

# **24th ANNUAL REPORT 2010-2011**



AKSH OPTIFIBRE LIMITED

iCONTROL IPTV IS A DIGITAL TV SERVICE.

# 160

LIVE CHANNELS



# 7

DAYS  
AUTO RECORDING

WATCH LAST 7 DAYS TV SHOWS & MOVIES  
WHENEVER YOU WANT.

ALL CONTENT AUTO RECORDED BY iCONTROL.

# 70

CHANNELS  
WITH  
COOL & CHILL



PAUSE, REWIND & FAST FORWARD LIVE PROGRAMS.

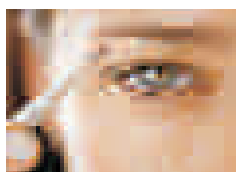
# 400

DVD QUALITY MOVIES. WATCH THEM WHENEVER  
YOU WANT WITH PAUSE, REWIND & FAST FORWARD.



# 1000

VIDEO CLIPS ON BOLLYWOOD, SCIENCE, LIFESTYLE,  
HEALTH & BEAUTY, ART & CRAFT FOR KIDS AND  
FAMILY.



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**Chairman**

Dr. Kailash S. Choudhari

**Whole-time Director**

Mr. Chetan Choudhari

**Directors**

Mr. P.F. Sundesha

Mr. B.R. Rakhecha

Mr. Narendra Kumbhat

Mr. Arun Sood

Mr. Amrit Nath

Mr. D. K. Mathur

**Company Secretary**

Mr. Gaurav Mehta

**Auditors**

P.C. Bindal & Co.

**Bankers**

Union Bank of India,

ICICI Bank Limited

**Registrar and Transfer Agents**

MCS Limited, F-65, First floor,

Okhla Industrial Estate, Phase-I, New Delhi-110020

**Registered Office**

F-1080, RIICO Industrial Area, Bhiwadi,

Rajasthan-301019

**Corporate Office**

J-1/1, B-1 Extension, MCIE, Mathura Road,

New Delhi-110044.

**Network Operating Centers****Delhi**

A-16, MCIE, Mathura Road, New Delhi-44.

**Chandigarh**

SCO-186 Sector-38 C&D, Chandigarh-36

**Jaipur**

M-18 Flatted Software Complex , EPIP Jaipur -22

**Mumbai**

702, Corporate Arena, Kamla Nagar Road, Behind Mahindra

Gardens off S.V. Road , Goregaon (W)

Mumbai-400 062

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## NOTICE

**Notice** is hereby given that the **24<sup>th</sup>** Annual General Meeting of the Aksh Optifibre Limited will be held at 11.00 A.M. on Friday 15<sup>th</sup> July, 2011 at the Registered Office of the Company at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi (Rajasthan)- 301 019, to transact the following businesses:

### ORDINARY BUSINESS:

1. To Consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended on that date and the Report of the Board of Director's & Auditors' thereon.
2. To appoint a Director in place of Mr. B.R. Rakhecha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.F. Sundesha, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. P.C. Bindal & Co, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as fixed by the Board of Directors, in addition to any reimbursement of out of pocket expenses in connection with the audit of accounts of the Company".

### 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** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Amrit Nath, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 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 modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory

modification(s) or re-enactment thereof for the time being in force) Mr. Chetan Choudhari, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 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 modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) of the Companies Act, 1956 read with Schedule XIII of the said Act, and such other permissions, consents / approvals from various authorities as may be applicable / required, the Company hereby accords its consent to the appointment of Mr. Chetan Choudhari as a Whole Time Director of the Company, liable not to retire by rotation, for a period of 3 years w.e.f. 1<sup>st</sup> September 2010 up to 31<sup>st</sup> August, 2013 on **NIL** remuneration with liberty to the Board to alter or vary the terms and conditions of appointment, including remuneration, in such manner as agreed to between the Board and Mr. Chetan Choudhari subject to all necessary statutory approvals, if applicable".

**By Order of the Board**

Gaurav Mehta

**Company Secretary**

**Place : New Delhi**

**Date : 21.05.2011**

### Notes:-

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 8<sup>th</sup> July, 2011 to 15<sup>th</sup> July, 2011(both days inclusive).

4. Members/ proxies should fill in the attendance slip for attending the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members holding shares in the electronic mode are requested to intimate the change in their address, bank details etc to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to the Share Transfer Agents of the Company, M/s MCS Ltd, at F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 quoting their Folio Number(s).
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary so as to reach the Corporate Office of the Company, at least 10 days before the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
7. The equity shares of the Company have been notified for compulsory trading in demat form and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders are requested to avail this facility and get their shares converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant to the Registrar and Transfer Agents of the Company.
8. The nomination facility is available to the Shareholders in respect of equity shares held by them. Shareholders holding shares in electronic mode may obtain and submit duly filled Nomination Forms to their respective Depository Participants. Also shareholders holding shares in physical mode may send their request for nomination at the Office of the Share Transfer Agents of the Company, M/s. MCS Ltd, at F-65 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020.
9. Dividends from the financial year 2002-03 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they had been transferred to Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, on their due dates as per the details given hereunder:

Financial Year	Nature of Dividend	Date of transfer to Unpaid Dividend account	Due date of transfer to IEPF
2005-06	Final Dividend	04.11.2006	04.11.2013
2006-07	Final Dividend	06.03.2008	06.03.2015

Members who have not claimed/ encashed the dividend warrants for the aforesaid years are requested to approach the Company at its Corporate Office for revalidation of the dividend warrants or for obtaining Demand Drafts, as the case may be. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed and unpaid, on its becoming due for transfer to IEPF account.

10. (a) At the ensuing Annual General Meeting, Mr. B.R.Rakhecha retires by rotation and being eligible, offers himself for re-appointment. The details pertaining to Mr. B.R.Rakhecha are as under:

Name	B.R.Rakhecha
Age	69 years
Qualification(s)	B.Com, L.L.B
Expertise in respective Area	Manufacturing & Production Management, Industrial Relations & General Management.
Date of Appointment as Director of the Company	22.07.2003
Directorships in Other Companies	Aksh Technologies Limited Shri.Rishabhna Infrastructure Pvt. Ltd
Chairman/Member of Committees of other Companies	Aksh Technologies Limited
No. of shares held	Nil
Inter-se relationship with other Directors	Nil

- (b) At the ensuing Annual General Meeting, Mr. P.F.Sundesha retires by rotation and being eligible, offers himself for re-appointment. The details pertaining to Mr. P.F.Sundesha are as under:

Name	P.F.Sundesha
Age	66 years
Qualification(s)	B.Sc.
Expertise in respective Area	Marketing, Finance & General Administration.
Date of Appointment as Director of the Company	29.06.1996
Directorships in Other Companies	Aksh Technologies Limited APAKSH Broadband Limited Kewal Kiran Clothing Limited AOL FZE Fulchand Finance Pvt Ltd
Chairman/Member of Committees of other Companies	Aksh Technologies Limited
No. of shares held	4,330,587 equity shares
Inter-se relationship with other Directors	Nil

- (c) At the ensuing Annual General Meeting, Mr. Chetan Choudhari, Additional Director, is proposed to be appointed as Director. The details pertaining to Mr. Chetan Choudhari are as under:

<b>Name</b>	<b>Chetan Choudhari</b>
Age	39 years
Qualification(s)	B.E.
Expertise in respective Area	Manufacturing, Marketing
Date of Appointment as Director of the Company	01.09.2010
Directorships in Other Companies	APAKSH Broadband Limited New Generation Networks Limited
Chairman/Member of Committees of other Companies	Nil
No. of shares held	745,864 equity shares
Inter-se relationship with other Directors	Nil

- (d) At the ensuing Annual General Meeting, Mr. Amrit Nath, Additional Director, is proposed to be appointed as Director liable to retire by rotation. The details pertaining to Mr. Amrit Nath are as under:

<b>Name</b>	<b>Amrit Nath</b>
Age	68 years
Qualification(s)	MA (Econ.)
Expertise in respective Area	International Banking/ Financial Services
Date of Appointment as Director of the Company	17.09.2010
Directorships in Other Companies	Nil
Chairman/Member of Committees of other Companies	Nil
No. of shares held	Nil
Inter-se relationship with other Directors	Brother in law of Mr. Arun Sood, Director

**Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 ("The Act")**

The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 5 to 7 mentioned in the accompanying Notice dated 21.05.2011.

**Item no.5**

Mr. Amrit Nath was appointed as an Additional Director of the Company w.e.f. 17.09.2010 by the Board of Directors. In terms of the provisions of Section 260 of the Act, Mr. Amrit Nath holds office upto the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member under provisions of Section 257 of the Act along with the requisite deposit signifying the intention to propose the candidature of Mr. Amrit Nath, as a Director liable to retire by rotation.

Mr. Amrit Nath, a qualified Economist [MA (Econ.)] from the Delhi School of Economics, with specialization in Industrial Economics, brings in a vast experience of about 40 years in International Banking/ Financial Services to Aksh Optifibre Limited.

The Board accordingly recommends the Ordinary Resolution set out at Item no. 5 of the accompanying notice for the approval of the members. None of the Directors of the company is, in any way concerned or interested except Mr. Arun Sood and Mr. Amrit Nath who may be deemed to be concerned or interested in the resolution relating to his appointment.

**Item no.6 & 7**

Mr. Chetan Choudhari was appointed as an Additional Director of the Company w.e.f. 01.09.2010, by the Board of Directors. The Board also appointed Mr. Chetan Choudhari as a Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> September, 2010 till 31<sup>st</sup> August, 2013 on **NIL** remuneration, subject to the approval of the Members. Mr. Chetan Choudhari has been with the Company since last 16 years and has held several managerial positions in the company. He is presently the Chief Executive Officer of Aksh Technologies Limited (Wholly Owned Subsidiary of Aksh Optifibre Limited) and is heading the manufacturing and exports of Optical Fibre, Optical Fibre Cables and FRP Rods.

In terms of Section 260 of the Act, Mr. Chetan Choudhari holds the office upto the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member under provisions of Section 257 of the Act along with the requisite deposit signifying the intention to propose the candidature of Mr. Chetan Choudhari, as Director.

The Board accordingly recommends the Ordinary Resolution set out at Item no. 6 & 7 of the accompanying notice for the approval of the members. None of the Directors of the Company is, in any way concerned or interested except Mr. Chetan Choudhari who may be deemed to be concerned or interested in the resolution relating to his appointment.

**By Order of the Board**

**Place : New Delhi**  
**Date : 21.05.2011**

Gaurav Mehta  
**Company Secretary**



## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended March 31, 2011 is summarized below:

Particulars	(Rs. in Lacs)	
	F. Y. ended 2010- 2011	F.Y. ended 2009-2010
Turnover	508.55	830.51
Profit / (Loss) before Interest, Depreciation and Tax	(1,474.66)	(721.31)
Interest	232.02	239.32
Depreciation	919.34	1,136.29
Profit / (Loss) before Tax	(2,626.02)	(2,096.92)
Provision for Tax		
- Deferred tax	-	(711.57)
- Deferred tax Assets Reversed	2,155.12	-
Net Profit / (Loss) after Tax	(4,781.14)	(1,385.35)

### Operational Review

During the year under review, your Company attained a gross turnover of Rs. 508.55 Lacs as against Rs. 830.51 Lacs during the previous year.

The Net Loss after Tax during the year under review was Rs. 4,781.14 lacs as against Rs. 1,385.35 lacs for the previous year, due to loss arising out of foreign exchange fluctuation on account of re-statement of foreign exchange assets and liabilities of Rs. 235.33 lacs during the current year as against gain of Rs. 1533.89 lacs in the previous year and also due to reversal of deferred tax assets in excess of deferred tax liability of Rs. 2155.12 lacs.

Your Company has the largest subscriber base of IPTV customers in South East Asia and with a view to further consolidate its market position as well as ensure a steady and stable growth, the Company is expanding its IPTV under the brand "iControl" in the cities of Delhi and Mumbai and with BSNL in 20 cities of North India, viz. State of Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, Rajasthan and U.P.(West). Your Company is also offering host of ad-on services viz, Time Shift TV (Chill & Cool), Video on Demand (VoD), A-Tube (Video Yellow pages – Pull advertising), iControl Mall (on line shopping) and TV messaging.

The Company is the pioneer in the FTTH (Fibre -To- The-Home) space and has more consolidated its spot by starting its FTTH services in Jaipur, Ajmer, Faridabad, and Ambala.

The Company is operating its VoIP services under the brand "Pigeon" in the cities of Delhi & Mumbai in association with MTNL. The brand has been well established in the market and people have started using Pigeon VoIP as an effective tool for getting connected with their near and dear ones living abroad.

### Future Outlook

With the growth of infrastructure and look out of new revenue streams beyond data and voice services, it is predicted that the demand of IPTV is slated to grow upto 109 mn by 2014, with the global revenue rising to US\$ 41bn by 2014. As per the industry reports the number of IPTV subscribers is expected to increase in the markets where FTTH deployments are powering ahead. Further, with the increased demand of infrastructure, technology advancements and consumer shift from linear to non linear TV viewing, demand of IPTV is set to surge ahead in India. To tap the growing IPTV market, your Company is offering various interactive and educative services through its IPTV platform which is well accepted and appreciated by the subscribers.

The Company is also tapping international markets for gaining foothold in IPTV business. For the same purposes, the Company has incorporated a Wholly Owned Subsidiary (WoS) namely 'AOL-FZE' in the Sharjah Airport Free Zone, Sharjah (U.A.E.). The purpose is to explore new business ventures which can be operated with the present line of business, enlarge its present business operations and the like.

### DIVIDEND

In the absence of profits, your Directors are unable to recommend any Dividend for the period under review.

### SUBSIDIARY COMPANIES

During the year under review, the Company has incorporated one Wholly Owned Overseas Subsidiary namely AOL-FZE incorporated in SAIF Zone, Sharjah, Dubai (U.A.E).

During the year under review, the Company applied for winding-up of its three wholly owned subsidiaries i.e. 'Aksh Net Tel Limited', 'Spyk Global Limited', 'Aksh Infratel Limited' under Section 560 of the Companies Act, 1956 which have accordingly been dissolved.

As on date the Company has two Indian Subsidiaries, viz., APAKSH Broadband Limited, Aksh Technologies Limited and One Wholly Owned Overseas Subsidiary, viz. AOL-FZE, incorporated in SAIF Zone, Sharjah Dubai (U.A.E).

The Statement pursuant to Section 212 of the Companies Act, 1956 is annexed herewith. The Audited Statements of Accounts along with the Report of the Board of Directors and Auditors' Report thereon on the Subsidiary Companies have not been annexed in terms of general exemption granted by the Ministry of Company Affairs vide its circular no. 2/2011 dated 08.02.2011. The relevant documents of the Subsidiary Companies will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will be available for inspection during business hours at the Registered Office of the Company.

### **CONSOLIDATED FINANCIAL STATEMENTS**

As provided in the Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India (ICAI) on consolidated financial statements the consolidated financial statements are attached which form part of the Annual Report.

### **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year under review.

### **QUALIFIED INSTITUTIONAL PLACEMENT (QIP)**

During the year under review, the Company made a QIP Issue aggregating Rs. 22.5 Crore (approx.) and allotted 11,550,000 Equity Shares to eligible Qualified Institutional Buyers ("QIBs") under the qualified institutions placement under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

### **GLOBAL DEPOSITORY RECEIPTS (GDR) ISSUE**

The Company came out with a GDR issue of US\$ 25 Mn in September, 2010. The issue comprised of 1,165,750 GDRs underlying 58,287,500 Equity Shares of Rs. 5 each, one GDR equivalent to 50 paid up Equity Shares of the Company.

### **LISTING**

The Equity Shares of the Company continue to be listed at The Bombay Stock Exchange Ltd and The National Stock Exchange Ltd. FCCBs and GDRs are listed at the Luxembourg Stock Exchange. The Listing Fee has been paid to all the stock exchanges.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state:

- That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2011, the accounting standards as issued by ICAI have been followed and there are no material departures ;
- That the Directors have selected such accounting policies consulting the Statutory Auditors and has

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 and of the profits of the Company for the year;

- 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 your Company and for preventing and detecting fraud and other irregularities. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records;
- That the Annual Accounts have been prepared on a going concern basis.

### **DIRECTORS**

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.R. Rakhecha and Mr. P.F. Sundesha, Directors will retire by rotation, and being eligible, have offered themselves for re-appointment.

Mr. Chetan Choudhari has been appointed as an Additional Director of the Company w.e.f. 01.09.2010. Mr. Amrit Nath has been appointed as an Additional Director w.e.f. 17.09.2010. Both the Directors hold office up to the date of the forthcoming Annual General Meeting of the Company. Taking into consideration their knowledge and experience, the Board commends their appointment as Directors of the Company, liable to retire by rotation.

On 01.09.2010, in accordance with the provisions of Section 269 of the Companies Act, 1956 Mr. Chetan Choudhari has been appointed as Whole Time Director of the Company for a period of 03 (Three) years with effect from September 01, 2010 till 31<sup>st</sup> August, 2013. Taking into consideration his knowledge and experience, the Board commends his appointment as Whole-time Director of the Company.

### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, the following are annexed to this report:

- Report on the Corporate Governance and a Certificate from the Auditors of your Company regarding compliance of the conditions of Corporate Governance;
- Management Discussion and Analysis Report

### **INFORMATION PURSUANT TO SECTION 217 (2A)**

Not applicable, since no employee falls under the provisions of Section 217 (2A) of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology



Absorption and Foreign Exchange Earnings and Outgo are given in Annexure to this report.

## AUDITORS' REPORT

The observation of Auditors and their report read with the relevant Notes to Accounts are self-explanatory and therefore do not require further explanation.

## AUDITORS

M/s P. C. Bindal & Co., Chartered Accountants, hold the office as Auditors of your company till the conclusion of the forthcoming Annual General Meeting and have expressed their willingness to be re-appointed. Their appointment, if made, would be within the limits specified under Section 224 (1) (B) of the Companies Act, 1956.

## EMPLOYEES STOCK PURCHASE SCHEME

During the year under review no shares have been granted, hence there was no vesting of Shares.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation to the contribution made by the employees to the working of the company.

Your Directors also express gratitude to the Customers, Suppliers, Shareholders, Banks, Trade Partners, Service Partners and Investors for the confidence reposed in your Company and for their continued co-operation during the year under Report.

**For & on behalf of the Board of Directors**

Kailash S. Choudhari      Chetan Choudhari  
Chairman      Whole-Time Director

Place : New Delhi

Date : 21.05.2011

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

#### Particulars Regarding Conservation of Energy, Technology Absorption, Foreign Exchange, Earnings and Outgo

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the financial year ended 31<sup>st</sup> March, 2011 is as follows:

#### 1. CONSERVATION OF ENERGY

- |   |                |
|---|----------------|
| a. Energy conservation measures taken                             | Not Applicable |
| b. Additional investments & proposals, if any, being implemented. | Not Applicable |

- |  |                |
|--|----------------|
| c. Impact of measures of a & b above for reduction of energy consumption & consequent impact on cost of production   | Not Applicable |
| Total energy consumption and energy consumption per unit of production as perform 'A' of the Annexure in respect of Industries specified in the schedule thereto | Not Applicable |

#### 2. TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

- |   |  |
|---|--|
| 1. Specific area in which R & D is carried by the Company     | The Company is conducting R&D to make its services business more user effective. |
| 2. Benefits derived as a result of the above R&D              | The awareness of services amongst the masses has increased.                      |
| 3. Future Plan of action                                      | The Company would continue R&Ds for more customer awareness.                     |
| 4. Expenditure on R & D.                                      |  |
| i) Capital  |  |
| ii) Recurring Total   | The Company has not undertaken any major Expenditure on R& D.                    |
| iii) Total  |  |
| iv) Total R & D Expenditure as a percentage of total turnover |  |

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- |   |                 |
|---|-----------------|
| 1. Efforts in brief, made through towards technology absorption, adaptation and innovation.   | Not Applicable. |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | Not Applicable. |
| 3. Information regarding Imported Technology:   |                 |
| (a) Technology imported   | None            |
| (b) Year of Import  | Not Applicable. |
| (c) Has the technology been fully absorbed  | Not Applicable. |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action                                   | Not Applicable. |

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- |  |     |
|--|-----|
| a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products, services and export plans: | Nil |
| b. Total foreign exchange used and earned  |     |
| The information of foreign exchange earnings and outflow is furnished in notes to accounts.  |     |

**For & on behalf of the Board of Directors**

Kailash S. Choudhari      Chetan Choudhari  
Chairman      Whole-Time Director

Place : New Delhi

Date : 21.05.2011

## CORPORATE GOVERNANCE REPORT

### CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPERENCY AND ACCOUNTABILITY

Your Company believes in conducting its affairs with the highest levels of integrity, proper authorisations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement entered into with Stock Exchanges are as under:

#### 1. Company's Philosophy On Corporate Governance

AKSH is committed to attain the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, government, lenders and the society at large. The underlying goal of the Company is to enhance its overall enterprise value and retain the trust and faith of all its valuable stakeholders, over a sustainable tenure.

Good Governance is an essential and integral part of corporate success and sustainable economic growth encouraging the efficient use of resources and equally to require accountability for the stewardship of those resources.

In addition to the adherence to its philosophy and values, the Company has also complied with the provisions of Clause 49 of the Listing Agreement of Stock Exchanges, which deals with the compliance of Corporate Governance requirements. A detail, in line with the same is as follows.

#### 2. The Board Of Directors

##### Composition:

The Company has a very balanced structure of the Board of Directors. As at the end of the current financial year the Board consisted of 8 Directors, with one Promoter Director cum Non- Executive Chairman, 4 Independent Non-Executive Directors, a Whole Time Director and 2 Non-Independent Non-Executive Directors.

During the year, Dr. Kailash S. Choudhari stepped down as Managing Director and was appointed as Non Executive Chairman cum Director of the Company. Mr. Chetan Choudhari was appointed as a Whole Time Director of the Company. Further, Mr. Amrit Nath has been appointed as an Independent Non-Executive Director of the Company.

The Company has been taking effective steps for due compliance of the provisions of Clause 49 of the listing agreement. None of the Directors are holding directorships in more than 15 Public Companies and not a member of more than 10 Committees and the Chairman of more than 5 Committees across all the Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of the shareholders. All Non-Executive Directors are liable to retire by rotation unless otherwise specifically approved by the shareholders.

The Independent Directors on the board are experienced and highly renowned persons from their respective fields. They take active part in the Board and Committee meetings which add value in the decision making process of the Board of Directors.

#### Board Functioning & Procedure

Aksh believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. Aksh believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. The Chairman of the Board and the Company Secretary discuss the items to be included in the agenda and the agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year ended on 31<sup>st</sup> March, 2011 the Board of Directors had 14 meetings with not more than four months gap between any two meetings. The date of Board Meetings held during the year is as follows:

(i) 12<sup>th</sup> May, 2010 (ii) 17<sup>th</sup> May, 2010 (iii) 9<sup>th</sup> July, 2010 (iv) 23<sup>rd</sup> July, 2010 (v) 11<sup>th</sup> August, 2010 (vi) 14<sup>th</sup> August, 2010 (vii) 27<sup>th</sup> August, 2010 (viii) 1<sup>st</sup> September, 2010 (ix) 17<sup>th</sup> September, 2010 (x) 22<sup>nd</sup> October, 2010 (xi) 6<sup>th</sup> November, 2010 (xii) 22<sup>nd</sup> November, 2010 (xiii) 4<sup>th</sup> December, 2010 & (xiv) 24<sup>th</sup> January, 2011

The Board of Directors granted leave of absence to the absentee Directors in the respective Board Meetings.

The category of the Board of Directors, their shareholding, attendance in Board Meeting and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31<sup>st</sup> March, 2011 are given below:

Name	Designation/ Category	Shares Held	No. of other Directorships*	No of other Committee positions held**		No. of Board Meetings attended during 2010-2011	Attendance at the 23 <sup>rd</sup> Annual General Meeting held on 23 <sup>th</sup> July, 2010.
				Chairman	Member		
Dr. Kailash S. Choudhari	C-NENI	26,94,605	2	Nil	1	13	Yes
Mr. Chetan Choudhari***	WTD	745,864	2	Nil	Nil	6	Yes
Mr. Popat Lal F. Sundesha	D-NENI	43,30,587	3	Nil	1	3	No
Mr. B. R. Rakhecha	D-NENI	Nil	2	Nil	1	11	Yes
Mr. D. K. Mathur	D-I	67,500	Nil	Nil	Nil	7	No
Mr. Narendra Kumbhat	D-I	Nil	3	Nil	Nil	11	Yes
Mr. Arun Sood#	D-I	Nil	1	Nil	Nil	12	No
Mr. Amrit Nath \$	D-I	Nil	Nil	Nil	Nil	4	No

**C- Chairman, D – Director, NENI – Non Executive Non Independent, I – Independent. WTD- Whole Time Director.**

**\*Directorships in private companies, foreign companies, associations & Section 25 companies are excluded.**

**\*\* Only Audit and Shareholders'/ Investors' Grievance cum Share Transfer Committee of other companies are considered.**

**\*\*\* WTD w.e.f. 01<sup>st</sup> September, 2010; # Director w.e.f. 17<sup>th</sup> May, 2010; \$ Director w.e.f. 17<sup>th</sup> September, 2010.**

Mr. Amrit Nath and Mr. Arun Sood, Directors of the Company are related to each other in terms of the definition of "Relative" given under the Companies Act, 1956. No other Director is related to other in terms of the definition of "Relative" given under the Companies Act, 1956.

#### **Code of Conduct**

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website [www.akshoptifibre.com](http://www.akshoptifibre.com)

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Whole Time Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31<sup>st</sup> March, 2011, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

Chetan Choudhari  
**Whole Time Director**

**Date: 01.04.2011**

#### **Insider Trading Code**

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for

Prevention of Insider Trading. All the Directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the company are governed by this code. The Company has appointed Mr. Gaurav Mehta as Compliance Officer who is responsible for setting forth procedures and implementation of the code of conduct for trading in company's securities and during the under review there has been due compliance with the said code.

### **3. COMMITTEES OF DIRECTORS**

#### **A. AUDIT COMMITTEE**

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning. The terms of reference of the Audit Committee and the powers vested in this committee as mentioned in the Corporate Governance Report for 2010-2011 are wide in scope and allow it the necessary latitude to discharge its duties efficiently and independently.

The Audit Committee is responsible for the effective supervision of the financial reporting process, reviewing with the management the financial statements and ensuring their compliance with accounting standards, listing agreement and other legal requirements, reviewing with the external auditors the internal control system, assessing their adequacy and ensuring compliance with internal controls;

reviewing finding of internal audit and ensuring follow up action on significant findings and reviewing quarterly, half yearly and annual accounts.

#### ROLE OF AUDIT COMMITTEE

The broad terms of reference of Audit Committee include inter-alia the following:-

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;

- Investigate on any matter referred by the Board;
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

#### MEETING OF AUDIT COMMITTEE

During the period under review, 4 meetings of the Audit Committee were held on the following dates:

(i) 17th May, 2010 (ii) 14th August, 2010 (iii) 6th November, 2010 (iv) 24th January, 2011

The composition and attendance of each of the member of Audit Committee as on 31<sup>st</sup> March, 2011 was as under:

Sl. No.	Name	Category	No. of Meetings attended
1.	Mr. Narendra Kumbhat	Member	4
2.	Mr. Popat Lal F Sundesha	Member	1
3.	Mr. D.K. Mathur	Member	3
4.	Mr. Amrit Nath*	Member	1

\*Mr. Amrit Nath was appointed as member of Audit Committee w.e.f. 6<sup>th</sup> November, 2010.

All the members of the Audit Committee are Independent and Non-Executive Directors, except Mr. Popatlal Fulchand Sundesha, who is Non-Independent and Non-Executive Director. All the members have sound knowledge of accounts, audit, finance, internal controls etc.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Chief Financial Officer attends the meetings. The Statutory Auditors are also invited to the meetings. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same.

The Company Secretary acts as the Secretary of the Committee.

#### B. REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee comprising of 3 Non-Executive Directors of the Company majority being Independent, viz Mr. Popatlal F. Sundesha, Mr. Narendra Kumbhat and Mr. D.K. Mathur. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same. The Company Secretary acts as the Secretary of the Committee.

The Remuneration Committee determines on behalf of the Board and shareholders as per the agreed term of reference, the remuneration of all the directors and other payments that are required to be paid by the Company to the Directors.

The Company has adopted a remuneration policy that attracts and maintains talented, experienced and motivated executives so as to encourage enhanced performance of the company. The remuneration policy envisages a clear relationship between performance and remuneration, including the link between remuneration paid and the overall corporate performance.

No meeting of the Remuneration Committee was held during the period under review.

#### Details of Director's Remuneration

During the period under review, the Non-Executive Directors of the Company were paid sitting fees only @ Rs.5,000/- per meeting for attending meetings of the Board of Directors and Audit Committee.

#### Executive Directors

The details of remuneration paid/ provided to the Managing Director provided as per accounts for the financial year ended 31<sup>st</sup> March, 2011 is given below:

Name	Salary and Allowances	Perquisites	Contribution to Provident Fund	Commission	Amt in Rs.
					Total
Dr. Kailash S. Choudhari	60,00,000	Nil	13,85,646	Nil	73,85,646

Dr. Choudhari ceased to be M.D. w.e.f. 31<sup>st</sup> August, 2010.

During the year, Mr. B. R. Rakhecha, Director has been paid Rs. 9,62,500/- as consultancy fee for being Corporate Consultant of the Company.

### C. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

We at Aksh, are conscious towards addressing Investors' Grievances and make sure that the same are redressed promptly.

The Board has constituted a Shareholders' Grievance Committee comprising of Mr. Popatlal F. Sundesha, as Chairman and Dr. Kailash S. Choudhari, as member. This Committee reviews the matters concerning the redressal of shareholders grievances like transfer of shares, non-

receipt of dividend warrants etc. Company Secretary is the compliance officer in this regard. No meeting of the Shareholders' Grievance Committee was held during the period under review.

The Company has duly appointed share transfer agents (R & T Agents) for servicing the shareholder's holding shares in physical and dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time.

Investors' Services – complaints received till 31<sup>st</sup> March, 2011

Particulars	Received	Attended to	Pending
Revalidation/Correction/ Non-Receipt of Dividend Warrant	1	1	-
Annual Reports	1	1	-

### D. SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE.

The Share Allotment-cum-Transfer Committee comprises of Dr. Kailash S. Choudhari, Mr. Satyendra Gupta and the Company Secretary, as its members. The Share Allotment-cum-Transfer Committee looks after approval of share transfers, transposition, issue of duplicate share certificates, approval of demat/ remat of share certificates etc.

The Company complies with the various requirements of the listing agreements and the depositories with respect to transfer of shares and the requisite reports are sent to them within the prescribed time.

During the period under review, No meeting of the Share Allotment-Cum-Transfer Committee were held.

### E. ESPS COMPENSATION COMMITTEE.

The ESPS Compensation Committee comprises of Dr. Kailash S. Choudhari, as Chairman and Mr. Popatlal F. Sundesha as Member. The ESPS Committee has the full and conclusive authority to determine the eligible employees of the Company to whom the Shares shall be granted under the terms and provisions of the Employees Stock Purchase Scheme; to interpret the Scheme; to prescribe, amend and rescind rules and regulations relating to the Scheme; to determine the terms and conditions of respective Grant letters and to make all other determinations necessary or

advisable for the proper administration of the Plan.

For administering the ESPS, the "Aksh Employee Welfare Trust" was constituted which hold shares for the benefit of Employees. After the shares are vested after a period of one year on achieving certain set goals, the same get transferred from the trust to the respective employees who exercise the vested shares. During the year no shares have been granted, hence not vested.

During the period under review no meeting of ESPS Compensation Committee was held.

### F. FINANCE COMMITTEE

The Finance Committee comprises of Dr. Kailash S. Choudhari, Mr. Popatlal F. Sundesha, Mr. D. K. Mathur and Mr. Narendra Kumbhat as its members. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same.

During the period under review, No meeting of the Finance Committee was held.

### 4. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings held by the Company are as under: -

Year	Date of AGM	Venue	Time	Special Resolutions passed
2009-10	03.07.2010	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan)	11.00 A.M	<b>ONE</b>
2007-09	25.07.2009	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan).	11.00A.M.	<b>-Nil-</b>
2006-07	28.01.2008	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan).	10:00 A.M.	<b>-Nil-</b>

#### Special Businesses in the AGM held on 3<sup>rd</sup> July, 2010:

##### Item no.1.

To raise fresh Investments aggregating upto USD 50 Mn.

##### Item no.2.

Increase in the Authorised Share Capital of the Company to Rs.80,00,00,000/- (Rupees Eighty Crore Only) divided into 16,00,00,000 (Sixteen Crore) Equity Shares of Rs. 5/- each



During the year, an Extra-ordinary General Meeting was held on 22<sup>nd</sup> October, 2010, at the Registered Office of the Company at F-1080, RIICO Industrial Area, Phase – III, Bhiwadi – 300 019, (Rajasthan) to transact the following Special Businesses :-

Item no.1.

To raise fresh Investments aggregating upto USD 333 Mn.

Item no.2.

Increase in the Authorised Share Capital of the Company to Rs.395,00,00,000/- (Rupees Three Hundred Ninety Five Crores Only) divided into 79,00,00,000 (Seventy Nine Crore) Equity Shares of Rs. 5/- each.

## 5. DISCLOSURES

- a) During the financial year under review the Company has not entered into any transaction of the material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- b) During the financial year under review there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority.
- c) All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- d) The Company has in place a risk management mechanism to inform the Board members about

the risk assessment & minimization procedures, the Board reviews the same from time to time.

- e) The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- f) Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives.
- g) In terms of Clause 49(V) of the Listing Agreement, the Whole Time Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- h) As regards the other Non-Mandatory requirements, the Board has taken cognizance of the same and shall adopt the same as and when necessary.

## 6. MEANS OF COMMUNICATION

Information like quarterly/half yearly/annual financial results, notice of board meeting is submitted to the stock exchanges to enable them to put them on their websites and for the information of the members and investors.

The Company published quarterly financial results in "The Financial Express" (all editions) and "Dainik Lokmat" (Hindi - Jaipur edition) as per details given below: -

Quarter	Date of Board Meeting	Date of Publication
Annual Accounts as on March 31,2010	17 <sup>th</sup> May, 2010	18 <sup>th</sup> May,2010
April - June, 2010	14 <sup>th</sup> August, 2010	16 <sup>th</sup> August,2010
July - September, 2010	6 <sup>th</sup> November,2010	8 <sup>th</sup> November,2010
October - December, 2010	24 <sup>th</sup> January, 2011	25 <sup>th</sup> January, 2011

## 7. SUBSIDIARY COMPANIES

During the financial year under review, the Company applied for winding up of its three wholly owned subsidiaries, i.e. 'Aksh Net Tel Limited', 'Spyk Global Limited' and 'Aksh Infratel Limited', which have accordingly been dissolved under Section 560 of the Companies Act,1956.

As on 31<sup>st</sup> March, 2011 the Company has 2 Indian Subsidiary Companies and one wholly owned overseas subsidiary Company.

As per the requirements of the Listing Agreement, Mr. Narendra Kumbhat, an Independent Director of the Company, has been appointed on the board of Aksh Technologies Limited, a material unlisted subsidiary of the Company. The

financial Statements of the subsidiary Companies are reviewed by the Audit Committee of the Company. The Minutes of the subsidiary companies are placed in the Board Meetings of the Company. The other requirements of the listing agreement with regard to subsidiary companies have been complied with.

## 8. GENERAL SHAREHOLDERS INFORMATION

### Registered Office

F – 1080, RIICO Industrial Area, Phase – III, Bhiwadi – 301 019.

### Address of Correspondence

J-1/1 , B-1 Extension, Mohan Co- operative Industrial Estate, Mathura Road, New Delhi – 110044.



**Compliance Officer and Contact Address:**

Mr. Gaurav Mehta  
 Company Secretary  
 Aksh Optifibre Limited  
 J-1/1, B-1 Extension, Mohan Co-operative Industrial Estate  
 Mathura Road, New Delhi – 110044.  
 Telephone : 91-11 – 26991508/1509, Fax : 91-11-26991510.  
 e- mail : [gaurav@akshoptifibre.com](mailto:gaurav@akshoptifibre.com)

**8.1 Annual General Meeting**

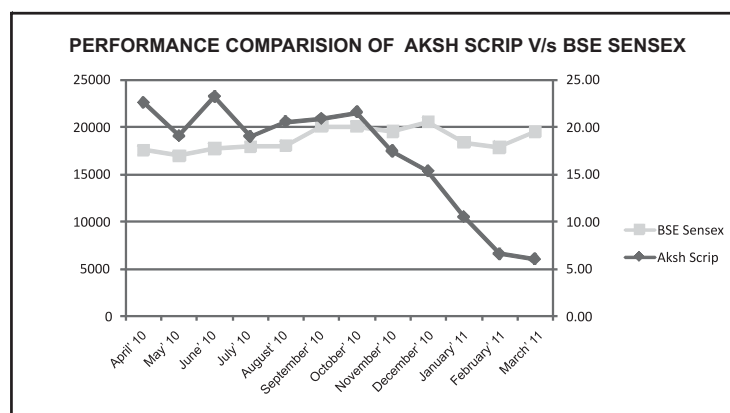
<b>1.</b>	<b>Date, Time and Venue of the Annual General Meeting</b>	15 <sup>th</sup> July, 2011 at 11.00 A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi – 301 019 (Rajasthan)
<b>2.</b>	<b>Financial Calendar</b>	1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011
<b>3.</b>	<b>Book Closure Dates</b>	8 <sup>th</sup> July, 2011 to 15 <sup>th</sup> July, 2011 (both days inclusive)
<b>4.</b>	<b>Dividend Payment Date</b>	<b>Not Applicable</b>
<b>5.</b>	<b>Listing on Stock Exchanges</b>	
<b>(A)</b>	<b>Equity Shares</b>	<b>Stock Code/Symbol</b>
	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 01. Website: <a href="http://www.bseindia.com">www.bseindia.com</a> .	<b>'532351'</b>
	The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, "G Block" Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Website: <a href="http://www.nseindia.com">www.nseindia.com</a> .	<b>'AKSHOPTFBR'</b>
<b>(B)</b>	<b>GDRs &amp; FCCBs</b>	The GDRs & FCCBs of the Company are Listed under the EURO MTF Platform of Luxembourg Stock Exchange, Societe de la Bourse de Luxembourg.
<b>6.</b>	<b>ISIN Code for the Company's Equity Shares</b>	<b>INE523B01011</b>
<b>7.</b>	<b>Corporate Identification Number(CIN)</b>	<b>L24305RJ1986PLC016132</b>
<b>8.</b>	<b>Listing Fees</b>	The Company has paid listing fees to The Bombay Stock Exchange (BSE) and to The National Stock Exchange of India Ltd (NSE), where the Shares of the Company are Listed.
<b>9.</b>	<b>Share Transfer Agents</b>	<b>MCS Limited</b> F-65, First Floor, Okhla Indl. Area, Phase I, New Delhi - 110 020 Tel: 011 - 26384909-10 Fax: 011 - 26384907 E-mail: <a href="mailto:mcsdel@del6.vsnl.net.in">mcsdel@del6.vsnl.net.in</a>
<b>10.</b>	<b>Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent</b>	<b>M/s. MCS Limited</b>

Members holding shares in electronic mode are requested to intimate the change in their address, bank details, etc. to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to the Share Transfer Agent of the Company, M/s MCS Ltd. quoting their Folio Number(s).

## 8.2 Market Price Data

Monthly high/ low/ close prices of the shares of the Company as traded at The Bombay Stock Exchange, Limited, Mumbai (BSE) and monthly high/ low/ close prices of the BSE SENSEX during the financial year under review.

Date	AKSH BSE PRICE(Rs.)			BSE SENSEX (Rs.)		
	High	Low	Month Close	High	Low	Month Close
April 2010	28.60	21.55	22.55	18,047.86	17,276.80	17,558.71
May 2010	24.60	18.25	19.05	17,536.86	15,960.15	16,944.63
June 2010	23.80	18.75	23.20	17,919.62	16,318.39	17,700.90
July 2010	26.50	18.30	19.00	18,237.56	17,395.58	17,868.29
August 2010	23.40	18.70	20.55	18,475.27	17,819.99	17,971.12
September 2010	24.20	18.80	20.90	20,267.98	18,027.12	20,069.12
October 2010	25.60	20.50	21.55	20,854.55	19,768.96	20,032.34
November 2010	26.60	16.05	17.45	21,108.64	18,954.82	19,521.25
December 2010	19.30	11.90	15.35	20,552.03	19,074.57	20,509.09
January 2011	16.70	10.20	10.50	20,664.80	18,038.48	18,327.76
February 2011	11.45	6.25	6.61	18,690.97	17,295.62	17,823.40
March 2011	6.86	5.50	6.03	19,575.16	17,792.17	19,445.22



## 8.3 Distribution of Shareholding as on 31.03.2011

No. of Equity Shares held	No. of Shareholders	% to Total shareholders	No. of Shares held	% to Total shares
1-500	13,199	66.38	26,84,752	1.88
501-1000	2,846	14.31	25,22,724	1.77
1001-2000	1,590	8.00	25,88,494	1.81
2001-3000	667	3.35	17,57,878	1.23
3001-4000	290	1.46	10,65,632	0.74
4001-5000	329	1.65	15,87,324	1.11
5001-10000	470	2.37	35,61,900	2.49
10000-50000	348	1.75	78,18,246	5.47
50001-100000	63	0.32	46,19,176	3.23
100001-And Above	82	0.41	11,47,18,745	80.27
<b>TOTAL</b>	<b>19,884</b>	<b>100</b>	<b>14,29,24,871</b>	<b>100</b>

#### 8.4 Shareholding Pattern:

The Shareholding of different categories of the Shareholders as on 31<sup>st</sup> March, 2011 is given below:

Category	No. of Shares	%age
Promoters	17,869,541	12.50
FIs/Banks/MF/UTI	10,144,155	7.10
Corporate Bodies	30,114,711	21.07
FII's/NRIs/OCBs	10,498,083	0.58
Trusts	463,120	0.32
Custodian for GDRs	43,773,692	30.63
Public	39,737,202	27.80
<b>TOTAL</b>	<b>142,924,871</b>	<b>100</b>

#### 8.5 Dematerialisation of Shares.

The Shares of the Company are in Compulsory Demat Mode. As on 31.03.2011, 99.33 % of the total shareholding is held in dematerialised form with NSDL and CDSL.

#### 8.6 Reconciliation of the Share Capital Audit Report

As stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of the Share Capital Audit is required to be carried out by a qualified Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out at the end of each Quarter and the report thereon is submitted to the Stock Exchanges and also placed before the Board of Directors.

#### 8.7 Outstanding GDRs / ADRs/ Warrants or any Convertible instruments:

- FCCBs US\$ 8.75 Mn on 29<sup>th</sup> January, 2007:** Out of the said issue, FCCBs aggregating to US\$ 2.5 Mn were converted into equity shares. The Company re-financed FCCBs aggregating to US\$ 5.25 Mn and FCCBs aggregating to US\$ 1.00 Mn remains outstanding as on 31.03.2011.
- FCCBs US\$ 20 Mn on 8<sup>th</sup> January, 2008:** Out of the said issue, FCCBs aggregating to US\$ 7.00 Mn were converted into equity shares and FCCBs aggregating to US\$ 13.00 Mn remain outstanding as on 31.03.2011.
- FCCBs US\$ 6.328 Mn on 5<sup>th</sup> February, 2010:** Out of the said issue, FCCBs aggregating to US\$ 4.015 Mn were converted into equity shares and FCCBs aggregating to US\$ 2.225 Mn remain outstanding as on 31.03.2011.

- QIP Issue of Rs 22.5 Crores (approx.) in August 2010:** Comprising of 11,550,000 equity shares, issued to Qualified Institutional Bidders through Qualified Institutional Placements.

- GDRs US\$ 20.00 Mn in January 2008:** Comprising of 6,535,948 GDRs, one GDR equivalent to two Equity Shares. 2,553,921 GDRs remain outstanding as on 31.03.2011.

- GDRs US\$ 25.00 Mn in September 2010:** Comprising of 1,165,750 GDRs, one GDR equivalent to 50 Equity Shares. 773,317 GDRs remain outstanding as on 31.03.2011.

The paid up equity capital of the Company will further be increased as and when the FCCBs get converted into equity shares. However, there would be no impact on the paid up equity share capital of the Company, upon conversion of GDRs into equity shares.

#### 9. MANAGEMENT RESPONSIBILITY STATEMENT

The Management confirms that the financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India. The management accepts responsibility for the integrity and objectivity of these financial statements. The management believes that the financial statements of operations reflect fairly the Company's financial position and the results of the operations. The company has a system of Internal Control, which is reviewed and updated on the regular basis.

The Financial Statements have been audited by M/S P.C. Bindal & Co., Chartered Accountants and have been discussed with the Audit Committee.

### COMPLIANCE

The certificate dated 21<sup>st</sup> May, 2011 obtained from our Statutory Auditors M/S P.C. Bindal & Co. forms part of this Annual Report and the same is given herein below:

### AUDITORS CERTIFICATE

#### ON CLAUSE 49 OF THE LISTING AGREEMENT

**To the Members of Aksh Optifibre Limited,**

We have examined the compliance of conditions of Corporate Governance by Aksh Optifibre Limited, for the financial year ended 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchange(s).

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the company has complied with the condition of Corporate Governance as stipulated in the clause 49 of the above mentioned listing agreement.

We state that in respect of the investor grievance received during the year ended 31<sup>st</sup> March, 2011 no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P.C. Bindal & Co.  
**Chartered Accountants**  
**Sd/-**

K.C.Gupta  
(PARTNER)  
Membership No. 088638  
FRN No. 003824N

**Place : New Delhi**  
**Date : 21.05.2011**

### WTD/CFO CERTIFICATE

The Board of Directors  
**Aksh Optifibre Limited**

We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief, we state that:-

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :-
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours sincerely,

Satyendra Gupta  
**Chief Financial Officer**

**Place : New Delhi**  
**Date : 21.05.2011**

Chetan Choudhari  
**Whole Time Director**

## MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS AND OPERATIONAL RESULTS

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

### Industry Structure and Developments

#### Global Industry Scenario

Research from Point Topic has revealed that broadband subscriptions have driven global IPTV usage to a record level of over 45 million users. The results presented by the Broadband Forum, showed that in all IPTV usage climbed by 34.6% in 2010 out of which in July, 2010 the half billion broadband lines mark was passed. The year ended with 523 million lines, a net addition of over 55 million lines. Matching this impressive growth was a commensurate uplift in IPTV subscribers to 45.4 million, with over 11.5 million new subscribers. The research also revealed that Q4 2010 was the strongest quarter for IPTV growth, with an 8% growth delivering 3.4 million additions.

IPTV subscribers worldwide will reach 109 Mn. by 2014, rising at a compound annual growth rate (CAGR) of about 25% between 2011 to 2014, as telcos look for new revenue streams beyond data and voice services.

With the developed and developing economies opting for FTTH (Fibre-To-The-Home) Technology as a viable broadband option, the Industry is set to grow with the regulators coming forward to foster the State owned telcos to switch to FTTH Technology.

#### IPTV / VOIP Services Scenario

Emergence of IPTV as a medium for TV viewing has provided consumers with more choice. IPTV services can be delivered by telecom service providers or Internet service providers.

The major benefit of switching to IPTV is to enjoy non – linear TV viewing and with Video on Demand (VoD) or even Time Shifted TV (TSTV), – the next gen way of consuming

video entertainment/edutainment/infotainment at one's own leisure. The user is also allowed to pause, fast forward or reverse at his/her convenience. This type of instant joy is available only through IPTV and this service has benefits for all – from consumers to service providers to content producers.

A jump in bandwidth usage along with fibre - to -home installations has been driving IPTV in India. The growth drivers of IPTV in India are growth in Broadband usage and aggressive Network expansion through Telecom Companies namely BSNL & MTNL.

With the private telecom players also offering DTH & IPTV services, coupled with the demand of FTTH technology, need of high bandwidth by big corporate banks and Insurance Companies for data, audio and video conferencing would further fuel up the demand for IPTV networks.

The key driver of IPTV services is its cost effectiveness both at the time of installation and after sales service, coupled with the ability of the subscriber to optimally use the internet. Faster growth in IPTV is mostly driven by proliferation of Triple Play, improved DSL / fibre broadband capacity, accelerated install time, continued improvement in QoS / QoE and additional HD content. The Telco TV upgrades, all based on globally standardized IP protocol technology, are continually improving while costs are dropping or remaining stable, allowing further investments.

IPTV has started to gain a foothold in several small or emerging markets and has begun to win customers, albeit at a slow pace. It is reported that amongst all the IPTV markets, Asia –Pacific region is slated to be the second largest IPTV Market in the world. It is also reported that in the next 4 years IPTV would grow at a CAGR of 26%.

VoIP (Voice over Internet Protocol) or Internet telephony is a low cost voice communication technology, using prevailing internet protocol. The Company has launched its VoIP services by the brand name 'Pigeon' in collaboration with MTNL, using the existing broadband network of MTNL in the cities of Delhi & Mumbai.

### SWOT Analysis

Strength	Opportunities
<ul style="list-style-type: none"> <li>Professionally managed and experienced Management Team.</li> <li>Technologically advanced set up, with hoards of value added services in the offering.</li> <li>Offering Time shift TV, to enable households to shift their view time for their preferred programming.</li> <li>Collection of quality content, with an ability to provide the optimum mix of premium and local content</li> </ul>	<ul style="list-style-type: none"> <li>Roll out of 3G services with broadband and triple play services set to grow strong opportunity for infrastructure solutions. 3G will address a huge pent-up demand for high-bandwidth data exchange and internet access.</li> <li>TRAI's recommendation for phase-wise migration of all analog cable TV systems to digital platform by 2013.</li> <li>Proposed roll out plans for national optical fibre cable network acting as backbone to broadband services across the country</li> <li>Growth in the Indian entertainment industry with a spurt of new technologies, larger pay-TV audience and digitization</li> <li>Growth of FTTH Technology</li> </ul>

**Weakness**

- ◆ Full dependence on Govt. Telcos
- ◆ Highly capital intensive business
- ◆ Long gestation period

**Threats**

- ◆ IPTV is sensitive to packet loss and delays if the streamed data is unreliable.
- ◆ Other form of Digital TVs, like DTH and cable.
- ◆ Loyalty of cable customers marginalized, but yet to be diminished. Low awareness amongst the masses.

**Risk Management Framework**

The Company has a Risk Management framework in place, which comprises the identification of potential risk areas, evaluation of intensity, mitigation plans and procedures for the risk management and policies formulated both at the enterprise and at the Operating level. The framework seeks to facilitate building a common understanding of the exposure to the various risks and uncertainties at an early stage, for timely response and their effective mitigation.

**Internal Control**

The Company has adequate internal control procedures commensurate with the size and nature of its business. These business control procedures ensure efficient use and protection of the resources and also compliance with the policies, procedures and statutory requirements. The internal control systems provide for well documented guidelines, authorization and approval procedures. The Company also carries out internal audit through an external agency. The prime objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

**Human Resources**

The good performance of the Company requires a disciplined, focused work culture and demands an ongoing effort to sustain an engaged workforce. To sustain in this challenging environment, the management values its human resources as one of its most valuable assets and actuate their talent by providing opportunities to develop themselves. The management believes that business cannot grow without utilizing the potential of its human resources. The management is committed to provide a conducive working environment to its employees, fully

utilizing their potential and enhancing their skills through cross-functional exposure, training and development, sharing of information and experiences. The management believes in maintaining cordial and harmonious relations with its employees. The Company works with a Key Responsibility Area based review and recognition strategy that aligns efforts, while rewarding results. The Company employed a total of 125 employees as on 31st March, 2011 spread over all its offices.

**Financial Performance**

The financial performance of the Company has been given separately in the Directors' Report.

**Future Outlook**

IPTV represents an opportunity for telecommunication companies looking for new revenue streams beyond data and voice services. With the necessary broadband infrastructure in place there are many opportunities for growth. As more and more consumers are switching to fiber for their broadband, it is projected that the numbers of IPTV subscribers will climb in markets, where FTTH deployment is powering ahead.

Your Company would continue to aggressively pursue its IPTV business to attract new subscribers thereby boost revenues. The Company has started its FTTH deployment and it would follow it up more vigorously with new value-added services in its IPTV bouquet, while keeping low cost and extending exemplary services to the subscribers of IPTV.

India is moving towards becoming a top IPTV market and Aksh is making inroads to turn those aspirations into reality. We aspire to build an i-control IPTV base that will change the way most of India utilizes television in their daily lives.



**AUDITORS' REPORT**

To the Members of,

**Aksh Optifibre Limited**

1. We have audited the attached balance sheet of Aksh Optifibre Limited as at 31<sup>st</sup> March, 2011 and also the profit & loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) In our opinion, proper books of account as required by the law have been kept by the company, so far as appears from our examination of those books ;
  - iii) The balance sheet, profit & loss account, and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 ;
  - v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 ;

- vi) *Attention is invited to the note 16 of schedule "L" regarding the opinion framed by the Company for non provision of investments and outstanding dues with one of its subsidiary.*
- vii) *Subject to our comments in para (vi) above and their consequential effects on the net assets or operations (if any), quantum of which can not be ascertained, based on our audit on financial statement and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes to Accounts- Schedule "L" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:*
  - a) In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011;
  - b) In the case of Profit & Loss Account, of the loss of the company for the year ended on that date; and
  - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For P.C. BINDAL & CO.**

Chartered Accountants

FRN: 003824N

**CA.K.C. GUPTA**

Partner

Place: New Delhi

Date: 21.05.2011

Membership No: 088638

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR  
REPORT OF EVEN DATE  
TO THE MEMBERS OF AKSH OPTIFIBRE LIMITED  
FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2011**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per information & explanation given to us fixed assets except the assets installed at customer premises have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable.
- (c) During the year, the company has not disposed off substantial / major part of fixed assets.
- (ii) (a) During the year, the inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical



verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the company has granted interest free unsecured loan to two wholly owned subsidiaries. The maximum amount involved during the year was Rs. 10927.06 lacs and the closing balance of loan given to such parties was Rs. 10927.06 lacs.
- (b) According to the information and explanations given to us, in our opinion, the other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (c) As per the information made available to us, the aforesaid advance granted by the company is repayable on demand.
- (d) In respect of the aforesaid advances, there is no overdue amount as at year-end.
- (e) According to the information and explanations given to us, the company has taken unsecured loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2955.35 lacs and the closing balance of loan taken from such parties was Rs. 885.85 lacs.
- (f) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (g) According to the information and explanations given to us, the payments of the principal amount and interest of the aforesaid loan are regular.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets, sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements need to entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered ; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us and according to the books and records examined by us, the Central Government has not prescribed any specific Cost records for the company under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and according to the books and records examined by us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable except Rs.3.92 Lacs relating to sales tax, 0.66 lacs to relating to service tax, and 0.35 lacs to relating to TDS.
- (c) According to the information and explanations given

to us. and the records of the Company examined by us, dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of

disputes and the forum where the dispute are pending as under :

Name of the Statute	Nature of Dues	Amount (Rs.in lacs)	Year to which Amount Relates	Forum where dispute is pending
AP Vat Act	Sales Tax Demand	181.01	2005-06	Hon'ble High Court, Hyderabad
Provident Fund Act	Provident Fund	7.60	2004-05	Hon'ble High Court, Jaipur
DVAT Act	Sales Tax Demand	209.64	2007-08	Commissioner (Appeals)

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has incurred cash loss during the year covered by our audit and also in the immediately preceding financial year.
- (xi) Bonds of \$ 1 mn having maturity value of \$ 1.205mn equivalent to Rs. 541 lacs issued in pursuant of the redemption of FCCBs amounting \$ 1 mn redeemable as on 29<sup>th</sup> January, 2010 are still outstanding as on the balance sheet date.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has given corporate guarantee for securing working capital facilities sanctioned to its wholly owned subsidiary i.e. Aksh Technologies Limited amounting to Rs. 6,055 lacs. In our opinion issuance of such guarantee is not prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of share to parties covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the company had not issued any debentures during the year.
- (xx) According to the information and explanations given to us, the company had not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For P.C. BINDAL & CO.**  
Chartered Accountants  
FRN: 003824N

**CA.K.C. GUPTA**  
Partner  
Membership No: 088638

Place: New Delhi  
Date: 21.05.2011

**BALANCE SHEET AS AT MARCH 31, 2011**

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at March 31, 2011	As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
Share Capital	"A"	714,624,355	303,045,310
Reserves and Surplus	"B"	3,299,628,537	1,995,771,821
		<b>4,014,252,892</b>	<b>2,298,817,131</b>
<b>Loan Funds</b>			
Unsecured Loans	"C"	854,352,936	1,364,203,514
<b>TOTAL</b>		<b>4,868,605,828</b>	<b>3,663,020,645</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	"D"		
Gross Block		1,414,014,099	1,376,414,825
Less : Accumulated Depreciation		409,338,111	319,276,823
<b>Net Block</b>		<b>1,004,675,988</b>	<b>1,057,138,002</b>
<b>Capital work in progress including capital advances</b>		<b>49,888,180</b>	<b>78,176,473</b>
		<b>1,054,564,168</b>	<b>1,135,314,475</b>
<b>Investments</b>	"E"	1,532,139,950	1,531,775,000
<b>Deferred Tax Assets (Net)</b>		-	215,511,801
<b>Current Assets, Loans and Advances</b>	"F"		
Inventories		11,346,236	11,482,635
Sundry Debtors		204,986,090	209,815,645
Cash and Bank Balances		71,497,411	80,183,429
Loans and Advances		1,375,373,544	325,677,774
		<b>1,663,203,281</b>	<b>627,159,483</b>
<b>Less : Current Liabilities and Provisions</b>	"G"		
Current Liabilities		252,753,350	238,253,314
Provisions		10,254,109	12,079,153
<b>Net Current Assets</b>		<b>1,400,195,822</b>	<b>376,827,016</b>
<b>Profit and Loss Account</b>		<b>881,705,888</b>	<b>403,592,353</b>
<b>TOTAL</b>		<b>4,868,605,828</b>	<b>3,663,020,645</b>
Notes to accounts	"L"		

The schedules referred to above form an integral part of balance sheet.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
 Chartered Accountants  
 FRN: 003824N

**KAILASH S. CHOUDHARI**  
 Chairman

**CA. K.C. Gupta**  
 Partner  
 Membership No. 088638

**B. R. RAKHECHA**  
 Director

**CHETAN CHOUDHARI**  
 Whole Time Director

 Place : New Delhi  
 Dated : 21.05.2011

**SATYENDRA GUPTA**  
 Chief Financial Officer

**GAURAV MEHTA**  
 Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>INCOME</b>			
Gross / Net Turnover	"H"	<b>50,855,347</b>	83,051,255
Miscellaneous Income	"I"	<b>72,777,200</b>	174,717,477
<b>TOTAL</b>		<b>123,632,547</b>	257,768,732
<b>EXPENDITURE</b>			
Operating and other expenses	"J"	<b>271,098,799</b>	329,899,708
<b>Profit / (Loss) before interest, depreciation and tax</b>		<b>(147,466,252)</b>	(72,130,976)
Interest	"K"	<b>23,201,910</b>	23,932,520
Depreciation including amortization	"D"	<b>91,933,572</b>	113,628,522
<b>Profit / (Loss) for the year before tax</b>		<b>(262,601,734)</b>	(209,692,018)
Provision for taxation			
-Deferred Tax (Credit)/Charge		-	(71,156,873)
Deferred Tax Assets Reversed (Refere note 8)		<b>215,511,801</b>	-
<b>Profit / (Loss) for the year after tax</b>		<b>(478,113,535)</b>	(138,535,145)
Balance brought forward from Previous Year		<b>(403,592,353)</b>	(265,057,208)
<b>Balance Carried to Balance sheet</b>		<b>(881,705,888)</b>	(403,592,353)
<b>Basic and diluted earning per share</b>			
(Face value of Rs.5/- each per share)			
Basic		<b>(4.37)</b>	(2.34)
Diluted		<b>(3.87)</b>	(1.87)
Notes to accounts	"L"		

The schedules referred to above form an integral part of profit and loss account.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
 Chartered Accountants  
 FRN: 003824N

**KAILASH S. CHOUDHARI**  
 Chairman

**CA. K.C. Gupta**  
 Partner  
 Membership No. 088638

**B. R. RAKHECHA**  
 Director

**CHETAN CHOUDHARI**  
 Whole Time Director

 Place : New Delhi  
 Dated : 21.05.2011

**SATYENDRA GUPTA**  
 Chief Financial Officer

**GAURAV MEHTA**  
 Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>A Cash Flow from Operating activities</b>		
Net Loss before taxation	(262,601,734)	(209,692,018)
Add / Less :		
Depreciation	91,933,572	113,628,522
Interest Expense	23,201,910	23,932,520
(Profit) / Loss on sale of Fixed Assets	(16,263,173)	175,292
Interest Income	(9,089,628)	(4,207,497)
<b>Operating Loss before working capital changes</b>	<b>(172,819,053)</b>	<b>(76,163,181)</b>
Adjustment for :		
Decrease in Sundry Debtors	4,829,555	246,453,359
Decrease in Other Assets	50,944,791	73,635,384
Decrease in Inventories	136,399	196,247,813
Increase / (Decrease) in Sundry Creditors	12,674,992	(206,503,168)
<b>Cash generated from operations</b>	<b>(104,233,316)</b>	<b>233,670,207</b>
Direct tax (paid)	1,808,009	(452,821)
<b>Net Cash Inflow / (outflow) fom Operating activities</b>	<b>(102,425,307)</b>	<b>233,217,386</b>
<b>B Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(21,428,227)	(53,684,484)
Proceeds from Sale of Fixed Assets	26,508,135	480,039,188
Purchase of Investments	(1,820,350)	(400,000,000)
Decrease in Investments	1,455,400	82,045
Loans & Advances to Subsidiary Companies	(1,102,448,570)	(19,834,780)
Interest Income	9,089,628	4,207,497
<b>Net Cash Inflow/(outflow) from Investing activities</b>	<b>(1,088,643,984)</b>	<b>10,809,466</b>
<b>C Cash Flow from Financing activities</b>		
Proceeds from Issue of Share Capital	1,758,725,431	98,174,915
Repayments of FCCBs	(391,142,200)	(277,152,600)
Repayments of Unsecured borrowings	(118,708,378)	(80,363,762)
Proceeds/(Repayments) of Working capital borrowing	-	(154,833,311)
Expenses on issue of FCCB/GDR/shares on QIP	(43,289,670)	(4,472,786)
Interest paid	(23,201,910)	(23,932,520)
<b>Net Cash inflow/(outflow) from Financing activities</b>	<b>1,182,383,273</b>	<b>(442,580,064)</b>
<b>D Net Decrease in cash and cash equivalents</b>	<b>(8,686,018)</b>	<b>(198,553,212)</b>
<b>E Cash and Cash equivalents at beginning of year</b>		
- As reported in previous financial statements	80,183,429	278,736,641
<b>F Cash and Cash equivalents at end of year</b>	<b>71,497,411</b>	<b>80,183,429</b>
( refer schedule F ( c ) of Financial Statements )		

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary



**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
790,000,000 (previous year 95,000,000) Equity Shares of Rs.5/- each	<b>3,950,000,000</b>	475,000,000
	<b>3,950,000,000</b>	475,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
142,924,871 (previous year 60,609,062) Equity Shares of Rs.5/- each fully paid up	<b>714,624,355</b>	303,045,310
	<b>714,624,355</b>	303,045,310

**Footnotes:**
**1 Issued, Subscribed and Paid up Capital includes :**

- a) 9,505,860 (previous year 9,505,860) Equity Shares of Rs. 5/- each issued as fully paid up Bonus Shares by capitalisation of Securities Premium and Reserves.
- b) 1,660,942 (previous year 1,660,942) Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of Telecord India Pvt Ltd pursuant to Scheme of Arrangement.
- c) 20,210,400 (previous year 20,210,400) Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation.

**2 During the year, the Company has issued :**

- a) 2,955,097 (previous year 1,641,721) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 54.80 per share upon conversion of Foreign Currency Convertible Bonds ( FCCBs).
- b) 9,523,212 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 15.06 per share upon conversion of Foreign Currency Convertible Bonds ( FCCBs).
- c) 11,550,000 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 14.50 per share upon issue of shares under Qualified Institutional Placements (QIP).
- d) 58,287,500 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 15/- per share represented by 1,165,750 Global Depository Receipts (GDRs) were issued at a price of USD 21.45 per GDR inclusive of Security Premium. Each GDR equivalent to 50 nos of Equity Shares.

**SCHEDULES FORMING PART OF BALANCE SHEET**
**SCHEDULE - "B"**
**RESERVES & SURPLUS**

(Amount in Rupees)

	As at April 1, 2010	Additions	Deductions	As at March 31, 2011
Securities Premium Account	1,994,271,821	1,347,146,386 #	43,289,670 ##	<b>3,298,128,537</b>
Capital Reserve	1,500,000	-	-	<b>1,500,000</b>
	<b>1,995,771,821</b>	<b>1,347,146,386</b>	<b>43,289,670</b>	<b>3,299,628,537</b>

**Footnotes :**

# Comprises of

- Rs. 1619.39 lacs on issue of 2,955,097 equity shares upon conversion of Foreign Currency Convertible Bonds (FCCBs) of 2008.
- Rs. 1434.19 lacs on issue of 9,523,212 equity shares upon conversion of FCCBs of 2013.
- Rs. 1674.75 lacs on issue of 11,550,000 equity shares of Rs. 5 at a premium of Rs. 14.50 each upon issue shares under Qualified Institutional Placements (QIP).
- Rs. 8743.13 lacs on issue of 58,287,500 equity shares of Rs. 5 at a premium of Rs. 15 each upon issue of Global Depository Receipts (GDR).

## Rs 432.90 Lacs being issue expenses on issue of GDRs / FCCBs and shares on QIP.

(Amount in Rupees)

PARTICULARS	As at March 31, 2011	As at March 31, 2010
<b>SCHEDULE - "C"</b>		
<b>UNSECURED LOANS</b>		
Foreign Currency Convertible Bonds	<b>723,635,000</b>	1,114,777,200
Loan from Chairman / Managing Director *	<b>25,100,000</b>	60,825,000
Inter Corporate Deposits	<b>63,485,000</b>	137,435,000
Security Deposit	<b>42,132,936</b>	51,166,314
	<b>854,352,936</b>	1,364,203,514

**Footnote:**

- \* Represents Loan from Dr. Kailash S Choudhari, he was Managing Director upto 31st August 2010, thereafter he was appointed as Chairman of the Company.



**SCHEDULE FORMING PART OF BALANCE SHEET**

**SCHEDULE - "D"**

**FIXED ASSETS**

(Amount in Rupees)

S.No. Description	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at April 1, 2010	Additions	Deductions/ Adjustments	As at March 31, 2011	As at April 1, 2010	For The Year	As at March 31, 2011	As at March 31, 2010
1 Freehold Land	184,250	-	-	184,250	-	-	184,250	184,250
2 Leasehold Land	33,406,918	-	2,361,290	31,045,628	3,595,689	331,201	3,740,177	27,305,451
3 Factory Buildings	127,182,804	-	840,450	126,342,354	52,399,870	4,233,623	56,312,641	74,782,933
4 Residential Building	540,400	-	540,400	-	99,675	11,534	-	440,725
5 Plant and Machinery	659,204,261	48,980,380	6,653,115	701,531,526	85,962,983	48,494,093	134,070,462	573,241,278
6 Telecom Networking	314,685,712	416,565	-	315,102,277	96,051,821	14,952,504	111,004,325	218,633,891
7 Air Conditioners	2,878,107	42,839	-	2,920,946	308,825	153,242	464,120	2,569,282
8 Furniture and Fixtures	11,282,103	26,481	981,690	10,326,894	1,267,847	654,294	1,792,654	10,014,257
9 Office Equipments	1,232,581	-	205,501	1,027,080	234,054	51,225	74,034	998,527
10 Data Processing System	4,823,107	128,130	534,800	4,416,437	2,227,197	665,473	2,363,423	2,595,910
11 Electric Fittings	3,650,775	29,660	-	3,680,435	312,544	193,936	507,620	3,338,231
12 Vehicles	1,160,418	-	-	1,160,418	480,977	110,240	591,217	679,441
13 Intangible Assets-Software	216,183,389	92,465	-	216,275,854	76,335,341	22,082,107	98,417,448	139,848,048
<b>Total</b>	<b>1,376,414,825</b>	<b>49,716,520</b>	<b>12,117,246</b>	<b>1,414,014,099</b>	<b>319,276,823</b>	<b>91,933,572</b>	<b>409,338,111</b>	<b>1,004,675,988</b>
Previous Year	2,181,669,206	114,963,753	920,218,134	1,376,414,825	645,651,955	113,628,522	319,276,823	1,057,138,002

**Footnotes:**

1) Working Capital facilities sanctioned to Aksh Technologies Ltd, a subsidiary of the Company are secured by way of first pari passu charge on the Immovable Properties of the Company.

2) Following assets are given on Operating Lease to Aksh Technologies Ltd :

Rs in lacs

Particulars	Gross Block as on April 1, 2010	Deduction / Adjustments	Gross Block as on March 31, 2011	Accumulated Depreciation as on March 31, 2011	Net Block as on March 31, 2011
Leasehold Land	317.54	7.09	310.45	37.40	273.05
Factory Buildings	1,271.83	8.40	1,263.43	563.13	700.30

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "E"</b>		
<b>INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>QUOTED</b>		
CMI Limited 22,300 (previous year 22,300) equity shares of Rs. 10 each fully paid up	<b>44,600</b>	44,600
	<b>44,600</b>	44,600
<b>UNQUOTED</b>		
<b>Government Securities</b>		
National Saving Certificates (Deposited with Government Department as Security)	<b>25,000</b>	25,000
	<b>25,000</b>	25,000
<b>Investment in Subsidiary Companies</b>		
SPYK Global Limited NIL (previous year 100,000) equity shares of Rs. 5 each fully paid up @	-	500,000
Aksh Infratel Limited NIL (previous year 100,000) equity shares of Rs. 5 each fully paid up @@	-	500,000
Aksh Net Tel Limited NIL (previous year 100,000) equity shares of Rs. 5 each fully paid up @@@	-	500,000
Aksh Technologies Limited 10,100,000(previous year 10,100,000) equity shares of Rs 5 each fully paid up	<b>300,500,000</b>	300,500,000
Aksh Technologies Limited 1,000,000(previous year 1,000,000), 0% Optionally Convertible Debentures of Rs 100 each	<b>100,000,000</b>	100,000,000
AOL FZE 1 Share of Arab Emirates Dhiram (AED) 150,000 (previous year NIL) \$	<b>1,820,350</b>	-
APAKSH Broadband Limited 225,950,000 (previous year 225,950,000) Equity Shares of Rs.5/- each	<b>1,129,750,000</b>	1,129,750,000
<b>TOTAL LONG TERM INVESTMENTS</b>	<b>1,532,139,950</b>	1,531,819,600
Less: Provision for Diminution in value of Quoted Investments \$\$	-	44,600
	<b>1,532,139,950</b>	1,531,775,000
<b>Aggregate value of Investments</b>		
Quoted (CMI Ltd -Market value Rs. 16.55 per share)	<b>369,065</b>	-
Unquoted	<b>1,532,095,350</b>	1,531,775,000
	<b>1,532,464,415</b>	1,531,775,000
<b>Movements in investments during the year</b>		
Addition : \$ AOL FZE 1 Share of AED 150,000 = Rs 18.20 lacs (1 AED = Rs 12.1356)		
Deletion : @ SPYK Global Limited 100,000 equity shares of Rs. 5 = Rs 5.00 lacs		
@@ Aksh Infratel Limited 100,000 equity shares of Rs. 5 = Rs 5.00 lacs		
@@@ Aksh Net Tel Limited 100,000 equity shares of Rs. 5 = Rs 5.00 lacs		
\$\$ Provision for Diminution in value of Quoted Investments written back = Rs 0.45 lacs		

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

PARTICULARS	As at March 31, 2011	As at March 31, 2010
<b>SCHEDULE - "F"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>a) INVENTORIES</b>		
i) Finished Goods and Traded Goods	4,702,404	5,229,311
ii) Semi Finished Goods	6,643,832	6,253,324
	<b>11,346,236</b>	<b>11,482,635</b>
<b>b) SUNDRY DEBTORS(Unsecured,Considered Good)</b>		
i) Debts outstanding for a period exceeding six months #	195,100,175	193,729,535
ii) Others	9,885,915	16,086,110
	<b>204,986,090</b>	<b>209,815,645</b>
<b>c) CASH AND BANK BALANCES</b>		
i) Cash in hand	130,429	228,240
ii) Balance with Scheduled Banks		
- Current Accounts	1,388,334	5,989,912
- Deposit/ Margin Account @	61,643,160	67,392,175
iii) Interest accrued on deposits	7,913,952	6,161,971
iv) In Current Account with Non Scheduled Bank \$	15,495	5,090
v) In Dividend Account	406,041	406,041
	<b>71,497,411</b>	<b>80,183,429</b>
<b>B. LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>		
a) Advances Recoverable in cash or in kind for value to be received ¥	1,241,246,665	185,651,520
b) Prepaid Taxes	9,638,642	11,446,651
c) MAT Credit Entitlement	15,810,666	15,810,666
d) Balance with Excise and Custom	108,677,571	112,768,937
	<b>1,375,373,544</b>	<b>325,677,774</b>
	<b>1,663,203,281</b>	<b>627,159,483</b>

**Footnotes:**

# Includes Rs. 1,706.65 lacs ( net of advances) due from APAKSH Broadband Limited, a Subsidiary Company ( previous year Rs. 1,706.65 lacs). Maximum amount due during the year Rs 1,706.65 lacs ( previous year Rs. 1706.65 lacs).

@ Rs. 616.43 lacs Pledged with the Banks for various Facilities (previous year Rs. 666.62 lacs).

\$ includes :

a) The Urban Co-operative Bank Ltd Rs 0.05 lac (previous year Rs 0.05 lac), Maximum Balance Rs 0.05 lac (previous year Rs 0.05 lac)

b) Euram Bank Rs 0.10 lac (previous year Rs NIL), Maximum Balance Rs 11,657.50 lacs (previous year Rs. NIL).

¥ a) includes Rs. 21.33 lacs due from APAKSH Broadband Limited a subsidiary Company (previous year Rs 9.78 lacs) Maximum Amount due during the year Rs. 21.33 lacs (previous year Rs. 9.78 lacs)

b) includes Rs 221.92 lacs (Rs. 124.50 lacs loan given and Rs. 97.42 lacs other advances) due from Aksh Technologies Ltd, a subsidiary Company (previous year Rs 198.35 lacs, Rs 89.70 lacs loan given and Rs 108.65 lacs other advances), Maximum Amount due during the year Rs. 282.78 lacs (previous year Rs. 4933.24 lacs)

c) includes Rs 10,802.56 lacs due from AOL FZE, a subsidiary Company (previous year Rs NIL) Maximum Amount due during the year Rs.10,802.56 lacs (previous year Rs. NIL)

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "G"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
a) Dues of other than Micro, Small and Medium Enterprises	<b>127,812,658</b>	132,486,287
b) Dues of Micro, Small and Medium Enterprises	-	-
c) Other Current Liabilities @	<b>121,804,501</b>	101,813,747
d) Advance From Customers	<b>2,730,150</b>	3,547,239
e) Unclaimed Dividend	<b>406,041</b>	406,041
	<b>252,753,350</b>	238,253,314
<b>B. PROVISIONS</b>		
a) Provision for Retirement Benefits	<b>9,049,728</b>	8,265,117
b) Provision for Fringe Benefit Tax	-	1,915,507
c) Unearned Income	<b>1,204,381</b>	1,898,529
	<b>10,254,109</b>	12,079,153
	<b>263,007,459</b>	250,332,467

**Footnote:**

@ Other Current Liabilities includes Rs 91.56 lacs being Premium on FCCB Redemption (previous year Rs. 92.17 lacs) .



**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>SCHEDULE - "H"</b>		
<b>GROSS / NET TURNOVER</b>		
Sales ( Net of Retrurns)	<b>2,354,648</b>	29,360,230
Income from Services	<b>48,500,699</b>	53,691,025
	<b>50,855,347</b>	83,051,255

**SCHEDULE - "I"**
**MISCELLANEOUS INCOME**

Interest Received on deposits/others @	<b>9,089,628</b>	4,207,497
Rent Received \$	<b>44,400,000</b>	14,800,000
Foreign Exchange Fluctuations	-	153,389,409
Profit on sale of fixed assets	<b>16,263,173</b>	-
Other Income	<b>3,024,399</b>	2,320,571
	<b>72,777,200</b>	174,717,477

**Footnotes:**

@ Tax Deducted at Source Rs. 0.94 lac (previous year Rs. 0.39 lac)

\$ Tax Deducted at Source Rs. 1.11 lacs (previous year Rs. 14.80 lacs)

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>SCHEDULE - "J"</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
Trading Purchases	1,480,040	27,426,259
(Increase)/Decrease in stock	296,434	406,779
Stores and Hardware Consumed	354,830	1,459,959
Job Charges and Contract Expenses	30,694,715	44,795,147
Subscription Charges	49,388,042	49,170,380
Power & Fuel	9,091,980	13,009,031
Advertisement	16,529,207	26,435,440
Salaries & Bonus	40,513,562	53,302,302
Contribution to Provident & Other Funds	4,093,830	4,535,808
Employees Welfare	1,070,578	1,394,186
Directors' Remuneration	7,700,646	12,653,571
Travelling & Conveyance	3,623,930	5,507,311
Postage & Telephone	3,100,909	3,669,510
Insurance	1,576,317	1,737,598
Loss on Sale of Fixed Assets	-	175,292
Foreign Exchange Fluctuations (net)	23,573,296	-
Rent	14,207,201	18,045,266
Professional & Legal Expenses	15,156,145	27,161,021
Repair & Maintenance		
- Others	3,583,442	7,953,933
Marketing & Service Charges	4,845,813	5,899,203
Bad Debts	-	10,636,398
Membership & Subscription	24,298,282	1,320,826
Freight & Cartage (Outward)	245,436	436,091
Auditors' Remuneration		
As auditors		
- Audit fee	800,000	600,000
- Out of pocket expenses	35,825	34,651
In other capacity		
- For tax matters and tax audit	100,000	400,000
- For certification and other reports	231,500	489,500
Investments Written Off (net)	1,455,400	-
Bank Charges	1,340,574	2,784,615
Other Expenses	11,710,865	8,459,631
	<b>271,098,799</b>	<b>329,899,708</b>
<b>SCHEDULE - "K"</b>		
<b>INTEREST</b>		
Interest on Fixed Loans *	22,691,992	23,191,196
Interest Others	509,918	741,324
	<b>23,201,910</b>	<b>23,932,520</b>

**Footnote:**

\* Includes Rs. 76.47 lacs ( previous year Rs. 32.21 lacs) on loan taken from Chairman / Managing Director.

**SCHEDULE FORMING PART OF ACCOUNTS**
**SCHEDULE "L"**
**NOTES TO ACCOUNTS AS AT MARCH 31, 2011.**
**1. SIGNIFICANT ACCOUNTING POLICIES**
**a) Basis of preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standard Rules 2006 (as amended) and the relevant requirements of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on an accrual basis of accounting except in case of assets for which impairment is carried out. The accounting policies have been consistently applied by the company.

**b) Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/materialized.

**c) Fixed Assets**

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use.
- ii) Exchange difference arising on account of liabilities incurred for acquisition or construction of Fixed Assets is adjusted in the carrying amount of related Fixed Assets.

**d) Capital Work-in-Progress**

Advances paid towards the acquisition of fixed assets, costs of assets not ready for use before the year-end and expenditure during construction period that is directly or indirectly related to construction, including borrowing costs are included under Capital Work-in-Progress.

**e) Depreciation**

- i) Depreciation on Fixed Assets is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation is charged on pro-rata basis for assets purchased/ sold during the year. Individual assets costing up to Rs. 5,000/- are depreciated in full in the year of purchase.  
Depreciation on equipments installed at customer premises is being provided at 20% on useful life estimated by the management.  
Licence fee is amortised over the licenced period.
- ii) Cost of leasehold land is amortized over lease period on a straight-line basis.
- iii) Cost of software is amortised over its useful life on a straight-line basis.

**f) Impairment of Assets**

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**g) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long Term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such diminution is other than temporary. Current Investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

**SCHEDULE FORMING PART OF ACCOUNTS**
**h) Inventories**

Raw materials, work-in-process, finished goods, trading stock, packing material and stores and spares parts are valued at the lower of cost and net realizable value except scrap which is valued at net realizable value.

Cost of inventories of items that are not ordinarily interchangeable or are meant for specific projects is assigned by specific identification of their individual cost. Cost of other inventories is ascertained on the FIFO basis. In determining the cost of work-in-process and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities.

The comparison of cost and realizable value is made on an item-by-item basis.

Net realizable value of work-in- process is determined on the basis of selling prices of related finished products.

**i) Foreign Currency Transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit & loss in the year in which exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year. None of the forward exchange contracts are taken for trading for speculation purpose.

**j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that company incurs in connection with the borrowing of funds.

**k) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured.

**Sales of Goods and Services**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer (usually at the point of dispatch to customers). Sales include excise duty, sale of scrap and net of sale tax and quantity discount.

Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.

**Income from Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Other Incomes**

Other Incomes are accrued as earned except where the receipt of income is uncertain.

**l) Retirement and other Employee Benefits**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method calculated at the end of each financial year. The liability with regard to gratuity in respect of any employee not covered under group gratuity scheme is provided on the basis of amount payable to such employees as if they were to retire on the last day of financial year.

Leave Encashment liability is provided for based on actuarial valuation done as per Projected Unit Credit Method calculated at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**SCHEDULE FORMING PART OF ACCOUNTS**
**m) Taxes on Income**

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period, as the related revenue and expenses to which they relate. The differences that result between profit offered for income tax and the profit before tax as per financial statements are identified and deferred tax assets or deferred tax liabilities are recorded for timing differences, namely differences that originate in one accounting period and are capable of reversal in future. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. However, where the Company has unabsorbed depreciation or carried forward losses under taxation laws, a much stricter test, viz, virtual certainty of realization, is applied for recognition of deferred tax assets. Deferred tax assets are reviewed for the continuing appropriateness of their respective carrying values at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) of realisation.

**n) Operating Leases**

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

**o) Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Notified AS 20 under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by The Institute of Chartered Accountants of India on 'Earnings Per Share'. Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Both profit for the year and weighted average numbers of shares are adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

**p) Provisions, Contingent Liabilities and Contingent Assets**

As per Notified AS 29 under the Companies (Accounting Standards) Rules, 2006 (as amended), Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions (without discounting to its present value) only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

**q) Miscellaneous Expenditure**

Expenditure on issue of shares / foreign currency convertible bonds (FCCBs) / Global Depository Receipts (GDRs) / shares under Qualified Institutional Placements (QIP) and premium on redemption of FCCBs are adjusted against Securities Premium account.

**2. Contingent Liabilities not provided for:**

- a) Claims not acknowledged as debts

(Rs. in lacs)

S. No.	Particulars	March 31, 2011	March 31, 2010
i)	VAT / Sales Tax Matters	390.65	321.80
ii)	Stamp Duty	40.42	-
iii)	Others	113.41	101.26

**SCHEDULE FORMING PART OF ACCOUNTS**

- b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (Previous Year Rs. 582.03 lacs) in favour of M/s Cisco Systems Capital India Private Limited for loan taken by APAKSH Broadband Ltd., subsidiary of erstwhile Aksh Broadband Ltd.
- c) Corporate Guarantee given by the Company amounting to Rs. 6055.00 lacs (Previous Year Rs. 6055.00 lacs) in favour of Union Bank of India, Punjab National Bank and ICICI Bank (Consortium Banks) for working capital facilities sanctioned to Aksh Technologies Ltd, a subsidiary company. Further the Immovable properties of the company are also charged for working capital facilities sanctioned to Aksh Technologies Limited.
- d) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs 983.88 lacs ( Previous Year Rs. 1510.03 lacs).

### 3. Employee Benefits:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 (as amended) on “Employee Benefits”, are as follows:

The Company has classified various benefits provided to employees as under :

- a) Defined Contribution Plans and amount recognised in Profit and Loss Account.

(Rs. In lacs)

Particulars	Current year	Previous year
Employer's Contribution to Provident Fund	40.56	54.80
Employer's Contribution to ESI	4.80	-

- #### b) Defined Benefit Plans

Gratuity and Leave Encashment – actuarial valuation done in accordance with the Accounting Standard -15 (Revised), details of the same are given :

**i). Change in present value of obligation**

Year ended March 31, 2011  
(Rs. In lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation as at the beginning of the year	16.60	18.99
b) Interest cost	1.33	1.52
c) Current service cost	6.96	8.81
d) Benefits paid	-	(5.65)
e) Actuarial (gain)/loss on obligation	(7.59)	(6.73)
f) Present value of obligation as at the end of year	17.30 @	16.94

**ii). Changes in the fair value of plan assets**

	Gratuity (Funded)	Leave Encashment
a) Fair value of plan assets at the beginning of the year	33.34	-
b) Expected return on plan assets	2.67	-
c) Contributions	0.45	-
d) Benefits paid	-	-
e) Actuarial gain/(loss) on plan assets	0.50	-
f) Fair value of plan assets at the end of the year	36.96	-

- |   |         |         |
|---|---------|---------|
| iii). Net asset / (liability) recognized in balance sheet | 19.66 @ | (16.94) |
|---|---------|---------|



**SCHEDULE FORMING PART OF ACCOUNTS**
**iv). Expense recognized in the statement of profit and loss Account**

	<b>Gratuity (Funded)</b>	<b>Leave Encashment</b>
a) Current service cost	6.96	8.81
b) Interest cost	1.33	1.52
c) Expected return on plan assets	(2.67)	-
d) Net actuarial (gain)/ loss recognized in the year	(8.09)	(6.73)
e) Expenses recognized in the statement of profit & losses	(2.47) @	3.59

@ Since the fair value of plan assets as at the end of the year is in excess of Rs. 19.66 lacs, therefore no provision towards gratuity payable is required. Further, the excess funding is there in the trust accounts maintained with LIC, hence no asset is recognised in books of accounts of the Company as at the end of the year.

**v). Actuarial Assumptions**

	<b>Gratuity (Funded)</b>	<b>Leave Encashment</b>
a) Discounting Rate	8.00%	8.00%
b) Future salary Increase	5.50%	5.50%
c) Expected Rate of return on plan assets	8.00%	—

**4. Issue of Foreign Currency Convertible Bonds (FCCBs):**

The Company issued the FCCBs which are convertible into ordinary shares . The particulars, terms of issue and the status of conversion as at March 31, 2011 are given below:

Issue	0% FCCBs (due Jan 2013)	1% FCCBs (due Feb 2013)
Issued on	January 8, 2008	February 5, 2010
Issue Amount (in INR at the time of Issue )	US\$ 20 Million (INR. 78.54 crores)	US\$ 6.328 Million (INR. 29.46 crores)
Face Value	US\$ 100,000	US\$ 1,000
Conversion Price per share at fixed Exchange Rate	US\$ 1= INR 39.27	US\$ 1 = INR 46.56
Exercise Period	Between January 9, 2008 to January 01, 2013.	Between March 01, 2010 to January 15,2013
Redeemable on	January 8, 2013	February 05,2013
Redemption percentage of the Principal Amount	139.93%	107.1929%
Amount Converted	US \$ 7 Million	US \$ 4.103 Million
Aggregate conversion into shares	4,596,818	9,523,212
FCCBs outstanding as on March 31, 2011.	US\$ 13 Million	US\$ 2.225 Million
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	8,536,956 shares	5,164,307 shares

The proceeds from the issue of FCCBs (net of issue expenses) have been utilised for the purposes as stated in the offer documents. The unutilised money is deposited with banks in short term deposits/current accounts.

5. The Company had earlier issued 1% Foreign Currency Convertible Bonds (FCCBs) aggregating USD 8.75 Mn in January 2007 against which FCCBs aggregating USD 2.50 Mn were converted and balance USD 6.25 Mn were outstanding. These FCCBs were due for redemption in January 2010. Pursuant to RBI approval, the Company exchanged the FCCBs aggregating USD 5.25 Mn with the new FCCBs of USD 6.328 Mn. The redemption premium of USD 1.078 Mn payable on redemption was adjusted against Securities Premium Account. The outstanding FCCBs of USD 1.00 Mn (due 2010) have been included under FCCBs and the redemption premium of USD 205,300 is included

**SCHEDULE FORMING PART OF ACCOUNTS**

under current liabilities.

In respect of outstanding FCCBs of USD 1 Million (due 2010), The Bank of New York has filed a winding up petition against the Company in Jaipur High Court under section 433 of the Companies Act, 1956. The matter is sub-judice and the Company is in process of filing suitable reply.

6. The Authorised Share Capital of the Company has increased from Rs 8,000 lacs to Rs. 39,500 lacs vide shareholders resolution dated 22<sup>nd</sup> October 2010. However, the relevant Form 5 as per Companies Act, 1956 has not been filed with Registrar of Companies. Consequently, Form 2 with regard to allotment of 4,794,932 Equity Shares upon conversion of FCCBs after 22<sup>nd</sup> October 2010 has also not been filed with Registrar of Companies.
7. During the year, The Company has incorporated a wholly owned subsidiary in Dubai, viz. "AOL FZE" for expansion of Companies businesses. The Company also applied for winding up of its three wholly owned subsidiaries, i.e 'Aksh Net Tel Limited', 'Spyk Global Limited' and 'Aksh Infratel Limited', which have accordingly been dissolved under section 560 of the Companies Act, 1956.
8. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

(Rs. In lacs)

S. No.	Particular	March 31, 2011	March 31, 2010
	<b>Deferred Tax Liabilities</b>		
a.	Difference in depreciation for accounting and tax purposes	-	1,602.35
b.	Deferred tax Assets reversed (net) *	2155.12	
	<b>Deferred Tax Assets</b>		
a.	Unabsorbed Depreciation/ Business Loss	-	3,729.38
b.	Provision for Retirement Benefits	-	28.09
	Total Deferred Tax Assets	-	3,757.47
	<b>Net Deferred Tax Liabilities/( Assets)</b>	-	(2,155.12)

\* As a matter of prudence, the management of the Company has reversed the deferred tax assets in excess of the deferred tax liabilities.

9. **Loans and Advances in the nature of Loans given to subsidiaries :**

(Rs. in lacs)

Name of the Company	As at March 31, 2011	As at March 31, 2010	Maximum Balance during the year
Aksh Technologies Ltd.	124.50	89.70	124.50
AOL FZE	10,802.56	-	10,802.56

Interest free Loans given to subsidiaries which are re-payable on demand.

10. **Related Party Disclosures**

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31st March, 2011:

- a) **Subsidiary Companies :**
  - APAKSH Broadband Limited
  - Aksh Technologies Limited
  - Aksh Net Tel Limited (Dissolved)
  - Aksh Infratel Limited (Dissolved)
  - SPYK Global Limited (Dissolved)
  - AOL FZE
- b) **Individuals exercising significant influence & their relatives:**
  - Dr. Kailash S. Choudhari (Managing Director upto 31<sup>st</sup> August 2010, thereafter appointed as Chairman of the Company)
  - Mr P. F. Sundesha
  - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- c) **Key Management Personnel & their relatives:**
  - Dr. Kailash S. Choudhari (Managing Director upto 31<sup>st</sup> August 2010, thereafter appointed as Chairman of the Company)

**SCHEDULE FORMING PART OF ACCOUNTS**

- d) Enterprise over which personnel referred in b & c aforementioned exercise significant influence :  
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)

**Related Party Transactions**

(Rs. In Lacs)

		Current Year	Previous year
a)	<b><u>Subsidiary Companies</u></b> <b>APAKSH Broadband Limited</b> Re-imbursement of expenses 11.54 8.40 Outstanding balance due to / (from) (1,727.97) (1,716.43) <b>Aksh Technologies Limited</b> Investment in Shares - 3000.00 Investment in Debentures - 1000.00 Loan given 124.50 89.70 Receipt against Loan 89.70 - Receipt against advances - 973.19 Purchase of goods 7.54 129.20 Sale of goods - 137.02 Lease Rent received 488.62 148.44 Outstanding balance due to / (from) (221.92) (198.34) <b>Aksh Net Tel Limited</b> Re-imbursement of expenses Received 4.21 - Outstanding balance due to / (from) - - <b>Aksh Infratel Limited</b> Re-imbursement of expenses Received 4.09 - Outstanding balance due to / (from) - - <b>SPYK Global Limited</b> Re-imbursement of expenses Received 3.07 - Outstanding balance due to / (from) - - <b>AOL FZE</b> Investment made 18.20 - Loans given 10802.56 - Outstanding balance due to / (from) (10802.56) -		
b)	<b><u>Individuals exercising significant influence &amp; their relatives</u></b> <b>Dr. Kailash S. Choudhari</b> Director's Remuneration 73.85 124.64 Interest Expenses 76.47 32.21 Loans taken 547.75 605.25 Loans repayment 905.00 5.00 Sitting Fees 0.25 - Outstanding balance due to / (from) 316.77 608.57 <b>Mr P. F. Sundesha</b> Rent Paid 29.40 29.40 Sitting Fees 0.20 0.30 Outstanding balance due to / (from) 29.49 - <b>Mr Shailesh Popat Lal</b> Rent Paid 29.40 29.40 Outstanding balance due to / (from) 29.49 -		
c)	<b><u>Enterprise over which personnel referred in b &amp; c above exercise significant influence</u></b> <b>Fulchand Finance Private Limited</b> Interest Expenses 117.20 164.32 Loans taken 175.00 510.00 Loans repayment 1200.00 135.00 Outstanding balance due to / (from) 406.30 1375.82		

**SCHEDULE FORMING PART OF ACCOUNTS**
**11. Segmental Reporting**

Based on the guiding principles given in Accounting Standard AS-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segments are Services and Trading of goods. The information about business segments are given below:

(Rs in Lacs)

S.No.	Particulars	Current Year	Previous year
<b>a)</b>	<b>Segment Revenue</b>		
	1 Services	<b>485.00</b>	536.91
	2 Trading	<b>23.55</b>	293.60
	<b>Total</b>	<b>508.55</b>	830.51
<b>b)</b>	<b>Segment Results</b>		
	1 Services	<b>(2,260.69)</b>	(3,484.17)
	2 Trading	<b>5.78</b>	15.27
	<b>Total</b>	<b>(2,254.91)</b>	(3,468.90)
	Un-allocable Expenses / (Income)	<b>(90.90)</b>	(42.08)
	<b>Operating Profit / (Loss)</b>	<b>(2,164.01)</b>	(3,426.82)
	Interest expenses	<b>232.02</b>	239.33
	Profit/( Loss) before Exceptional Items	<b>(2,396.03)</b>	(3,666.15)
	Exceptional Items – Expenses / (Income)	<b>229.99</b>	(1,569.23)
	<b>Net Profit / (Loss ) before Tax</b>	<b>(2,626.02)</b>	(2,096.92)
<b>c)</b>	<b>Segmental Capital Employed</b>		
	(Segment assets – segment liabilities)		
	Services	<b>13,745.04</b>	17,276.53
	Unallocated	<b>26,123.96</b>	15,317.75
	<b>Total</b>	<b>39,869.00</b>	32,594.28

**12. Basic and diluted earning per share:**

S. No.	Particulars	Current Year	Previous year
a.	Net Profit/(Loss) for the year ( Rs in Lacs)	<b>(4,781.14)</b>	<b>(1,385.35)</b>
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	<b>109,524,606</b>	<b>59,174,243</b>
c.	Weighted average number of equity shares from dilutive instruments	<b>13,701,263</b>	<b>13,705,244</b>
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	<b>123,225,869</b>	<b>72,879,487</b>
e.	Nominal Value of Equity Shares-(Rs.)	<b>5.00</b>	<b>5.00</b>
f.	Basic-Earning Per Shares (Rs.)	<b>(4.37)</b>	<b>(2.34)</b>
g.	Diluted -Earning Per Share (Rs.)	<b>(3.87)</b>	<b>(1.87)</b>

**13. Managerial remuneration paid to the Whole-Time Director/ Non- Whole-Time Directors / Managing Director**

	Current Year	Previous year
Salary	<b>60.00</b>	<b>115.20</b>
Contribution to PF and other Funds	<b>4.91</b>	<b>9.44</b>
Perquisites	<b>8.94</b>	-
Sitting Fee	<b>3.15</b>	<b>1.90</b>

**SCHEDULE FORMING PART OF ACCOUNTS**

14. Computation of net profit in accordance with Section 349 of the Companies Act, 1956, has not been given as no commission is payable to Managing Director for the current year.
15. There is no party to the extent to which they could be identified as Micro, Small and Medium Enterprises (MSMED), as none of the creditors have confirmed to be registered under the MSMED Act, 2006.
16. The Company has an investment of Rs. 11,297.50 Lacs in the equity shares and has outstanding dues of Rs. 1,727.97 Lacs (net of advances) from APAKSH Broadband Limited (APAKSH), subsidiary acquired as a result of the amalgamation of erstwhile Aksh Broadband Limited with the Company. APAKSH's operations are presently suspended due to some litigation. One of the shareholder of APAKSH filed a petition under sections 397, 398, 402, 403 of The Companies Act before Company Law Board (CLB), Additional Principal Bench, Chennai. The Hon'ble Company Law Board gave specific findings of fact and law and dismissed the said petition. An appeal was filed against the judgment passed by CLB in Hon'ble High Court of Andhra Pradesh, which was also dismissed. A Special Leave Petition (SLP) was filed against the Hon'ble High Court order in the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 7<sup>th</sup> May 2010 has dismissed the SLP. The Management of the Company has now initiated discussions on the revival of the project and is hopeful to restart the same. In view of the above, no provision has been considered necessary in respect of the outstanding dues and investment at this stage.

**17. Operating Leases**

The Company has given factory land and building on operating lease. The lease term is for a period of eleven months and renewable as mutually agreed by both the parties. Disclosures in respect of Operating Leases of factory buildings as per the requirement of Notified AS-19 under the Companies (Accounting Standard) Rules, 2006 (as amended) on Leases issued by The Institute of Chartered Accountants of India, is as under:

Lease rental recognized in the statement of Profit and Loss for the year is Rs. 444 Lacs (Previous year Rs. 148 Lacs).

The future minimum lease rental receivable over the remaining lease period is Rs. 259 Lacs (Previous year Rs. 259 Lacs ).

**18. Derivative Instruments and unhedged Foreign Currency Exposure**

No forward exchange contract, for hedge purpose, has been outstanding as on 31<sup>st</sup> March 2011.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount payable in foreign currency on account of the following:

Particulars	Currency	Amount
Import of goods and services	USD	527,038
	Euro	420,100

**SCHEDULE FORMING PART OF ACCOUNTS**
**19** Additional information pursuant to the provisions of paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act

	Unit	Current Year		Previous Year	
(A) Capacity & Production					
(a) Licenced Capacity		Not Applicable		Not Applicable	
(b) Installed Capacity		NA		NA	
(c) Production		NA		NA	
	VALUE (Rs. Lacs)	%	VALUE (Rs. Lacs)	%	
(B) Value and Percentage of Imported/ Indigenous Raw-Material Consumed					
Imported	NA	NA	NA	NA	NA
Indigenous	NA	NA	NA	NA	NA
	-	-	-	-	-
(C) Spare Parts & Components					
Imported	NA	NA	NA	NA	NA
Indigenous	NA	NA	NA	NA	NA
(D) Value of Imports on CIF Basis					
Raw Materials	NA		NA		
Capital Goods	167.67		882.13		
Others	-		133.99		
(E) Earnings in Foreign Exchange on FOB Basis					
Exports of Goods	0.00		137.46		
Exports Incentive	1.48		-		
Interest received on FDRs	54.10		25.46		
(F) Expenditure in Foreign Currency					
Interest on FCCB	12.58		29.60		
Travelling	2.05		7.93		
FCCB / GDR issue Expenses	404.77		44.73		
Exhibition Expenses	-		0.47		
International Carrier Charges-Services	24.84		56.08		
Bank Charges	0.67		1.91		
Others	5.71		-		

**20** Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to those of current year's figures wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary



**Balance Sheet abstract and Company's general business profile as required under the part IV of Schedule VI to the Companies Act, 1956**

<b>I</b>	<b>Registration details</b>		
	Registration no.	:	17-016132
	State code	:	17
	Balance Sheet date	:	31.03.2011
<b>II</b>	<b>Capital raised during the year</b>		
	<b>Amount in Thousands</b>		
	Public Issue	:	NIL
	Rights Issue	:	NIL
	Bonus Issue	:	NIL
	Private Placement	:	411,579
<b>III</b>	<b>Position of mobilisation and deployments of funds</b>		
	<b>Amount in Thousands</b>		
	Total Liabilities	:	4,868,606
	Total Assets	:	4,868,606
	<b>Source of funds</b>		
	Paid-up Capital	:	714,624
	Reserves and Surplus	:	3,299,629
	Secured Loans	:	-
	Unsecured Loans	:	854,353
			<b>4,868,606</b>
	<b>Application of funds :</b>		
	Net fixed assets	:	1,054,564
	Investments	:	1,532,140
	Deferred Tax Asset	:	-
	Net current assets	:	1,400,196
	Accumulated losses	:	881,706
			<b>4,868,606</b>
<b>IV</b>	<b>Performance of the Company</b>		
	<b>Amount in Thousands</b>		
	Turnover	:	123,632
	Total expenditure	:	386,234
	Profit/loss before tax	:	(262,602)
	Profit/loss after tax	:	(478,114)
	Earning per share of Rs. 5/- each- Basic	Rs.	(4.37)
	Earning per share of Rs. 5/- each- Diluted	Rs.	(3.87)
	Dividend Rate		NIL
<b>V</b>	<b>Generic name of principal products of the Company</b>		
	<b>Item Code No. (ITC code)</b>		Not applicable
	<b>Product description</b>		IPTV & VoIP Services

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary

**Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies**

	APAKSH Broadband Limited	Aksh Technologies Limited	AOL-FZE
1. The Financial Year of the Company ends on	31 <sup>st</sup> March 2011	31 <sup>st</sup> march 2011	31 <sup>st</sup> March 2011
2. Extent of Holding Company's Interest in the subsidiary			
a. Number of Shares	2,259,50,000 equity shares of Rs. 5/- each	10,100,000equity shares of Rs. 5/- each.	1equity shares of AED. 150,000/- each equivalent to INR 18,18,000
b. Extent of Holding	99.92%	100%	100%
3. Changes in the interest of the Company or the subsidiary Company between the end of the Financial Year of the Subsidiary and 31 <sup>st</sup> March, 2011	Nil.	Nil.	NIL.
4. The net aggregate amount of Subsidiary profit/(Losses) so far as they concern the members of the Holding Company and not dealt with in the holding Company's accounts			
a) For Subsidiary's financial year	Nil	(27,743,512)	15,731,515
b) For subsidiary's previous financial year since it became subsidiary	Nil	6,544,727	NIL
5. The net aggregate profit/(Losses) of the subsidiary Company for previous financial years as they concern the members of the Company and dealt			
a) For Subsidiary's financial year	Nil.	Nil.	NIL
b) For subsidiary's previous financial year since it became subsidiary	Nil.	Nil.	NIL.
6. Material changes between the end of the Financial Year of the Subsidiary Company as the case may be and 31 <sup>st</sup> March ,2011			
a). Fixed Asset	Nil.	Nil.	NIL.
b). Investments	Nil.	Nil.	NIL.
c). Moneys lent by the Subsidiary Company	Nil.	Nil.	NIL.
d). Moneys borrowed by the Subsidiary company other than for meeting Current Liabilities	Nil.	Nil.	NIL.

<b>Summary of Financial Information of Subsidiary Companies as at 31st March 2011</b>			
	<b>Rs./Lacs</b>		
<b>Name of Subsidiary</b>	<b>APAKSH Broadband Limited</b>	<b>Aksh Technologies Limited</b>	<b>AOL FZE</b>
<b>Funds Employed</b>			
Capital	13,522.50	505.00	18.18
Reserves	-	2,500.00	155.27
Liabilities:			
Secured Loans	497.93	1,592.39	-
Unsecured Loans	50.00	1,375.38	-
Deferred Tax Liability	-	-	-
Total Liabilities	547.93	2,967.77	-
<b>Total Funds Employed</b>	<b>14,070.43</b>	<b>5,972.77</b>	<b>173.45</b>
<b>Application of Funds</b>			
Assets:			
Fixed Assets (Incl.CWIP)	15,300.56	3,896.72	-
Investments	-	1.12	-
Long Term Deposits	-	-	-
Net Current Assets	(1,230.13)	1,753.03	173.45
Deferred Tax Assets	-	109.91	-
Misc.Expenditure	-	-	-
(to the extent not written off)			
Profit & Loss A/c ( Dr) Balance	-	211.99	-
<b>Total Assets (Net)</b>	<b>14,070.43</b>	<b>5,972.77</b>	<b>173.45</b>
<b>Total Income</b>			
Turnover	Nil	10,023.17	2,894.42
Profit Before Taxation	Nil	(397.91)	157.32
Provision for Taxation	Nil	(120.47)	-
Profit After Taxation	Nil	(277.43)	157.32
Proposed Dividend	N.A.	N.A.	N.A.

# Consolidated Financial Statements

Consolidated Financial Statements with Auditors' Report

**AUDITOR'S REPORT**

The Board of Directors,

Aksh Optifibre Limited

1. We have audited the attached Consolidated Balance Sheet of Aksh Optifibre Limited ('the Company') and its subsidiaries (collectively referred as 'Aksh Group') as at March 31, 2011 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standard generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
4. We have not conducted audit of foreign subsidiary, whose financial statements reflect total assets of Rs 11,048.89 lacs as at March 31, 2011 and the total revenues of Rs.2,894.42 lacs for the year ended . These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
5. *Attention is invited to the under mentioned notes of Schedule M regarding AP Aksh Broadband Limited a subsidiary company:*
  - a *Note 18 regarding BG revoked of Rs.150 lacs by M/s Andhra Pradesh Technology Services Limited and provision for various expense e.g. rent, bandwidth expenses etc, due to non availability of information and accumulated interest of Rs.119.17 lacs on secured loan taken from Cisco Systems Capital India Private Limited*
  - b *Note 19 regarding management opinions for revival of the project.*
  - c *No records produced as records maintained for quantitative details and situation of capital work-in-progress of Rs.14,621.91 lacs in respect of its project for Development, Implementation, Operation & Maintenance AP Broadband Network*

*The impact & quantum of the above on the company's assets / operations can not be quantified.*
6. *Subject to our comments in para 5 above and their consequential effects on the net assets or operations (if any), quantum of which can not be ascertained, based on our audit on financial statement and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view with the accounting principles generally accepted in India.*
  - (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Aksh Group as at March 31, 2011;
  - (ii) In the case of Consolidated Profit and Loss Account, of the loss for the year ended on that ; and
  - (iii) In the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN : 003824N

**CA. K.C. Gupta**  
Partner  
M. No. 088638

Place: New Delhi  
Date: 21.05.2011

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011**

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at March 31, 2011	As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
Share Capital	"A"	936,077,838	524,498,793
Reserves & Surplus	"B"	3,295,605,990	1,995,771,821
		<b>4,231,683,828</b>	<b>2,520,270,614</b>
<b>Minority Interest</b>		<b>1,046,517</b>	<b>1,046,517</b>
<b>Loan Funds</b>			
Secured Loans	"C"	209,031,908	198,829,626
Unsecured Loans	"D"	884,440,436	1,401,031,418
		<b>1,093,472,344</b>	<b>1,599,861,044</b>
<b>TOTAL</b>		<b>5,326,202,689</b>	<b>4,121,178,175</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	"E"		
Gross Block		2,364,539,497	2,321,564,111
Less : Accumulated Depreciation		966,877,821	821,431,266
<b>Net Block</b>		<b>1,397,661,676</b>	<b>1,500,132,845</b>
<b>Capital work in progress including capital advances</b>		<b>1,433,534,364</b>	<b>1,466,231,138</b>
<b>Project Development Expenditure</b>		<b>64,377,587</b>	<b>60,044,237</b>
		<b>2,895,573,627</b>	<b>3,026,408,220</b>
<b>Investments</b>	"F"	<b>181,645</b>	<b>157,045</b>
<b>Deferred Tax Assets (Net)</b>		<b>10,990,996</b>	<b>214,455,691</b>
<b>Current Assets, Loans &amp; Advances</b>	"G"		
Inventories		233,976,427	157,950,084
Sundry Debtors		453,688,360	155,151,484
Cash & Bank Balances		114,514,612	125,596,072
Loans & Advances		1,216,462,795	449,135,776
		<b>2,018,642,194</b>	<b>887,833,416</b>
<b>Less : Current Liabilities &amp; Provisions</b>	"H"		
Current Liabilities		545,048,962	463,485,618
Provisions		20,028,549	20,266,082
<b>Net Current Assets</b>		<b>1,453,564,683</b>	<b>404,081,716</b>
<b>Profit and Loss Account</b>		<b>965,891,738</b>	<b>476,075,503</b>
<b>TOTAL</b>		<b>5,326,202,689</b>	<b>4,121,178,175</b>

Notes to Accounts

"M"

The schedules referred to above form an integral part of balance sheet.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
 Chartered Accountants  
 FRN: 003824N

**KAILASH S. CHOUDHARI**  
 Chairman

**CA. K.C. Gupta**  
 Partner  
 Membership No. 088638

**B. R. RAKHECHA**  
 Director

**CHETAN CHOUDHARI**  
 Whole Time Director

 Place : New Delhi  
 Dated : 21.05.2011

**SATYENDRA GUPTA**  
 Chief Financial Officer

**GAURAV MEHTA**  
 Company Secretary



**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

(Amount in Rupees)

PARTICULARS	SCHEDULE	12 Months ended March 31, 2011	12 Months ended March 31, 2010
<b>INCOME</b>			
Gross Turnover	"I"	1,341,962,760	1,381,909,989
Less: Excise Duty/Service Tax		45,563,492	56,275,385
Net Turnover		1,296,399,268	1,325,634,604
Miscellaneous Income	"J"	46,867,405	190,664,395
<b>TOTAL</b>		<b>1,343,266,673</b>	<b>1,516,298,999</b>
<b>EXPENDITURE</b>			
Operating and other expenses	"K"	1,437,035,091	1,496,536,638
<b>Total</b>		<b>1,437,035,091</b>	<b>1,496,536,638</b>
<b>Profit /( Loss) before interest, Depreciation and Tax</b>		<b>(93,768,418)</b>	<b>19,762,361</b>
Interest	"L "	47,338,385	53,839,971
Depreciation including amortization	"E"	145,244,738	167,334,366
<b>Profit / (Loss) for the year before tax</b>		<b>(286,351,541)</b>	<b>(201,411,976)</b>
Provision for tax			
-Current Tax (MAT)		-	1,340,611
-Deferred Tax -Refer note No 9 (b)		203,464,694	(70,100,762)
MAT Credit Entitlement		-	1,285,978
<b>Profit / (Loss) for the year after tax</b>		<b>(489,816,235)</b>	<b>(131,365,847)</b>
Balance brought forward from Previous Year		(476,075,503)	(344,709,656)
<b>Balance carried to Balance Sheet</b>		<b>(965,891,738)</b>	<b>(476,075,503)</b>
<b>Basic and Diluted Earning Per Share</b>			
(Face value of Rs.5/- each per share)			
Basic		(4.47)	(2.22)
Diluted		(3.97)	(1.78)
Notes to Accounts	"M"		

The schedules referred to above form an integral part of profit &amp; loss account.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>A Cash Flow from Operating activities</b>		
Net Loss before taxation	(286,351,541)	(201,411,976)
Add/Less: Depreciation	145,244,738	167,334,366
Interest Expense	47,338,385	53,839,971
( Profit ) / Loss on sale of Fixed Assets	(16,263,173)	175,292
Foreign Currency Translation Reserve	(4,022,547)	-
Interest Income	(10,991,962)	(6,418,689)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(125,046,100)</b>	<b>13,518,964</b>
Adjustment for :		
(Increase) / Decrease in Sundry Debtors	(298,536,876)	130,452,814
Decrease / (Increase) in Other Assets	29,351,620	(11,660,290)
Decrease / (Increase) in Inventories	(76,026,343)	49,780,364
Increase in Sundry Creditors	80,930,515	18,249,122
<b>Cash generated from operations</b>	<b>(389,327,184)</b>	<b>200,340,974</b>
Direct tax (paid)	2,104,102	(1,031,617)
<b>Net Cash (outflow) /Inflow fom Operating activities</b>	<b>(387,223,082)</b>	<b>199,309,357</b>
<b>B Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	(55,092,630)	(128,420,432)
Proceeds from Sale of Fixed Assets	26,508,135	2,356,307
Adjustments for change in current assets & liabilities	1,601,154	(10,305,590)
Purchase of Investments	(24,600)	(50,000)
Advance against Investments	(799,988,599)	-
Interest Income	10,991,962	6,418,689
Project Development Expenditure	(2,259,250)	(1,507,631)
Capital Work in progress including capital advances	32,696,774	56,697,350
<b>Net Cash (outflow ) from Investing activities</b>	<b>(785,567,054)</b>	<b>(74,811,307)</b>
<b>C Cash Flow from Financing activities</b>		
Proceeds from Issue of Share Capital	1,758,725,431	98,174,915
Repayments of FCCB	(391,142,200)	(277,152,600)
Repayments of Unsecured Borrowings	(125,448,782)	(48,535,858)
Proceeds/(Repayments) of Working capital borrowing	10,202,282	(5,796,244)
Expenses on issue of FCCB/GDR/shares on QIP	(43,289,670)	(4,472,786)
Interest paid	(47,338,385)	(53,839,971)
<b>Net Cash inflow / (outflow) from Financing activities</b>	<b>1,161,708,676</b>	<b>(291,622,544)</b>
<b>D Net Decrease in cash and cash equivalents</b>	<b>(11,081,460)</b>	<b>(167,124,494)</b>
<b>E Cash &amp; Cash equivalents at beginning of year</b>		
- As reported in previous financial statements	125,596,072	292,720,566
<b>F Cash &amp; Cash equivalents at end of year</b>	<b>114,514,612</b>	<b>125,596,072</b>
( refer schedule G ( c ) of Financial Statements )		

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
790,000,000 (previous year 95,000,000) Equity Shares of Rs.5/- each	<b>3,950,000,000</b>	475,000,000
	<b>3,950,000,000</b>	475,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
142,924,871 (previous year 60,609,062) Equity Shares of Rs.5/- each fully paid up	<b>714,624,355</b>	303,045,310
Forfeited Shares in case of AP Aksh Broadband Ltd.	<b>221,453,483</b>	221,453,483
	<b>936,077,838</b>	524,498,793

**Footnotes:**
**1 Issued, Subscribed and Paid up Capital includes :**

- 9,505,860 (previous year 9,505,860) Equity Shares of Rs. 5/- each issued as fully paid up Bonus Shares by capitalisation of Securities Premium and Reserves.
- 1,660,942 (previous year 1,660,942) Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of Telecord India Pvt Ltd pursuant to Scheme of Arrangement.
- 20,210,400 (previous year 20,210,400) Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation.

**2 During the year, the Company has issued :**

- 2,955,097 (previous year 1,641,721) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 54.80 per share upon conversion of Foreign Currency Convertible Bonds ( FCCBs).
- 9,523,212 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 15.06 per share upon conversion of Foreign Currency Convertible Bonds ( FCCBs).
- 11,550,000 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 14.50 per share upon issue of shares under Qualified Institutional Placements.
- 58,287,500 (previous year NIL) Equity Shares of Rs. 5/- each fully paid up issued at the premium of Rs. 15/- per share represented by 1,165,750 Global Depository Receipts (GDRs) were issued at a price of USD 21.45 per GDR inclusive of Security Premium. Each GDR equivalent to 50 nos of Equity Shares.

**SCHEDULE - "B"**
**RESERVES & SURPLUS**

(Amount in Rupees)

	<b>As at April 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>As at March 31, 2011</b>
Securities Premium Account	1,994,271,821	1,347,146,386 #	43,289,670 ##	<b>3,298,128,537</b>
Capital Reserve	1,500,000	-	-	<b>1,500,000</b>
Foreign Currency Translation Reserve	-	-	4,022,547 *	<b>(4,022,547)</b>
	<b>1,995,771,821</b>	<b>1,347,146,386</b>	<b>47,312,217</b>	<b>3,295,605,990</b>

**Footnotes :**

- # Comprises of
- Rs. 1619.39 lacs on issue of 2,955,097 equity shares upon conversion of Foreign Currency Convertible Bonds (FCCBs) of 2008.
  - Rs. 1434.19 lacs on issue of 9,523,212 equity shares upon conversion of FCCBs of 2013.
  - Rs. 1674.75 lacs on issue of 11,550,000 equity shares of Rs. 5 at a premium of Rs. 14.50 each upon issue shares under Qualified Institutional Placements (QIP).
  - Rs. 8743.13 lacs on issue of 58,287,500 equity shares of Rs. 5 at a premium of Rs. 15 each upon issue of Global Depository Receipts (GDR).
- ## Rs 432.90 Lacs being issue expenses on issue of GDRs / FCCBs and shares on QIP.
- \* Rs. 40. 23 Lacs being Foreign Currency Translation Reserve created on translation and incorporation of non integral foreign subsidiary.

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "C"</b>		
<b>SECURED LOANS</b>		
<b>Working Capital Facilities from Banks</b>		
- Cash Credits	<b>159,239,349</b>	149,037,067
<b>Other Loans</b>		
- Cisco Systems Capital India Pvt Ltd	<b>49,792,559</b>	49,792,559
	<b>209,031,908</b>	198,829,626

**Footnotes:**

- a) Working Capital facilities sanctioned to Aksh Technologies Limited, a subsidiary from Banks are secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable claims and material in transit. These facilities are further secured by way of second charge on the fixed assets of the Company and personal guarantee of Chairman/Managing Director of the Company.
- b) Non fund based limits are further secured by first pari pasu charge on fixed assets of the Aksh Technologies Limited.

**SCHEDULE - "D"**
**UNSECURED LOANS**

Foreign Currency Convertible Bonds	<b>723,635,000</b>	1,114,777,200
Loan from Chairman/ Managing Director *	<b>25,100,000</b>	60,825,000
Inter Corporate Deposits	<b>68,485,000</b>	142,435,000
Security Deposit	<b>42,132,936</b>	51,166,314
Buyers Credit from Banks	<b>25,087,500</b>	31,827,904
	<b>884,440,436</b>	1,401,031,418

**Footnote:**

- \* Represents Loan from Dr. Kailash S Choudhari, he was Managing Director upto 31st August 2010, thereafter he was appointed as Chairman of the Company.



(Amount in Rupees)

## TEST BLOCK

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "F"</b>		
<b>INVESTMENTS</b>		
<b>LONGTERM INVESTMENT</b>		
<b>QUOTED</b>		
CMI Limited 22,300 (previous year 22,300 ) equity shares of Rs.10 each fully paid up	<b>44,600</b>	44,600
	<b>44,600</b>	44,600
<b>UNQUOTED</b>		
<b>Government Securities</b>		
National Saving Certificates (Lodged with Government Department as Security )	<b>87,045</b>	107,045
Kisan Vikas Patra	<b>50,000</b>	50,000
	<b>137,045</b>	157,045
<b>TOTAL LONG TERM INVESTMENTS</b>	<b>181,645</b>	201,645
Less: Provision for Diminution in value of quoted Investments @	-	44,600
	<b>181,645</b>	157,045
<b>Aggregate value of Investments</b>		
Quoted (CMI Ltd -Market value Rs. 16.55 per share)	<b>369,065</b>	-
Unquoted	<b>137,045</b>	157,045
	<b>506,110</b>	157,045
<b>Movements in investments during the year</b>		
<b>Addition:</b>		
NIL		
<b>Deletion :</b>		
National Saving Certificate of Rs. 20,000/-		
@ Provision for Diminution in value of Quoted Investments written back - Rs 0.45 lacs		
<b>SCHEDULE - "G"</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A CURRENT ASSETS</b>		
<b>a) INVENTORIES</b>		
i) Finished Goods & Traded Goods	<b>92,442,883</b>	26,783,341
ii) Raw Material (Including Goods-in-Transit)	<b>57,337,348</b>	68,746,295
iii) Semi Finished Goods	<b>67,578,140</b>	41,360,977
iv) Stores, Spares & Others	<b>16,618,056</b>	21,059,471
	<b>233,976,427</b>	157,950,084
<b>b) SUNDRY DEBTORS(Unsecured,Considered Good)</b>		
i) Debts outstanding for a period exceeding six months	<b>37,203,398</b>	42,304,389
ii) Others	<b>416,484,962</b>	112,847,095
	<b>453,688,360</b>	155,151,484



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
<b>SCHEDULE - "G" (contd.)</b>		
<b>c) CASH &amp; BANK BALANCES</b>		
i) Cash in hand	238,075	532,664
ii) Balance with Scheduled Banks		
- Current Accounts	2,439,375	8,933,673
- Deposit Accounts (Margin) @	102,253,160	108,683,542
iii) In Current Account with Non Scheduled Bank \$	15,495	5,090
iv) Bank balance in Dividend Account	406,041	406,041
v) Interest Accrued on Deposits	8,517,173	7,035,062
vi) Balance With Foreign Banks	645,293	-
	<b>114,514,612</b>	<b>125,596,072</b>
<b>B LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>		
a) Advances Recoverable in cash or in kind for value to be received	997,750,512	215,370,516
b) Prepaid Taxes	10,244,808	12,348,910
c) MAT Credit Entitlement	17,096,644	17,096,644
d) Balance with Excise & Custom	191,370,831	204,319,706
	<b>1,216,462,795</b>	<b>449,135,776</b>
	<b>2,018,642,194</b>	<b>887,833,416</b>

**Footnotes:**

@ Rs. 1022.43 lacs Pledged with the Banks for various Facilities (previous year Rs. 1013.35 lacs).

\$ a) The Urban Co-operative Bank Ltd., Maximum Balance Rs. 0.05 lacs (Previous year Rs. 0.05 lacs) .

b) Euram Bank Rs 0.10 lacs (previous year Rs NIL), Maximum Balance Rs 11,657.50 lacs (previous year Rs. NIL).

**SCHEDULE - "H"**
**CURRENT LIABILITIES & PROVISIONS**
**CURRENT LIABILITIES**

a) Dues of other than Micro, Small and Medium Enterprises	333,569,922	306,923,720
b) Dues of Micro, Small and Medium Enterprises	1,684,806	10,173,113
c) Other Current Liabilities @	180,572,122	137,271,258
d) Advance From Customers	28,636,071	8,531,486
e) Retention Money & Security Deposit	180,000	180,000
f) Unclaimed Dividend	406,041	406,041
	<b>545,048,962</b>	<b>463,485,618</b>

**PROVISIONS**

a) Provision for Retirement Benefits	18,824,168	15,111,435
b) Provision for Income Tax	-	1,340,611
c) Provision for Fringe Benefit Tax	-	1,915,507
d) Unearned Income	1,204,381	1,898,529
	<b>20,028,549</b>	<b>20,266,082</b>
	<b>565,077,511</b>	<b>483,751,700</b>

**Footnote:**

@ Other Current Liabilities includes Rs 91.56 Lacs being Premium on FCCB Redemption (previous year Rs. 92.17 Lacs) .

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>SCHEDULE - "I"</b>		
<b>GROSS TURNOVER</b>		
Sales ( Net of Retruns)	<b>1,293,462,061</b>	1,328,218,964
Income from Services	<b>48,500,699</b>	53,691,025
	<b>1,341,962,760</b>	1,381,909,989
<b>SCHEDULE - "J"</b>		
<b>MISCELLANEOUS INCOME</b>		
Interest Received on deposits/others @	<b>10,991,962</b>	6,418,689
Foreign Exchange Fluctuations	-	153,389,409
Export Incentive	<b>12,936,653</b>	16,108,425
Liabilities written back	-	1,393,647
Profit of Sale of Fixed Assets	<b>16,263,173</b>	-
Other Income	<b>6,675,617</b>	13,354,225
	<b>46,867,405</b>	190,664,395

**Footnotes:**

@ Tax Deducted at Source Rs. 2.57 lac (previous year Rs. 5.50 lac)

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>12 Months ended March 31, 2011</b>	<b>12 Months ended March 31, 2010</b>
<b>SCHEDULE - "K"</b>		
<b>OPERATING AND OTHER EXPENSES</b>		
Raw Material Consumed	658,774,602	866,520,677
Trading Purchases	262,305,668	14,894,942
(Increase)/Decrease in stock	(21,464,593)	26,524,503
Stores Consumed	16,046,127	29,005,803
Packing Material Consumed	51,412,088	51,840,535
Job Charges & Contract Expenses	30,694,715	47,618,609
Subscription Charges	49,388,042	49,170,380
Power & Fuel	53,903,481	64,448,232
Increase/(Decrease) in Excise Duty on Stock	(373,275)	480,470
Wages, Salaries & Bonus	113,843,980	108,248,712
Contribution to Provident & Other Funds	9,073,802	8,831,728
Employees Welfare	4,654,462	5,135,574
Director's Remuneration	7,768,443	12,653,571
Travelling & Conveyance	12,491,511	8,130,872
Postage & Telephone	4,832,879	4,418,649
Insurance	3,305,809	3,989,429
Loss on Sale of Assets	-	175,292
Loss on Foreign Exchange Fluctuation ( Net)	23,590,402	-
Rent	19,778,401	20,413,484
Professional & Legal Expenses	19,001,337	31,468,884
Membership & Subscription	24,298,282	1,320,826
Repair & Maintenance		
- Plant & Machinery	2,038,839	2,753,352
- Buildings	994,057	579,449
- Others	4,846,231	9,134,332
Advertisement	16,529,207	26,435,440
Marketing & Service Charges	13,766,022	23,621,105
Freight Outward	13,219,179	12,593,622
Late Delivery Charges	858,832	19,928,787
Auditors' Remuneration	2,299,225	2,450,502
Bad Debts	-	10,636,398
Investments Written Off ( Net)	1,146,102	-
Bank Charges	14,015,014	17,572,531
Other Expenses	24,648,018	15,539,948
	<b>1,437,686,889</b>	<b>1,496,536,638</b>
Less : Expenses Capitalised	<b>651,798</b>	<b>-</b>
	<b>1,437,035,091</b>	<b>1,496,536,638</b>
<b>SCHEDULE - "L"</b>		
<b>INTEREST</b>		
Interest on Fixed Loans *	22,691,992	20,445,641
Interest to Banks	22,616,133	19,514,214
Interest Others	2,030,260	13,880,116
	<b>47,338,385</b>	<b>53,839,971</b>

**Footnotes:**

\* Includes Rs. 76.47 lacs ( previous year Rs. 32.21 lacs) on loan taken from Chairman / Managing Director.

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**
**SCHEDULE "M"**
**NOTES TO THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2011.**
**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The significant accounting policies adopted by Aksh Optifibre Limited (the Company) and its subsidiaries (hereinafter referred to as the "Group") in respect of these Consolidated Financial Statements, are set out below.

**a) Basis of preparation of Financial Statements**

These consolidated financial statements have been prepared to comply in all material respects with the generally accepted accounting principles in India including the notified Accounting Standards by Companies Accounting Standard Rules 2006 (as amended) and relevant requirements of the Companies Act, 1956 to reflect the financial position and the results of operations of the Group. These consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the reporting requirements of Accounting Standard - 21 'Consolidated Financial Statements' issued by the ICAI.

**b) Principles of Consolidation**

These accounts represent consolidated accounts of the Group and its majority owned subsidiaries as follows:

Entity	Country of Incorporation	Shareholding as at March 31, 2011
APAKSH Broadband Limited (AP AKSH)	India	99.92%
Aksh Technologies Limited (ATL)	India	100%
AOL FZE	UAE	100%

**c) Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/materialized.

**d) Fixed Assets**

- Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use.
- Exchange difference arising on account of liabilities incurred for acquisition or construction of Fixed Assets is adjusted in the carrying amount of related Fixed Assets.

**e) Capital Work-in-Progress**

Advances paid towards the acquisition of fixed assets, costs of assets not ready for use before the year-end and expenditure during construction period that is directly or indirectly related to construction, including borrowing costs are included under Capital Work-in-Progress.

**f) Depreciation**

- Depreciation on Fixed Assets is provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation is charged on pro-rata basis for assets purchased/ sold during the year. Individual assets costing up to Rs.5,000/- are depreciated in full in the year of purchase.

Depreciation on equipments installed at customer premises is being provided at 20% on useful life estimated by the management.

License fee is amortised over the licensed period.

- Cost of leasehold land is amortized over lease period on a straight-line basis.
- Cost of software is amortised over its useful life on a straight-line basis.

**g) Impairment of Assets**

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**

value in use. In assessing value in use, the estimated future cash flows are discounted at their present value at the weighted average cost of capital.

- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long Term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such diminution is other than temporary. Current Investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

**i) Inventories**

Raw materials, work-in-process, finished goods, trading stock, packing material and stores and spares parts are valued at the lower of cost and net realizable value except scrap which is valued at net realizable value.

Cost of inventories of items that are not ordinarily interchangeable or are meant for specific projects is assigned by specific identification of their individual cost. Cost of other inventories is ascertained on the FIFO basis. In determining the cost of work-in-process and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities.

The comparison of cost and realizable value is made on an item-by-item basis.

Net realizable value of work-in- process is determined on the basis of selling prices of related finished products.

Raw Material and other supplies held for use in production of inventories are not written down below cost unless their prices have declined and it is estimated that cost of related finished goods will exceed their net realizable value.

**j) Foreign Currency Transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit & loss in the year in which exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year. None of the forward exchange contracts are taken for trading for speculation purpose.

**k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that company incurs in connection with the borrowing of funds.

**l) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured.

**Sales of Goods and Services**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer (usually at the point of dispatch to customers). Sales include excise duty, sale of scrap and net of sale tax and quantity discount.

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**

Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.

**Income from Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Other Incomes**

Other Incomes are accrued as earned except where the receipt of income is uncertain.

**m) Retirement and other Employee Benefits**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method calculated at the end of each financial year. The liability with regard to gratuity in respect of any employee not covered under group gratuity scheme is provided on the basis of amount payable to such employees as if they were to retire on the last day of financial year.

Leave encashment liability is provided for based on actuarial valuation done as per Projected Unit Credit Method calculated at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**n) Export Incentives**

Export Incentive in the form of advance licenses / credit earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realisable value / actual credit earned on exports made during the year.

**o) Taxes on Income**

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period, as the related revenue and expenses to which they relate. The differences that result between profit offered for income tax and the profit before tax as per financial statements are identified and deferred tax assets or deferred tax liabilities are recorded for timing differences, namely differences that originate in one accounting period and are capable of reversal in future. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. However, where the Company has unabsorbed depreciation or carried forward losses under taxation laws, a much stricter test, viz, virtual certainty of realization, is applied for recognition of deferred tax assets. Deferred tax assets are reviewed for the continuing appropriateness of their respective carrying values at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) of realisation.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**p) Earnings Per Share**

The Group reports basic and diluted earnings per share in accordance with Notified AS 20 under the Companies (Accounting Standards) Rules, 2006 issued by The Institute of Chartered Accountants of India on 'Earnings Per Share'. Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Both profit for the year and weighted average numbers of shares are adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

**q) Provisions, Contingent Liabilities and Contingent Assets**

As per Notified AS 29 under the Companies (Accounting Standards) Rules, 2006, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions (without discounting to its present value) only when it has a present obligation as a result of a past event, it is

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**

probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

**r) Project Development Expenditure**

Expenses incurred relating to project prior to commencement of commercial production / start of the project is classified as Project Development Expenditure net of income earned during the project development stage.

**s) Miscellaneous Expenditure**

Expenditure on issue of shares / foreign currency convertible bonds (FCCBs) / Global Depository Receipts (GDRs) / shares under Qualified Institutional Placements (QIP) and premium on redemption of FCCBs are adjusted against Securities Premium account.

**t) Translation of Foreign Subsidiary**

In case of foreign subsidiary, the revenue and expense transactions at the year end reflected in the Profit & Loss account have been translated at the average exchange rates for the period to which the financial statements relate.

The assets & liabilities, both monetary and non-monetary, have been translated at the closing exchange rate prevailing on the date of the Balance Sheet.

Exchange difference arising on the company's net investment in foreign subsidiary are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income & expense.

**2. Contingent Liabilities not provided for:**

**a) Claims not acknowledged as debts**

(Rs. In lacs)

S. No.	Particulars	March 31, 2011	March 31, 2010
i)	VAT/ Sales Tax Matters	1016.57	760.26
ii)	Service Tax	149.43	140.13
iii)	Excise / Custom Duty	526.85	495.99
iv)	Stamp Duty	40.42	-
v)	Others	487.16	475.01

b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (Previous Year Rs. 582.03 lacs) in favour of M/s Cisco Systems Capital India Private Limited for loan taken by APAKSH Broadband Ltd., subsidiary of erstwhile Aksh Broadband Ltd.

c) Corporate Guarantee given by the Company amounting to Rs. 6,055.00 lacs (Previous Year Rs.6055.00 lacs ) in favour of Union Bank of India, Punjab National Bank and ICICI Bank (Consortium Banks) for working capital facilities sanctioned to Aksh Technologies Ltd a subsidiary of the Company. Further the Immovable properties of the company are also charged for Non fund based limits sanctioned to Aksh Technologies Limited.

d) Bank Guarantees, letters of credit issued by banks and outstanding as at 31st March, 2011 is Rs. 998.07 lacs, net of margin (Previous Year Rs. 1,441.50 lacs).

e) The undivided Aksh Optifibre Limited has imported Plant & Machinery in previous years under EPCG scheme. An export obligation amounting to Rs. 106.99 crores was to be fulfilled during the period of 8 years starting 16<sup>th</sup> August 2001. The Company has applied for extension of export obligation period and received the extension upto 31<sup>st</sup> August 2011. The balance unfulfilled export obligation as on 31<sup>st</sup> March 2011 is Rs. 1,294.97 lacs (previous year Rs. 4,406.15 lacs) and the contingent liability in respect thereof is Rs.228.44 lacs (previous year Rs. 716.73 lacs). As the management is confident of fulfilling the export obligation, no provision has been considered.

f) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs 31,250.64 lacs ( Previous Year Rs. 31,775.16 lacs).



**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**
**3. Employee Benefits:**

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 (as amended) on "Employee Benefits", are as follows :

The Group has classified various benefits provided to employees as under :

- a) Defined Contribution Plans and amount recognised in Profit and Loss Account.

(Rs. In lacs)

Particulars	Current year	Previous year
Employer's Contribution to Provident Fund	86.34	93.48
Employer's Contribution to ESI	8.82	4.27

- b) Defined Benefit Plans

Gratuity and Leave Encashment – actuarial valuation done in accordance with the Accounting Standard -15 (Revised), details of the same are given :

**i) Summary of Results**

Year ended March 31, 2011  
(Rs. In lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation	90.14	41.84
b) Fair Value of plan assets	36.96	-
c) Net asset / (liability) recognized in balance sheet	92.50	7.96

**ii) Actuarial Assumptions**

	Gratuity (Funded)	Leave Encashment
a) Discounting Rate	8.00%	8.00%
b) Future salary Increase	5.50%	5.50%
c) Expected Rate of return on plan assets	8.00%	-

**4. Issue of Foreign Currency Convertible Bonds (FCCBs):**

The Company issued the FCCBs which are convertible into ordinary shares. The particulars, terms of issue and the status of conversion as at March 31, 2011 are given below:

Issue	0% FCCBs (due Jan 2013)	1% FCCBs (due Feb 2013)
Issued on	January 8, 2008	February 5, 2010
Issue Amount (in INR at the time of Issue )	US\$ 20 Million (INR. 78.54 crores)	US\$ 6.328 Million (INR. 29.46 crores)
Face Value	US\$ 100,000	US\$ 1,000
Conversion Price per share at fixed Exchange Rate	US\$ 1= INR 39.27	US\$ 1 = INR 46.56
Exercise Period	Between January 9, 2008 to January 01, 2013.	Between March 01, 2010 to January 15, 2013
Redeemable on	January 8, 2013	February 05, 2013
Redemption percentage of the Principal Amount	139.93%	107.1929%
Amount Converted	US \$ 7 Million	US\$ 4.103
Aggregate conversion into shares	4,596,818	9,523,212
FCCBs outstanding as on March 31, 2011	US\$ 13 Million	US\$ 2.225 Million
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	8,536,956 shares	5,164,307 shares

The proceeds from the issue of FCCBs (net of issue expenses) have been utilised for the purposes as stated in the offer documents. The unutilised money is deposited with banks in short term deposits/current accounts.

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**

5. The Company had earlier issued 1% Foreign Currency Convertible Bonds (FCCBs) aggregating USD 8.75 Mn in January 2007 against which FCCBs aggregating USD 2.50 Mn were converted and balance USD 6.25 Mn were outstanding. These FCCBs were due for redemption in January 2010. Pursuant to RBI approval, the Company has exchanged the FCCBs aggregating USD 5.25 Mn with the new FCCBs of USD 6.328 Mn. The redemption premium of USD 1.078 Mn payable on redemption has been adjusted against Securities Premium Account. The balance FCCBs of USD 1.00 Mn (due 2010) have been included under FCCBs and the redemption premium of USD 205,300 is included under current liabilities.

In respect of outstanding FCCBs of USD 1 Million ( due 2010), The Bank of New York has filed a winding up petition against the Company in Jaipur High Court under section 433 of the Companies Act, 1956. The matter is sub-judice and the Company is in process of filing suitable reply.

6. The Authorised Share Capital of the Company has increased from Rs 8,000 lacs to Rs. 39,500 lacs vide shareholders resolution dated 22<sup>nd</sup> October 2010. However, the relevant Form 5 as per Companies Act, 1956 has not been filed with Registrar of Companies. Consequently, Form 2 with regard to allotment of 47,94,932 Equity Shares upon conversion of FCCBs after 22<sup>nd</sup> October 2010 has also not been filed with Registrar of Companies.
7. The Company applied for winding up of its three wholly owned subsidiaries i.e. 'Aksh Net Tel Limited', 'Spyk Global Limited' and 'Aksh Infratel Limited' which have accordingly been dissolved under section 560 of the Companies Act, 1956
8. With a view to have a global presence in telecom, the Company has incorporated a wholly owned subsidiary in Dubai, viz. "AOL FZE" for expansion of Companies businesses. The subsidiary company has signed an agreement with Africa One, a Company which has been mandated to provide majority stake in Company, holding GSM licenses with spectrum in African contingent for Broadband, IPTV and FTTH projects. In Compliance of the terms of the agreement, the subsidiary company has advanced towards part consideration an amount aggregating Rs 7,999.89 Lacs ( equivalent to AED 660.05 Lacs)
9. a) Breakup of Outstanding Deferred Tax Assets and Deferred Tax Liabilities of the Group :

(Rs. in lacs)

S. No.	Particular	March 31,2011	March 31,2010
	<b>Deferred Tax Liabilities</b>		
a.	Difference in depreciation for accounting and tax purposes	107.47	1,674.61
	<b>Deferred Tax Assets</b>		
a.	Unabsorbed Depreciation/ Business Loss	185.67	3,769.93
b.	Provision for Retirement Benefits	31.71	49.24
c.	Provision for doubtful debts	-	-
	Total Deferred Tax Assets	217.38	3,819.17
	<b>Net Deferred Tax Liabilities/( Assets)@</b>	(109.91)	(2,144.56)

@ Pertains to its subsidiary Aksh Technologies Limited.

- b) As a matter of prudence, the management of the Company has reversed Rs. 2,155.12 Lacs the deferred tax assets in excess of the deferred tax liabilities.

**10. Related Party Disclosures**

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31st March, 2011.

- a) Individuals exercising significant influence & their relatives:
- Dr. Kailash S. Choudhari (Managing Director upto 31<sup>st</sup> August 2010, thereafter appointed as Chairman of the Company)
  - Mr P. F. Sundesha
  - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- b) Key Management personnel & their relatives:
- Dr. Kailash S. Choudhari (Managing Director upto 31<sup>st</sup> August 2010, thereafter appointed as Chairman of the Company)
  - Mr. Chetan Choudhari
  - Mr. Chandra Shekhar Gupta ( From 21<sup>st</sup> March 2011)
  - Mr. Munesh Chandra ( From 21<sup>st</sup> March 2011)
- c) Enterprises over which personnel referred in a & b afore-mentioned exercise significant influence :
- Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)
  - New Generation Networks Limited (Relates to Mr. Chetan Choudhari)

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**
**Related Party Transactions**

(Rs. In Lacs)

		Current Year	Previous Year
a)	<b><u>Individuals exercising significant influence &amp; their relatives</u></b>		
	<b>Dr. Kailash S. Choudhari</b>		
	Director's Remuneration-Aksh Optifibre Ltd. (Period 1 <sup>st</sup> April 2010 to 31 <sup>st</sup> August 2010)	73.86	124.64
	Remuneration-AOL-FZE (Period 1 <sup>st</sup> September 2010 to 31 <sup>st</sup> March 2011)	103.15	-
	Interest Expenses	76.47	32.21
	Loans taken	547.75	605.25
	Loans repayment	905.00	5.00
	Sitting Fee	0.25	-
	Outstanding balance due to / (from)	316.77	608.57
	<b>Mr P. F. Sundesha</b>		
	Rent Paid	29.40	29.40
	Sitting Fees	0.20	0.30
	Outstanding balance due to / (from)	29.49	-
	<b>Mr Shailesh Popat Lal</b>		
	Rent Paid	29.40	29.40
	Outstanding balance due to / (from)	29.49	-
b)	<b><u>Key Management personnel &amp; their relatives</u></b>		
	<b>Mr. Chetan Choudhari</b>		
	Remuneration	68.55	-
	Outstanding balance due to / (from)	28.66	-
	<b>Mr. Chandra Shekhar Gupta</b>		
	Remuneration	0.39	-
	Outstanding balance due to / (from)	0.39	-
	<b>Mr. Munesh Chandra</b>		
	Remuneration	0.28	-
	Outstanding balance due to / (from)	0.28	-
c)	<b><u>Enterprises over which personnel referred in a &amp; b above exercise significant influence</u></b>		
	<b>Fulchand Finance Private Limited</b>		
	Interest Expenses	117.20	164.32
	Loans taken	175.00	510.00
	Loans repayment	1,200.00	135.00
	Outstanding balance due to / (from)	456.30	1,425.82
	<b>New Generation Networks Limited</b>		
	Purchase of Capital Goods	-	1.66
	Purchase of Goods	0.88	-
	Sale of Goods	0.56	-
	Commission Paid	0.12	-
	Computer rental paid	0.50	0.86
	Out standing balance due to / (from)	-	(0.06)

## SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

### 11. Segmental Reporting

Based on the guiding principles given in Accounting Standard AS-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segments are cable manufacturing ,services and trading. The information about business segments is given below:

(Rs in Lacs)

S.No	Particulars	Current Year	Previous Year
<b>a)</b>	<b>Segment Revenue</b>		
	1 Manufacturing	<b>10,023.17</b>	13,254.80
	2. Services	<b>485.01</b>	536.91
	3. Trading	<b>2,917.96</b>	293.60
	<b>Total</b>	<b>13,426.14</b>	14,085.31
	Less : Inter-Segmental Revenue	<b>6.52</b>	266.21
	<b>Net Sales / Income from Operations</b>	<b>13,419.62</b>	13,819.10
<b>b)</b>	<b>Segment Results</b>		
	1. Manufacturing	<b>102.55</b>	360.20
	2. Services	<b>(2,894.46)</b>	(3,484.61)
	3. Trading	<b>163.10</b>	15.27
	<b>Total</b>	<b>(2,628.81)</b>	(3,109.14)
	Un-allocable Expenses / (Income)	<b>(468.67)</b>	(64.19)
	<b>Operating (Loss)</b>	<b>(2,160.14)</b>	(3,044.95)
	Interest expenses	<b>473.38</b>	538.40
	Profit/( Loss) before Exceptional Items	<b>(2,633.52)</b>	(3,583.35)
	Exceptional Items – Expenses / (Income)	<b>229.99</b>	(1,569.23)
	<b>Net (Loss ) before Tax</b>	<b>(2,863.51)</b>	(2,014.12)
<b>c)</b>	<b>Segmental Capital Employed</b>		
	(Segment assets – segment liabilities)		
	Manufacturing	<b>5,760.78</b>	5,968.80
	Services	<b>36,998.88</b>	29,812.23
	Trading	<b>173.45</b>	-
	Unallocated	<b>670.00</b>	670.00
	<b>Total</b>	<b>43,603.11</b>	36,451.03

### 12 Basic and diluted earning per share:

S. No.	Particulars	Current Year	Previous Year
a.	Net Profit/(Loss) for the year (Rs in Lacs)	<b>(4,898.16)</b>	<b>(1,313.66)</b>
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	<b>109,524,606</b>	<b>59,174,243</b>
c.	Weighted average number of equity shares from dilutive instruments	<b>13,701,263</b>	<b>13,705,244</b>
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	<b>123,225,869</b>	<b>72,879,487</b>
e.	Nominal Value of Equity Shares-(Rs.)	<b>5.00</b>	<b>5.00</b>
f.	Basic-Earning Per Shares (Rs.)	<b>(4.47)</b>	<b>(2.22)</b>
g.	Diluted-Earning Per Share (Rs.)	<b>(3.97)</b>	<b>(1.78)</b>

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**

13. Managerial remuneration paid to the Whole-Time Director/ Non- Whole-Time Directors / Managing Director.

	<b>(Rs in Lacs)</b>	
	<b>Current Year</b>	<b>Previous Year</b>
Salary @	<b>163.77</b>	115.20
Contribution to PF and other Funds	<b>4.97</b>	9.44
Perquisites	<b>8.94</b>	-
Sitting Fee	<b>3.15</b>	1.90

@ Includes Rs 103.15 Lacs remuneration paid to Dr Kailash S Choudhari in AOL FZE.

14. Amount paid/ payable to Auditors

	<b>(Rs in Lacs)</b>	
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Audit Fees	<b>20.84</b>	18.36
Tax Matters	<b>2.00</b>	4.00
Certification fees/ Other Services	<b>0.79</b>	1.00
Out of pocket expenses	<b>1.01</b>	1.14

15. Computation of net profit in accordance with Section 349 of the Companies Act, 1956, has not been given as no commission is payable to Managing Director for the current period.

16. a) The company has not received any claim for interest from any supplier covered under the "Interest on delayed payments to "Micro, Small and Medium Enterprises Act" to the extent such parties have been identified from the available information.

b) The names of Micro, Small and Medium Enterprises to whom the company owes amount outstanding for more than 30 days as at the Balance sheet date are as under

Six Sigma Gases India Limited.

The above information has been complied in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprise on the basis of information available with the company.

c) The above information has been complied in respect of parties to the extent to which they could be identified as small scale and ancillary undertakings on the basis of information available with the Group.

17. AP AKSH is setting up a Broadband Project in the state of Andhra Pradesh. No Profit &amp; Loss account has been prepared in respect of the said project since the company has not commenced revenue operations. The expenditure incurred during the period are classified as "Project Development Expenses" pending capitalization and will be apportioned to the assets on the completion of the project.

18. In the case of AP AKSH, Bank Guarantee of Rs. 150 lacs (previous year Rs. 150 lacs) was invoked by M/s Andhra Pradesh Technology Services Ltd due to failure of implementation of the project, shown in advance recoverable as company is contesting. In the case of AP AKSH, no provision has been made in respect of various expenses viz. rent, commission, bandwidth expenses as these are not quantifiable due to non availability of information and for interest of Rs. 119.17 lacs (previous year Rs. 96.47 lacs) on secured loan taken from Cisco Systems Capital India Pvt Ltd.

19. In Case of AP AKSH, The operations are presently suspended due to some litigation. One of the shareholder of AP AKSH filed a petition under sections 397, 398, 402, 403 of The Companies Act before Company Law Board (CLB), Additional Principal Bench, Chennai. The Hon'ble Company Law Board gave specific findings of fact and law and dismissed the said petition. An appeal was filed against the judgment passed by CLB in Hon'ble High Court of Andhra Pradesh, which was also dismissed. A Special Leave Petition (SLP) was filed against the Hon'ble High Court order in the Hon'ble Supreme Court. The Hon'ble Supreme Court vide it's order dated 7<sup>th</sup> May 2010 has dismissed the SLP. The Management of the Company has now initiated discussions on the revival of the project and is hopeful to restart the same.

20. Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to those of current year's figures wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors

**For P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N

**KAILASH S. CHOUDHARI**  
Chairman

**CA. K.C. Gupta**  
Partner  
Membership No. 088638

**B. R. RAKHECHA**  
Director

**CHETAN CHOUDHARI**  
Whole Time Director

Place : New Delhi  
Dated : 21.05.2011

**SATYENDRA GUPTA**  
Chief Financial Officer

**GAURAV MEHTA**  
Company Secretary



**Aksh Optifibre Limited**

## AKSH OPTIFIBRE LIMITED

Regd. Office : F-1080, RIICO Industrial Area, Phase - III, Bhiwadi - 301 019 (RAJASTHAN)

### ATTENDANCE SLIP

(To be completed and Handed Over at the Entrance of the Meeting Hall)

DP. Id. ....

Folio No. ....

Client Id. ....

No. of Shares held.....

### All particulars should tally with the Company's records

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company held at 11.00 a.m. on Friday the 15<sup>th</sup> July, 2011 at F-1080, RIICO Industrial Area, Phase - III, Bhiwadi - 301 019 (Rajasthan).

Member's Name (Sole Applicant) .....

(1st Joint holder) .....

(2nd Joint holder) .....

Father's Name .....

Complete Address .....

Proxy's Name .....

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

\_\_\_\_\_  
(Member's/Proxy's Signature)

- NOTES :
1. Attendance slip which is not complete in all respects shall not be accepted.
  2. This attendance slip is valid only in case shares are held on the date of the meeting.

## AKSH OPTIFIBRE LIMITED

Regd. Office : F-1080, RIICO Industrial Area, Phase - III, Bhiwadi - 301 019 (RAJASTHAN)

### PROXY FORM

(To be filled by the Shareholder)

DP. Id. ....

Folio No. ....

Client Id. ....

No. of Shares held.....

I/We.....of.....(Address) being the Member/Members of AKSH OPTIFIBRE LIMITED hereby appoint Mr./Ms..... of .....failing him/her, Mr./ Ms. .... of .....as my/our proxy to vote for me/us, on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Friday the 15<sup>th</sup> July, 2011 at F-1080, RIICO Industrial Area, Phase - III, Bhiwadi - 301 019 (Rajasthan) AT 11.00 a.m. and at any adjournment thereof.

As witness my/our hand this .....day of .....,2011

Signature

Affix  
Revenue  
Stamp

Note :

1. The proxy form duly executed and properly stamped should reach the Company's Registered office at least 48 hours before the time of the meeting.
2. The proxy need not be a member.
3. Proxy cannot speak at the meeting or vote on a show of hands.

**Important Communication to the Stakeholders/Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ other documents including the Annual report can be sent by e- mail to its members. To support this green initiative of the government the Stakeholders/ Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the following format :-

Name : \_\_\_\_\_

e-mail Id : \_\_\_\_\_

Address : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

Folio No : \_\_\_\_\_

No of equity shares held : \_\_\_\_\_  
(in case of physical holdings)

Signatures : \_\_\_\_\_

and register the same with:

**Registrar and Transfer Agents**

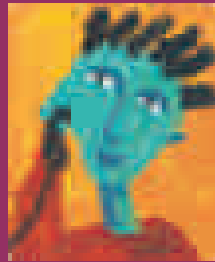
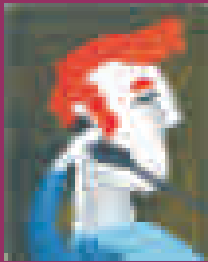
**MCS Limited,**  
F-65, First floor,  
Okhla Industrial Estate, Phase-I,  
New Delhi-110020

**OR**

**The Company Secretary**

Aksh Optifibre Limited  
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Mohan Co-oprative Industrial Estate,  
Mathura Road,  
New Delhi-110044.





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