2807	349174
<b>Expenditure</b>				
a) Trade Purchases	289784		173102	
b) Manufacturing Expenses	34295		51534	
c) Payment & Benefits to Employees	15563		12279	
d) Administrative Expenses	74691	414333	27041	263956
<b>Profit before Depreciation and Interest</b>		34023		85218
Financial Charges		10396		9722
Depreciation		6685		6538
<b>Net Profit for the year before tax</b>		16942		68958
Provision for Taxation		419		14091
<b>Profit After Tax</b>		16523		54867
Add: Balance brought from previous year		78186		31076
<b>Balance available for appropriation</b>		94709		85943
Appropriations:				
Transfer to General Reserve		413		1372
Proposed Dividend		5331		5331
Income Tax on Dividend		906		906
Balance Carried to Balance Sheet		88059		78186
Earnings per share		1.61		9.75
No. of Equity Shares (weighted Avg.)		10661971		6659400

## **AISHWARYA TELECOM LIMITED**

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

### **DIVIDEND**

Your directors recommend a final dividend of Re. 0.50 per 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
2005-06	25-08-2006	Rs. 77,376.00	25-08-2013
2006-07	25-06-2007	Rs. 29,120.00	25-06-2014
2007-08	22-09-2008	Rs.2,48,923.00	22-09-2015

### **TRANSFER TO RESERVES:**

The company has transferred Rs. 4,13,000/- to the general reserve.

### **DIRECTORS**

In accordance with the Companies Act, 1956 read with Articles of Association of the company the directors namely Mr. Venkataraman Krishnan and Mr. D. Venkata Subbiah retires by rotation and Mr. Venkataraman Krishnan has expressed his unwillingness for reappointment as director of the company.

Sri K Arvind Reddy who was appointed as Non-executive and Independent Director in AGM held on 22.09.2008, vacated his office pursuant to section 283(1) (g) of the Act.

The Board placed on records its sincere appreciation for the valuable services rendered by Mr. Venkataraman Krishnan and Sri. K Arvind Reddy during their tenure as directors of the company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 and loss of the company for the year under review;

## AISHWARYA TELECOM LIMITED

- (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 31<sup>st</sup> March 2009 on a 'Going Concern' basis.

### EMPLOYEE STOCK OPTION SCHEME:

The members of the company in the AGM held on 22.09.2008 approved formulation of "Employee Stock Option Plans" for all eligible employees. The company obtained in principle approval from the BSE for issue and allotment of 3,00,000 options to eligible employees under Employee Stock Option Scheme- 2008.

### PAID UP CAPITAL OF THE COMPANY:

The paid up capital of the Company stands at Rs.10,66,19,710.00, consisted of 1,06,61,971 fully paid up Equity shares of Rs.10/- each.

### UTILISATION OF FUNDS RAISED THROUGH INITIAL PUBLIC OFFER 2008:

During the financial year 2008-09 the company has made an Initial Public offer and has issued and allotted 40,02,571 equity shares of Rs.10/- each at a premium of Rs. 25/- to all categories of investors, amounting to Rs.14,00,89,985 /-. The Company has utilised the same in the following manner.

#### Details of IPO Funds Utilisation

Rs. in Lakhs

Sl. No.	Particulars	Utilisation
1	Capital Expenditure for Research & Development of Main Frame Optical Time Domain Reflecto Meter (OTDR)	27.18
2	Capital Expenditure for Research & Development of Ethernet Traffic Analyzers	19.37
3	Cost of GSM/GPRS/CDMA Analyzers for providing Technical Audit Services to the Mobile Operators	28.49
4	Cost of land & construction of building for new corporate, marketing administrative and R&D office at Hyderabad	251.85
5	Additional working capital requirements	700.00
6	Issue Expenses	202.45
	<b>Total</b>	<b>1229.34</b>

### AUDITORS:

M/s. A.M. Reddy & Co., Chartered Accountants, Hyderabad, will hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

### AUDIT REPORT:

Audit Report for the year 2008-09 is annexed along with the Balance Sheet is self explanatory and has no adverse comments or reservations in the financial statements presented to the Shareholders.