



# **ANNUAL REPORT**

## **2014-2015**



**AISHWARYA TECHNOLOGIES AND TELECOM LIMITED**

(Formerly know as AISHWARYA TELECOM LIMITED)

# **AISHWARYA TECHNOLOGIES AND TELECOM LIMITED**

**(Formerly Knownnn as Aishwarya Telecom Limited)**

## **20<sup>th</sup> ANNUAL REPORT**

**2014 -15**

## **CONTENTS**

1. Corporate Information
2. Notice of Annual General Meeting
3. Directors' Report
4. Management's Discussion and Analysis
5. Report on Corporate Governance
6. Certificate on Corporate Governance
7. Auditor's Report
8. Annexure to Auditor's Report
9. Balance Sheet
10. Profit and Loss Account
11. Cash Flow Statement
12. Notes Forming part of the Financial Statements
13. Proxy Form & Attendance Slip

**ANNUAL REPORT 2014-15**  
**CORPORATE INFORMATION**

**Board of Directors:**

1. Mr. G. Rama Krishna Reddy	--	Chairman (DIN: 00136203)
2. Mr. G. Rama Manohar Reddy	--	Managing Director (DIN: 00135900)
3. Mrs. G. Amulya Reddy	--	Whole time Director cum CFO (DIN: 00136428)
4. Mr. D. Venkata Subbiah	--	Independent Director (DIN: 00006618)
5. Mr. K. Rajender Reddy	--	Independent Director (DIN: 06885840)
6. Mr. Modipalli Kesavaiah	--	Independent Director (DIN: 05322821)

**Company Secretary:**

Ms. Parul Agarwal

**Registered Office:**

1-3-1026 & 1027, Singadikunta,  
Kawadiguda, Hyderabad-500080,  
Andhra Pradesh.  
Ph.Nos:040- 27531324/25/26  
Fax: 040-27535423  
Email: sales@aishwaryatechtele.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	--	Chairman
2) Mr. K. Rajender Reddy	--	Member
3) Mr. M. Kesavaiah	--	Member
4) Mr. G. Rama Krishna Reddy	--	Member

**Nomination & Remuneration Committee:**

1) Mr. D. Venkata Subbiah	--	Chairman
2) Mr. K. Rajender Reddy	--	Member
3) Mr. M. Kesavaiah	--	Member

**Stakeholders Relationship Committee:**

1) Mr. M. Kesavaiah	--	Chairman
2) Mr. G. Rama Krishna Reddy	--	Member
3) Mr. K. Rajender Reddy	--	Member

**Risk Management Committee**

1) Mr. K. Rajender Reddy	--	Chairman
2) Mr.G. Rama Manohar Reddy	--	Member
4) Mr. G. Rama Krishna Reddy	--	Member

**ANNUAL REPORT 2014-15**  
**Independent Directors Committee**

- |                           |    |          |
|---------------------------|----|----------|
| 1) Mr. M. Kesavaiah       | -- | Chairman |
| 2) Mr. D. Venkata Subbiah | -- | Member   |
| 3) Mr. K. Rajender Reddy  | -- | Member   |

**Bankers:**

State Bank of Hyderabad  
Commercial Branch  
Surya Towers, SP Road  
Secunderabad- 500 003, Andhra Pradesh.

**Listing:**

BSE Limited

**Registrar & Share Transfer Agents:**

Bigshare Services Pvt Limited  
306, Right Wing, 3rd Floor, Amrutha Ville,  
Opp. Yashoda Hospital Somajiguda,  
Rajbhavan Road, Hyderabad 500082,  
Telangana.

**ISIN Number CDSL & NSDL:**

INE778101024

**Website:**

[www.aishwaryatechtele.com](http://www.aishwaryatechtele.com)

**Investor Email-Id:**

[accounting@aishwaryatechtele.com](mailto:accounting@aishwaryatechtele.com)

**Corporate Identity Number:**

L72200TG1995PLC020569

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Shareholders of M/s AISHWARYA TECHNOLOGIES AND TELECOM LIMITED will be held on Monday, the 28<sup>th</sup> day of September, 2015 at 11.00 A.M. at the registered office of the Company situated at 1-3-1026 & 1027, Singadikunta, Kawadiguda, Hyderabad - 500080, Telangana to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a director in place of Mr. G. Rama Manohar Reddy (DIN: 00135900) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Ramana Reddy & Associates. Chartered Accountants, Hyderabad as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2014 for the appointment of M/s. Ramana Reddy & Associates (Firm Registration No. 012121S) as Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2016 as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

**SPECIAL BUSINESS:**

**4. ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS TO THE PROMOTERS AND THE OTHERS:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **special resolution**:

“**RESOLVED THAT** in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with BSE Limited, where the Company's shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law

## **ANNUAL REPORT 2014-15**

and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 50,00,000 convertible warrants to the promoter as mentioned in the explanatory statement, at an issue price of Rs. 5 per warrant convertible into equal number of Equity Shares within a period not exceeding 18 months from the date of allotment at a price of Rs. 5 /- per warrant as determined in accordance with the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations 2009 (including any amendments thereto or re-enactment thereof) or other provisions of Law as may be prevailing at the time, provided that the price (inclusive of premium) of the equity shares so issued shall not be less than the minimum price to be arrived or Arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations."

**"RESOLVED FURTHER THAT** the pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date, the "relevant date" for the purpose of pricing of equity shares is 28.08.2015 i.e., thirty days prior to the date on which this Annual General Meeting is held in terms of section 42 and section 62 1(c) of the Companies Act,2013"(AGM to be held on 28.09.2015).

**"RESOLVED THAT** the equity shares issued on conversion of warrants shall rank pari-passu with the existing Equity Shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares."

**"RESOLVED FURTHER THAT** the aforesaid warrants allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time."

**"RESOLVED FURTHER THAT** the aforesaid warrants shall be issued in accordance with the following terms and conditions:

- Warrant by itself shall not give to a warrant holder thereof, any rights of the shareholder of the company.
- An amount equivalent to 25% of the issue price shall be payable at the time of subscription and allotment of each warrant. The balance 75% of the issue price shall be payable by the warrant holder upon exercise of the entitlement attached to warrant(s) subscribing for equity shares(S). The amount paid against warrants shall be adjusted/ set off against the issue price of the resultant equity shares.
- If the entitlement against the warrants to apply for the equity shares is not exercised within 18 months from the date of issue of warrants, the entitlement of the warrant holder to apply for equity shares of the company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- In the event, the equity share of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub- divided /

**ANNUAL REPORT 2014-15**

- consolidated equity shares without affection of any right or obligation of the said warrant holders; and
- In the event the company's equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals."

**"RESOLVED FURTHER THAT** the Company on conversion of warrants in to equity shares does apply for listing of the new equity shares and does make an application to the Depositories for admission of the new equity shares."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of equity shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

**"RESOLVED THAT** pursuant to provisions of Section 5 read with Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

**Place: Hyderabad**  
**Date: 14.08.2015**

**Sd/-**  
**G. Rama Manohar Reddy**  
**Managing Director**  
**DIN: 00135900**



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2015 to 28.09.2015 (Both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt Ltd, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
9. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Bigshare Services Pvt Ltd, Registrar & Share Transfer Agents of the Company for their doing the needful.
10. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode. Members may also note that the Notice of the 20<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website **[www.aishwaryatechtele.com](http://www.aishwaryatechtele.com)** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [accounting@aishwaryatechtele.com](mailto:accounting@aishwaryatechtele.com).

11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21.09.2015.
14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
15. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
16. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**17. Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21.09.2015, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on 25<sup>th</sup> September, 2015 and will end at 5.00 p.m. on 27<sup>th</sup> September, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. S. Sarveswar Reddy, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.