

REGISTERED OFFICE :

F-1080, RIICO Industrial Area,
Phase-III, Bhiwadi-320 019 (Raj)

CORPORATE OFFICE

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

OPERATING CENTRE - JAIPUR

M-18, Flatted Software Complex,
EPIP, Sitapura, Jaipur- 302022

OPERATING CENTRE - MUMBAI

401 & 701, Corporate Arena, Arena,
Kamla Nagar Road,
Behind Mahindra Gargens, off S.V. Road,
Mumbai - 400062

OPERATING CENTRE- CHANDIGARH

SCO-186, Sector-38 C&D,
Chandigarh-166036

OPERATING CENTRE - DELHI

A-16, Mohan Co-operative Industrial Area,
Mathura Road, New Delhi-110044

Bankers

Union Bank of India, New Delhi
Punjab National Bank, New Delhi

Auditors

P.C. Bindal & Co.
101, Sita Ram Mansion
718/21, Joshi Road,
Karol Bagh, New Delhi-110005

Share Transfer Agent:

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

Managing Director

Dr. Kailash S. Choudhari

Directors

P.F Sundesha
D.K. Mathur
Narendra Kumbhat
B.R. Rakhecha
Arun Sood

Company Secretary

Gaurav Mehta

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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting (AGM) of the members of Aksh Optifibre Limited will be held on Saturday 3rd July, 2010, 11.00 a.m. at the Registered Office of the Company at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi- 301 019 (Rajasthan) to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narendra Kumbhat, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as 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 the next annual general meeting on such remuneration as may be fixed by the Board of Directors, in addition to the reimbursement of out of pocket expenses in connection with the audit of the accounts of the Company.

4. 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) Shri Arun Sood, 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.

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

RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and/or Foreign Exchange Management Act, 1999, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges where the Company is Listed and subject to the approval, consent, confirmation, permission and/or sanction of the Ministry of Finance and Ministry of Industry (Foreign Investment Promotion Board/ Department of Industrial Policy and

Promotion/ Secretariat for Industrial Assistance) of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, confirmation, permission or sanction, the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof) be and is hereby authorized on behalf of the Company to create, issue, offer and allot, in the course of International/ domestic offerings, in one or more foreign markets/ Indian Market, Equity Shares/ Preference Shares/ Convertible Debentures / Convertible Warrants/ Convertible Notes / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Foreign Currency Convertible Bonds (FCCBs) and / or any other Securities convertible into Equity Shares at the option of the Company and/or holder of the Securities and/or Securities linked to Equity Shares (hereinafter referred to as the "Securities") subscribed to in foreign currency(ies) for cash or stock swap or for other valuable consideration including strategic alliances, business(es) or a combination thereof, including allotment in exercise of a green shoe option, to Non - Resident Indian and /or Foreign Investors (whether Institutions and/or Incorporated Bodies and / or Individuals and whether or not such investors are members of the Company) and / or Qualified Institutional Buyers, and /or Mutual funds, through Issue(s) of securities, Equity Shares or Non-convertible debt instruments along with warrants and convertible securities other than warrants through Qualified Institutional Placements (QIPs) under ICDR Regulations, **to the extent of US\$ 50Mn or equivalent thereof in case of international offering or upto Rs. 250.00 Crore if made in INR**, (in case of combination of both 1 US\$ be considered as INR 50.00) and such issue and allotment to be made at such time or times, in one or more tranches, at such price or prices, on such terms and conditions including security, rate of interest and in such manner as the Board may, in its absolute discretion think fit in consultation with the Lead Manager(s)/ Investment Banker(s) and/or the Underwriters, subject to guidelines of the Reserve Bank of India(RBI), Securities and Exchange Board of India(SEBI) and Ministry of Finance, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company may issue depository receipts representing the underlying equity shares or other securities issued by the Company, in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international markets including filing any registration statement and any amendment thereto with the respective regulatory authorities.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the securities shall be determined by the Board and at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, regulations and guidelines.

RESOLVED FURTHER THAT in the event that Securities which are convertible into Equity Shares of the Company are issued to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the meeting in which the Board decides to open the issue of such Warrants simultaneously with non convertible debentures subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines OR the date on which the holder of such Warrants, which are convertible into or exchangeable with the Equity Shares, becomes entitled to apply for the Equity Shares against such Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred above or as may be necessary in accordance with the terms of the offering, all such shares ranking pari-passu with the equity shares of the Company in all respects and the Board be further authorized to execute necessary documents for the purpose of listing the equity shares on the Stock Exchanges in India and abroad.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares or securities or instruments or securities representing the same, as described in paragraph one above, the Board and other designated officers of the Company (as authorized by the Board) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose, including without limitation, filing a Registration Statement and other documents with the respective regulatory authorities, listing the securities on overseas stock exchanges such as Luxembourg and/or London and/or Nasdaq and/or New York Stock Exchange(NYSE) and/or any of the other overseas stock exchanges, and the entering into and executing all such arrangements/ agreement(s) with any Lead Manager(s)/ Investment Banker(s)/ Underwriter(s)/ Guarantor(s)/ Depository(ies)/ Custodian(s) and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment

of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Chief Operating Officer or any Executive Director or Directors or Company Secretary or any other Officer or Officers of the Company or any other professionals to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 94(1) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 47,50,00,000/-(Rupees Forty Seven Crore, Fifty Lac Only) divided into 9,50,00,000 equity shares of Rs. 5/- each to Rs. 80,00,00,000/-(Rupees Eighty Crore Only) divided into 16,00,00,000 equity shares of Rs. 5/- each and that Clause V of the Memorandum of Association be altered accordingly.

V. The Authorised Share Capital of the Company is Rs. 80,00,00,000/-(Rupees Eighty Crore Only) divided into 16,00,00,000 equity shares of Rs. 5/- each.

By Order of the Board

Place: New Delhi

Date : 17.05.2010

Gaurav Mehta

Company Secretary

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 2nd July 2010 to 3rd July 2010 (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, 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, 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. Narendra Kumbhat retires by rotation and being eligible, offers himself for reappointment. The details pertaining to Mr. Kumbhat are as under:

Name	Mr. Narendra Kumbhat
Age	69 Years
Qualification(s)	MBA
Expertise in specific functional area	Accounts, Finance, Taxation & Material Management
Date of appointment as Director of the Company	24.11.2007
Directorship in other companies	Shyam Telecom Limited Shyam IT Services Limited
Chairman/Member of Committees of other Companies	Nil
No. of shares held	Nil
Inter-se relationship with other Directors	Nil

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

Name	Mr. Arun Sood
Age	50 Years
Qualification(s)	B.E.
Expertise in specific functional area	Engineering, R&D, Logistics, Marketing & Finance
Date of appointment as Director of the Company	17.05.2010
Directorship in other Companies	New Generation Networks Limited Shantanu Investments Pvt. Ltd. Arun Infrastructure India Pvt. Ltd.
Chairman/Member of Committees of other Companies	Nil
No. of shares held	Nil
Inter-se relationship with other Directors	Nil

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.4 to 6 mentioned in the accompanying Notice dated May 17, 2010.

Item no. 4

Mr. Arun Sood was appointed as an Additional Director of the Company with effect from May 17, 2010 by the Board of Directors under Section 260 of the Companies Act, 1956. In terms of Section 260 of the Companies Act, 1956, Mr. Sood holds office only up to the date of the forthcoming Annual General Meeting of the Company but is eligible for appointment as Director. A notice pursuant to Section 257 of the Act, has been received from a member together with the requisite deposit signifying intention to propose Mr. Sood as a Director, liable to retire by rotation, subject to the approval of the members.

The Board accordingly recommends the Ordinary Resolution set out at item No. 4 of the accompanying Notice for the approval of the members. None of the Directors of the Company is, in any way, concerned or interested in the said resolution except Shri Arun Sood who may be deemed to be concerned or interested in the resolution relating to his appointment.

Item no.5

The Company proposes to make substantial investments over the next few years for expansion of IPTV/VOIP/FTTH/TRIPLE PLAY, etc. In order to meet the requirement of funds for these purposes, it is proposed to issue Equity Shares/ Preference Shares/ Convertible Debentures / Convertible Notes / American Depository Receipts/ Global Depository Receipts / Foreign Currency Convertible Bonds (FCCBs) / Qualified Institutional Placement under ICDR Regulations and / or any Securities convertible into Equity Shares on a preferential allotment basis in terms of the Guidelines for Preferential Issues contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as the Preferential Issue Guidelines.). Accordingly, the Board has proposed to raise an amount upto USD 50.00 Million or Rs. 250.00 Crore.

In case of international offering through FCCBs/ADRs/GDRs or any other instrument, the funds raised shall be used primarily/ predominantly in foreign currency only through overseas acquisitions, overseas green field projects of IPTV/VOIP/FTTH/TRIPLE PLAY, Capital/Revenue expenditure in foreign currency, etc. In case of domestic offering, the funds raised shall be primarily/ predominantly used for expansion of IPTV/VOIP/FTTH/TRIPLE PLAY service in domestic market, to meet Company's long term fund requirements, working capital requirements and general corporate purposes, as may be decided by the Board in the best interests of the Company.

Since the issue(s) may be offered to public, various strategic alliances, business (es) or a combination thereof or to Non – Resident Indian and /or Foreign Investors (whether Institutions and/or Incorporated Bodies and/or Individuals and whether or not such investors are members of the Company), the Company is not able to determine the identity of proposed allottees at this stage. However, there would be no change in the management of the Company. Further, the proposed security may be in the form of Equity or Convertible/non- convertible Instruments, which may or may not be converted into Equity Shares, thus the post issue shareholding pattern of the Company cannot be determined at this stage.

The issue shall be in accordance with the provisions, guidelines, regulations of Companies Act, 1956 and/or ICDR Regulations, Listing Agreement, Foreign Exchange Management Act 1999 and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, or issued by SEBI, the Ministry of Finance and Ministry of Industry (Foreign Investment Promotion Board/ Department of Industrial Policy & Promotion/ Secretariat for Industrial Assistance), Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be applicable.

The resolution set out in Item no.5 is an enabling resolution conferring authority on the Board to do all acts and deeds which may be required to issue/ offer securities of appropriate nature at opportune time, including of size, structure pricing and timing of the issue(s)/offer(s) at the appropriate times.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the terms of statutory approvals from such authorities as may be required. The issue price of the security to be issued in the proposed offerings will be determined by the

Board of Directors at the time of the offer depending on the then prevailing market conditions. The securities will be listed on such International / Indian Stock Exchanges as the Board may be advised.

Section 81 of the Companies Act, 1956, provides, inter alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the shareholders in a General Meeting decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing Equity Shareholders of the Company unless the Shareholders in a General Meeting decide otherwise. The Special Resolution seeks the consent of the Shareholders authorising the Board of Directors to make the proposed issue/offer of securities and in the event it is decided to issue/offer Securities convertible into Equity Shares, to issue to the holders of such Convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board accordingly recommends the Special 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 in the said resolution.

Item no. 6

At present the Authorised Share Capital of your Company is Rs. 47,50,00,000 /-(Rupees Forty Seven Crore Fifty Lac Only) divided into 9,50,00,000 equity shares of Rs. 5/- each and the Issued, Subscribed and Paid-up Capital of your Company is Rs.32,97,48,830/- (RupeesThirty Two Crore, Ninety Seven Lac Forty Eight Thousand Eight Hundred and Thirty only) comprising 65,949,766 equity shares of Rs. 5/- each.

Keeping in view the proposed issue of Equity Shares / Preference Shares / Convertible bonds / ADRs /GDRs/ FCCBs for raising fresh capital to meet the increasing business demand and exploring fresh growth opportunities, and also to accommodate the shares upon conversion of FCCBs already issued, it is proposed that the Authorised Share Capital of the Company be increased from the existing Rs. 47,50,00,000/- (Rupees Forty Seven Crore Fifty Lac Only) divided into 9,50,00,000 equity shares of Rs. 5/- each to Rs. 80,00,00,000/-(Rupees Eighty Crore Only) divided into 16,00,00,000 equity shares of Rs. 5/- each, subject to approval of shareholders in their meeting.

As per the provisions of Section 16 and 94 of the Companies Act, 1956, change in the Authorised Capital of the Company requires alteration in Clause V of Memorandum of Association relating to Share Capital of the Company which needs approval of members by means of Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at item No. 6 of the accompanying Notice for the approval of the Members. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board

**Place: New Delhi
Date : 17.05.2010**

**Gaurav Mehta
Company Secretary**

**DIRECTORS' REPORT****To The Members of****Aksh Optifibre Limited**

Your Directors have pleasure in presenting the 23rd Annual Report together with the audited statement of accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	Year ended 31.03. 2010 (12 months)	Period ended 31.03. 2009 (18 months)
Turnover	830.51	26,385.41
Profit / (Loss) before Interest, Depreciation and Tax	(721.31)	(4,432.06)
Interest	239.32	965.25
Depreciation	1,136.29	2,085.58
Profit/ (Loss) before Tax	(2,096.92)	(7,482.89)
Provision for Tax		
- Deferred tax	(711.57)	(2,697.46)
- Fringe Benefit Tax	-	17.78
Net Profit / (Loss) after Tax	(1,385.35)	(4,803.21)

During the period under review, your Company attained a gross turnover of Rs. 830. 51 Lacs as against Rs.26,385.41 Lacs during the previous year. The financial performance of the Company for the period under review reflects its business operations of services only, while the figures of the previous financial period comprises both the manufacturing and services business, hence not comparable.

The Net Loss after Tax during the period under review was Rs. 1385.35 as against Rs. 4803.21 for the previous year.

Your Company has entered into a phase wherein the focus is to consolidate as well as to ensure a steady and stable growth. With the same view your Company is presently concentrating in the business of IPTV and VOIP services and the subscriber base of the Company is increasing in all the cities where the Company has its presence. However, the operations of IPTV and VoIP services are huge capital intensive and have long gestation period, but your Directors are confident of sustaining profitable growth in the future and are continuously working to achieve the same.

DIVIDEND

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

OPERATIONS

During the period under review, the Company consolidated its operations of 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). iControl has revolutionized the television watching with the Company offering host of add-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 .Your Company has the largest subscriber base of IPTV customers in South East Asia.

The Company, in association with BSNL, also started pilot project of FTTH (Fibre- to- the- Home) services in the city of Jaipur. The reports and the feedback of the subscribers/ users have been very encouraging. The Company expects to increase its presence in the FTTH services space during the current financial year.

The trend in the growth of the services is expected to remain good in coming year. The endeavour is to achieve a respectable base of subscribers for further growth.

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.

HIVING OFF

During the period under review, the manufacturing operations of the Company comprising manufacturing of Optical fibre, Optical fibre cable and FRP Rods has been transferred on going concern basis, to Aksh Technologies Limited, the Wholly Owned Subsidiary of the Company pursuant to the provisions of Section -293(1) (a) of the Companies Act -1956. The transfer became effective on 14th November, 2009, the appointed date being 01st April, 2009.

SUBSIDIARY COMPANIES

As on date the Company has five subsidiaries, viz., APAKSH Broadband Limited, Aksh Technologies Limited, Aksh Infratel Limited, Aksh Net Tel Limited and SPYK Global Limited.

The Statement pursuant to Sec. 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 approval granted by Central Government under Section 212(8) of the Companies Act, 1956. These documents will be made available upon request made by any member of the Company or of the subsidiaries interested in obtaining the same. The annual accounts of the subsidiary companies will also 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 period under review.

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

The Company had issued 1% FCCBs aggregating USD 8.75 Mn in January 2007 out of which FCCBs aggregating USD 2.50 Mn were converted and balance USD 6.25 Mn were outstanding which were due for redemption in January 2010. Pursuant to RBI approval, the Company has exchanged the FCCBs aggregating USD 5.25 Mn alongwith interest thereon with the new FCCBs of USD 6.328 Mn in Feb 2010 and the balance FCCBs of USD 1.00 Mn are outstanding.

During the year 46,03,175 Warrants were forfeited due to non conversion into Equity Shares within stipulated time frame.

INVESTMENT IN THE SHARES OF AKSH TECHNOLOGIES LIMITED

Your company has invested in the shares and optionally convertible debentures of its 100% subsidiary viz; Aksh Technologies Limited. The shares and debentures of Aksh Technologies Limited were allotted to your company as consideration other than cash, in lieu of transferring its manufacturing business to Aksh Technologies Limited on going concern basis.

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:

- i. That in the preparation of the annual accounts for the

financial year ended 31st March 2010, the accounting standards as issued by ICAI have been followed and there are no material departures ;

- ii. 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 ;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 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;
- iv. That the Annual Accounts have been prepared on a going concern basis.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. Narendra Kumbhat, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Mr. Arun Sood has been appointed as Additional Independent Non-executive Director of the Company w.e.f. 17th May 2010.

CORPORATE GOVERNANCE

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

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

INFORMATION PURSUANT TO SECTION 217(2A)

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, has to be given as a part of the Directors' Report.

However, as per the provisions of section 219 (i) (b) (iv) of the said Act, the report and accounts are being sent to all the shareholders excluding the aforesaid annexure.

The complete annual report including the said information shall be made available for inspection by any shareholder during working hours for a period of 21 days before the date of the Annual General Meeting. Any member interested in obtaining a copy of the statement may write to the Company Secretary at the registered/corporate office of the Company.

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, holds 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 the 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.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the provisions of Section 205C of the Companies Act, 1956, the Company has transferred an amount of Rs. 100,892 /- being the unclaimed amount of Dividend paid in the financial year 2001-02, to the Investor Education and Protection Fund established by Central Government.

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 review.

For & on behalf of the Board of Directors

B.R.Rakhecha
Director

Kailash S. Choudhari
Managing Director

Place : New Delhi

Date: 17th May, 2010

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 period ended 31st March, 2010, 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 per form '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 | 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 therefor 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

B.R.Rakhecha
Director

Kailash S. Choudhari
Managing Director

Place : New Delhi

Date : 17.05.2010

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 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 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 Exchange, 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 Board of Directors of the Company consists of an optimal mix of Executive Directors and Independent Professionals who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on 31st March 2010, the Board of Directors of the Company comprised of Executive, Non-Executive and

Independent Directors. There are 5 Directors comprising one Whole-Time Executive Director (being Promoter & Managing Director), Two Non-Executive Non-Independent and Two Independent Directors. The composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreements of the Stock Exchanges.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which he is a Director.

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 period under review the Board of Directors of the Company met 10 times and the period between any two meetings did not exceed four months. The date of Board Meetings held during the year is as follows:

(i) 26th May, 2009 (ii) 22nd June, 2009 (iii) 25th July, 2009 (iv) 18th August, 2009 (v) 29th September, 2009 (vi) 24th October, 2009 (vii) 26th November, 2009 (viii) 15th January, 2010 (ix) 22nd January, 2010 (x) 05th March, 2010.

There is no change in the Board Composition for the period under review. The Board of Directors granted leave of absence to the absentee Directors in the respective Board Meetings.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2010 are given below:

Name	Designation/ Category	Shares Held	No. of other Directorships*	No of other Committee positions held**		No. of Board Meetings attended during the 12 months period.	Attendance at the 22 nd Annual General Meeting held on 25 th July, 2009.
				Chairman	Member		
Dr. Kailash S. Choudhari	MD-PE	4728025	3	-	-	10	Yes
Mr. Popat Lal F. Sundesha	D-NENI	4330587	3	-	-	3	No
Mr. D. K. Mathur	D-I	67500	-	-	-	9	No
Mr. B. R. Rakhecha	D-NENI	Nil	5	-	-	9	Yes
Mr. Narendra Kumbhat	D-I	Nil	2	-	-	10	No

MD – Managing Director, D – Director, PE – Promoter Executive, NENI – Non Executive Non Independent, I – Independent

***Directorships in private companies, foreign companies and associations are excluded.**

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

No Director is related to any other Director on the Board 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

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 Managing 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 31st March, 2010, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

01st April, 2010

Dr. Kailash S. Choudhari
Managing Director

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 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 2009-2010 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) 26th May, 2009 (ii) 25th July, 2009 (iii) 24th October, 2009

(iv) 22nd January, 2010

The composition of the Audit Committee as on 31st March, 2010 was as under:

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

All the above Directors are Non-Executive and Mr. Narendra Kumbhat and Mr. D.K. Mathur are Independent Directors.

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

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.

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 Meeting.

Executive Directors

The details of remuneration paid/ provided to the Managing Director provided as per accounts for the 12 months period ended 31st March, 2010, is given below:

Amt in Rs.					
Name	Salary and Allowances	Perquisites	Contribution to Provident Fund	Commission	Total
Dr. Kailash S. Choudhari	1,15,20,000	Nil	9,43,572	Nil	1,24,63,572

The tenure of the appointment of Managing Director is for a period of 3 years w.e.f. 1st April 2009.

During the year, Mr. B. R. Rakhecha, Director, has been paid Rs. 9,60,000/- as consultancy fee 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,

Chairman and Dr. Kailash S. Choudhari, 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.

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 31st March, 2010

Particulars	Received	Attended to	Pending
Revalidation/Correction/ Non-Receipt of Dividend Warrant	7	7	—
Annual Reports	5	5	—

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.

During the year, authorized officials approved transfers/ transmissions/ demat/ remat/ issue of duplicate certificates every fortnightly.

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.

E) ESPS COMPENSATION COMMITTEE.

ESPS COMPENSATION COMMITTEE comprises of Dr. Kailash S. Choudhari, Chairman of the Committee and Mr. Popatlal F Sundesha as committee Member. 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 year 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, 2 meetings of the Finance Committee were held on 8th May, 2009 and 26th September, 2009.

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
2007-09	25.07.2009	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	11.00A.M.	-Nil-
2006-07	28.01.2008	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	10:00 A.M.	-Nil-
2005-06	29.09.2006	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	9.00 A.M.	Two

During the year Company's Extra-ordinary General Meeting was held on 26th December, 2009 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 FCCB(s) aggregating upto USD 8 Mn. and use the proceeds for the redemption of FCCB(s) maturing in January 2010.

Item no.2.

Sale of Investments held by the Company in the Subsidiary Companies.

Item no. 3.

Increase in the authorised Share Capital of the Company to Rs.47,50,00,000/- (Rupees Forty Seven Crore Fifty Lac Only) divided into 9,50,00,000 Equity Shares of Rs. 5/- each .

5. DISCLOSURES

- During the 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 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 follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- e) 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.

- f) In terms of Clause 49(V) of the Listing Agreement, the Managing 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.

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 web sites 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 31,2009	May 26,2009	May 28,2009
April - June 2009	July 25,2009	July 26, 2009
July - September 2009	October 24,2009	October 25, 2009
October - December 2009	January 22,2010	January 23, 2010

7. SUBSIDIARY COMPANIES

The Company has five subsidiary companies. Four companies were incorporated in the month of March 2008 and one subsidiary i.e. APAKSH Broadband Limited became subsidiary, consequent upon merger of Aksh Broadband Limited in July 2007.

During the Year 2009-10 one Subsidiary viz. Aksh Technologies Limited has become the Material Unlisted

8.1 Annual General Meeting

1. **Date, Time and Venue of the Annual General Meeting.**
2. **Financial Calendar**
3. **Book Closure Dates**
4. **Dividend Payment Date**
5. **Listing on Stock Exchanges**
6. **Stock Code**
7. **Share Transfer Agents**
8. **Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent**

Subsidiary of the Company pursuant to transfer of the Manufacturing Business to the same as per the provisions of Sec-293(1) (a) of the Companies Act-1956.

8. GENERAL SHAREHOLDERS INFORMATION

The shares of the company continue to be listed at The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange Limited, Mumbai. The FCCBs and GDRs of the Company continue to be listed on Luxembourg Stock Exchange.

3rd July 2010 at 11.00 A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi – 301 019

April 1, 2009 to March 31, 2010

02.07.10 to 03.07.10

N.A.

The Bombay Stock Exchange Limited, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 01. Website: www.bseindia.com. 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: www.nseindia.com

532351' on The Bombay Stock Exchange Limited, Mumbai. 'AKSHOPTFBR' at The National Stock Exchange of India Ltd., Mumbai

MCS Limited

F-65, First Floor, Okhla Indl. Area, Phase I,

New Delhi - 110 020

Tel: 011 - 26384909-10

Fax: 011 - 26384907

E-mail: mcsdel@del6.vsnl.net.in

M/s. MCS Limited



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 Stock Market data relating to shares listed on BSE and NSE for the period April 2009 - March 2010

Monthly high and low quotations as well as the volume of shares traded at The Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange Limited, Mumbai (NSE).

Date	BSE			NSE		
	High(Rs)	Low(Rs)	Volume(no.)	High(Rs)	Low(Rs)	Volume(no)
April 2009	16.80	9.20	15,69,070	16.95	9.70	18,82,566
May 2009	17.78	12.31	5,86,122	17.80	12.50	5,50,628
June 2009	19.40	13.80	8,15,878	19.70	13.65	8,77,974
July 2009	16.95	12.00	9,99,618	16.85	12.00	12,99,836
August 2009	18.90	14.25	14,50,944	18.90	14.15	2,024,145
September 2009	25.65	17.05	18,22,870	25.50	17.00	21,64,338
October 2009	27.60	20.85	33,20,980	27.25	21.10	16,49,937
November 2009	24.00	18.70	7,30,634	24.45	18.60	7,02,973
December 2009	23.40	18.40	13,45,925	23.75	18.55	16,25,412
January 2010	23.00	18.05	13,15,231	23.00	18.10	18,16,596
February 2010	20.00	16.00	4,41,275	19.80	16.30	6,22,593
March 2010	25.00	14.85	72,70,770	24.75	14.90	98,63,828

8.3 Distribution of Shareholding as on 31.03.2010

No. of Equity Shares held	No. of Shareholders	% to Total shareholders	No. of Shares held	% to Total shares
1-500	10554	80.39	1835751	3.03
501-1000	1275	9.71	1110896	1.83
1001-2000	566	4.31	915026	1.51
2001-3000	197	1.50	512494	0.85
3001-4000	75	0.57	276135	0.46
4001-5000	100	0.76	479100	0.79
5001-10000	156	1.19	1171984	1.93
10000-50000	140	1.07	2985834	4.93
50001-100000	25	0.19	1872419	3.08
100001- And Above	41	0.31	49449423	81.59
TOTAL	13129	100	60609062	100

8.4 Categories of shareholders as on 31.03.2010

Particulars	No. of Shares held	%age
Promoters	15592379	25.73
FIs/Banks/MF/UTI	-	-
Corporate Bodies	10432200	17.21
FII's/NRIs/OCBs	612120	1.01
Trusts	463120	0.76
Custodian for GDRs	9607842	15.85
Public	23901401	39.44
TOTAL	60609062	100

8.5 Dematerialisation of Shares.

The Shares of the Company are in Compulsory Demat Mode. As on 31.03.2010 **98.42%** of the total shareholding is held in Demat Mode.

8.6 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, Extn. 750
Fax : 91-11-26991510.
e- mail : gaurav@akshoptifibre.com

8.7 Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, Conversion date and likely impact on equity:

- i. **FCCBs US\$ 8.75 Mn on 29th 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 31.03.2010.
- ii. **FCCBs US\$ 20 Mn on 8th January, 2008:** Out of the said issue, FCCBs aggregating to US\$ 2.5 Mn were converted into equity shares and FCCBs aggregating to US\$ 17.50 Mn remain outstanding as on 31.03.2010.
- iii. **FCCBs US\$ 6.328 Mn on 5th February, 2010:** During the year under review the Company has issued and allotted FCCBs aggregating to US\$ 6.328 Mn upon re-financing of FCCBs aggregating to US\$ 5.25 Mn as mentioned in point no (i), after taking RBI approval. The said FCCBs remain outstanding as on 31.03.2010.
- iv. **GDRs US\$ 20.00 Mn in January 2008:** Comprising of 6,535,948 GDRs, one GDR equivalent to two Equity Shares. 4,803,921 GDRs remain outstanding as on 31.03.2010.

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.

8.8 Address for Correspondence

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

Corporate Office : J-1/1 , B-1 Extension, Mohan Co-
operative Industrial Estate, Mathura
Road, New Delhi - 110044

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 17th May 2010 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 (AOL), for the financial year ended 31st March, 2010, 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.

During the Year 2009-10 one Subsidiary viz. Aksh Technologies Limited (ATL) has become the Material Unlisted Subsidiary of the Company pursuant to transfer of the Manufacturing Business to the same as per the provisions of Sec-293(1) (a) of the Companies Act-1956 and the Company is in process to appoint an independent director of the Board of AOL on the Board of ATL.

We state that in respect of the investor grievance received during the year ended 31st March 2010, 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: 003824N

Place : New Delhi.
Dated : 17.05.2010



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

Entertainment Industry in India has registered an explosive growth in last two decades making it one of the fastest emerging industries in India. Television itself witnessed its transformation from a single government owned channels to a medium telecasting more than 300 national and regional channels

With the introduction of digital distribution platforms like direct-to-home (DTH) and Mobile TV, Indian television industry has undergone a revolutionary change. Moreover, by 2013 the television advertising industry is likely to own a share of 41% in the Indian advertising sector, which indicates a steady increase of 2% from the current share of 39%.

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, also with the regulators coming forward to foster the State owned telcos to switch to FTTH technology.

IPTV / VOIP Services Scenario

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. Government of India

has a target of reaching 20 million Broadband subscribers by the end of 2010 by adding 0.5 Million Broadband connections per month, Further the Govt has also initiated the much awaited auction of 3G licences, and is laying stress on State Governments to run e-governance projects.

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.

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. 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.

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. The value added services like Time shift TV, which gives an opportunity to the subscribers to watch TV at their will and convenience is considered as a potential revenue earner in the next couple of years.

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

Strengths

- ❖ Professionally managed and experienced Management Team.
- ❖ Technologically advanced set up, with hoards of value added services in the offering.
- ❖ Offering Time shift TV, to enable households to shift their view time for their preferred programming.

Opportunities

- ❖ With the Govt. Telcos pushing for high speed broadband projects, the triple play is set to grow.
- ❖ Collection of quality content, with an ability to provide the optimum mix of premium and local content.
- ❖ Growth in the Indian entertainment industry with a spurt of new technologies.
- ❖ Emergence of change in media consumption habits pints towards a brighter outlook.
- ❖ Combination of a strong economy, a larger pay-TV audience and digitization will also boost the market for broadcast groups.
- ❖ Residential IPTV is expected to grow at a brisk pace with the growth of FTTH technology.

Weakness <ul style="list-style-type: none"> ❖ Full dependence on Govt. Telcos ❖ Highly capital intensive business ❖ Long gestation period ❖ Restricted to cities where high speed broadband networks are present. 	Threats <ul style="list-style-type: none"> ❖ 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. ❖ Low broadband penetration in Tier II, Tier III cities and rural areas.
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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 130 employees as on 31st March, 2010 spread over all its offices.

Financial Performance

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

Future Outlook

India is on the verge of achieving new growth by responding to and by imbibing changing technology. IPTV is the technology of the generation. The Indian IPTV market is set to grow, as both Govt owned telecom Companies and private telecom players are poised to roll out wireless networks and FTTH projects DTH and IPTV services set to nurture with deeper penetration of IP services, the increasing demand of high bandwidth, emergence of change in media consumption and a larger pay-TV audience.

Your Company would aggressively pursue to attract subscribers for its IPTV business, to boost revenues. It would also pursue to add 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 companies such as Aksh are 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.



Standalone Financial Statements with Auditors' Report

AUDITORS' REPORT

To the Members of,

Aksh Optifibre Limited

1. We have audited the attached balance sheet of Aksh Optifibre Limited as at 31st March, 2010 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 ;
 - vi) Subject to above, in our opinion 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 "N" 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 31st March, 2010;
 - 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

CA. K.C. GUPTA

Partner

Place : New Delhi

Membership No. : 088638

Date : 17.05.2010

FRN: 003824N

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR
REPORT OF EVEN DATE
TO THE MEMBERS OF AKSH OPTIFIBRE LIMITED
FOR THE YEAR ENDED ON 31st MARCH, 2010**

- (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) The Company has transferred its manufacturing division to its wholly owned subsidiary from the appointed date of April 1, 2009 and accordingly has transferred all fixed assets except land & building pertaining to manufacturing division. According to the information and explanation given to us, we are of the opinion that the transfer of such fixed assets to its wholly owned subsidiary company has not effected the going concern status of the company.
- (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 one wholly owned subsidiary. The maximum amount involved during the year was Rs. 89.70 lacs and the closing balance of loan given to such party was Rs. 89.70 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 two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,933.25. lacs and the closing balance of loan taken from such parties was Rs. 1,933.25 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 in-house internal audit system commensurate with the size and nature of its business.
- (viii) As the Company has transferred the manufacturing division to its wholly owned subsidiary and is now operating in service sector, accordingly clause 4(viii) of Companies (Auditors' Report) Order, 2003(as amended) regarding maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable.
- (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 31st March, 2010 for a year 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.
- (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	321.80	2005-06 & 2006-07	Dy. Commissioner (Appeals)
Provident Fund Act	Provident Fund	7.60	2004-05	Hon'ble High Court, Jaipur

(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) Based on our audit procedures and on the basis of information and explanations given by the management, FCCBs amounting to \$ 6.25mn were due for redemption on 29th January, 2010. Pursuant to RBI approval, FCCBs aggregating \$ 5.25 mn having maturity value of \$ 6.328 mn equivalent to Rs. 2,946 lacs were redeemed by issuing fresh FCCB in exchange thereof on 5th February, 2010. Bonds of \$ 1 mn having maturity value of \$ 1.205mn equivalent to Rs. 541 lacs are 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, during the year the company has issued 1% Unsecured Foreign Currency Convertible Bonds of US\$ 1,000 each aggregating to US\$ 6.328 Million equivalent to Rs. 2,946 lacs and accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Report) order, 2003(as amended) are not applicable to the company.

(xx) The company has 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

CA.K.C. GUPTA

Partner

Place : New Delhi

Date : 17.05.2010

Membership No. : 088638

FRN: 003824N

Aksh Optifibre Limited

BALANCE SHEET AS AT MARCH 31, 2010

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	"A"	303,045,310	294,836,705
Share Warrant		-	29,000,003
Reserves and Surplus	"B"	1,995,771,821	1,941,020,594
		2,298,817,131	2,264,857,302
Loan Funds			
Secured Loans	"C"	-	154,833,311
Unsecured Loans	"D"	1,364,203,514	1,661,977,576
		1,364,203,514	1,816,810,887
TOTAL		3,663,020,645	4,081,668,189
APPLICATION OF FUNDS			
Fixed Assets	"E"		
Gross Block		1,376,414,825	2,181,669,206
Less : Accumulated Depreciation		319,276,823	645,651,955
Net Block		1,057,138,002	1,536,017,251
Capital work in progress including capital advances		78,176,473	139,455,742
		1,135,314,475	1,675,472,993
Investments	"F"	1,531,775,000	1,131,857,045
Deferred Tax Assets (Net)		215,511,801	144,354,928
Current Assets, Loans and Advances	"G"		
Inventories		11,482,635	207,730,448
Sundry Debtors		209,815,645	456,269,004
Cash and Bank Balances		80,183,429	278,736,641
Loans and Advances		325,677,774	379,025,557
		627,159,483	1,321,761,650
Less : Current Liabilities and Provisions	"H"		
Current Liabilities		238,253,314	437,031,286
Provisions		12,079,153	19,804,349
Net Current Assets		376,827,016	864,926,015
Profit and Loss Account		403,592,353	265,057,208
TOTAL		3,663,020,645	4,081,668,189

Notes to accounts

"N"

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

CA. K.C. Gupta

Partner

Membership No. 088638

FRN: 003824N

B. R. RAKHECHA

Director

KAILASH S. CHOUDHARI

Managing Director

Place : New Delhi

Dated : 17.05.2010

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

(Amount in Rupees)

PARTICULARS	SCHEDULE	12 Months ended March 31, 2010	18 Months ended March 31, 2009
INCOME			
Gross Turnover	"I"	83,051,255	2,638,540,540
Less: Excise Duty/Service Tax		-	238,442,479
Net Turnover		83,051,255	2,400,098,061
Miscellaneous Income	"J"	174,717,477	40,668,160
TOTAL		257,768,732	2,440,766,221
EXPENDITURE			
Manufacturing and other expenses	"K"	136,267,555	2,262,558,256
Administrative and Selling Expenses	"L"	193,632,153	621,413,061
		329,899,708	2,883,971,317
Profit / (Loss) before interest, depreciation and tax		(72,130,976)	(443,205,096)
Interest	"M"	23,932,520	96,525,375
Depreciation including amortization	"E"	113,628,522	208,558,207
Profit / (Loss) for the year before tax		(209,692,018)	(748,288,678)
Provision for taxation			
-Fringe Benefit Tax		-	1,778,283
-Deferred Tax (Credit)/Charge		(71,156,873)	(269,745,714)
Profit / (Loss) for the year after tax		(138,535,145)	(480,321,247)
Balance brought forward from Previous Year		(265,057,208)	111,396,148
Reversal of Impairment		-	58,867,891
Balance transferred from General Reserve		-	45,000,000
Balance Carried to Balance sheet		(403,592,353)	(265,057,208)
Basic and diluted earning per share (Face value of Rs.5/- each per share)			
Basic		(2.34)	(8.66)
Diluted		(1.87)	(6.36)
Notes to accounts	"N"		

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

CA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N

B. R. RAKHECHA
Director

KAILASH S. CHOUDHARI
Managing Director

Place : New Delhi
Dated : 17.05.2010

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

Aksh Optifibre Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
A Cash Flow from Operating activities		
Net Profit /(Loss) before taxation	(209,692,018)	(748,288,678)
Add: Depreciation	113,628,522	208,558,207
Interest Expense	23,932,520	96,525,375
Loss on sale of Fixed Assets	175,292	82,796
Less: Interest Income	(4,207,497)	(27,148,989)
Operating Profit/(Loss) before working capital changes	(76,163,181)	(470,271,289)
Adjustment for :		
Decrease in Sundry Debtors	246,453,359	134,598,906
Decrease/(Increase) in Other Assets	53,800,604	(169,111,059)
Decrease in Inventories	196,247,813	81,396,051
(Decrease)/Increase in Sundry Creditors	(206,503,168)	16,531,832
Cash generated from operations	213,835,427	(406,855,559)
Direct tax (paid)	(452,821)	(6,296,675)
Net Cash Inflow / (outflow) from Operating activities	213,382,606	(413,152,234)
B Cash Flow from Investing activities		
Purchase of Fixed Assets	(53,684,484)	(764,121,641)
Proceeds from Sale of Fixed Assets	480,039,188	20,566,347
Purchase of Investments (net)	(399,917,955)	(250,325,000)
Interest Income	4,207,497	27,148,989
Net Cash Inflow/(outflow) from Investing activities	30,644,246	(966,731,305)
C Cash Flow from Financing activities		
Proceeds from Issue of Share Capital/Warrants	98,174,915	993,764,402
Proceeds/(Repayment) from Issue of FCCB	(277,152,600)	1,019,295,200
Proceeds/(Repayments) from Unsecured borrowings	(80,363,762)	(213,778,598)
Proceeds/(Repayments) of Working capital borrowing	(154,833,311)	(6,444,511)
FCCB/GDR Issue expenses	(4,472,786)	(62,673,740)
Interest paid	(23,932,520)	(96,525,375)
Dividend and dividend distribution tax paid	-	(25,131,885)
Net Cash inflow/(outflow) from Financing activities	(442,580,064)	1,608,505,493
D Net Increase in cash and cash equivalents	(198,553,212)	228,621,954
E Cash and Cash equivalents at beginning of year		
- As reported in previous financial statements	278,736,641	50,114,687
F Cash and Cash equivalents at end of year	80,183,429	278,736,641
(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

CA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N

B. R. RAKHECHA
Director

KAILASH S. CHOUDHARI
Managing Director

Place : New Delhi
Dated : 17.05.2010

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED		
95,000,000 (previous period 85,000,000) Equity Shares of Rs.5/- each	475,000,000	425,000,000
	475,000,000	425,000,000
ISSUED, SUBSCRIBED AND PAID UP		
60,609,062 (previous period 58,967,341) Equity Shares of Rs.5/- each fully paid up	303,045,310	294,836,705
	303,045,310	294,836,705

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

- 9,505,860 (Previous period 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 period 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 period 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.
- 1,641,721 (Previous period Nil) 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).

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

(Amount in Rupees)

	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
Securities Premium Account	1,939,520,594	118,966,313 #	64,215,086 ##	1,994,271,821
Capital Reserve	1,500,000	-	-	1,500,000
	1,941,020,594	118,966,313	64,215,086	1,995,771,821

Footnotes:

- # Comprises of Rs. 899.66 lacs on issue of 1,641,721 equity shares upon conversion of Foreign Currency Convertible Bonds of 2013(FCCBs), Rs.290.00 lacs represents forfeited application Money @ Rs. 6.30 per warrant against 4,603,175 warrant.
- ## Rs 597.42 Lacs applied in writing off of premium on redemption of FCCBs redeemed during the year and Rs 44.73 Lacs being FCCB issue expenses.

Aksh Optifibre Limited

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "C"		
SECURED LOANS		
Loans and Advances from Banks		
- Cash Credits*	-	154,833,311
	-	154,833,311

Footnotes:

- a) Working Capital Facilities from Banks were 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 were further secured by way of second charge on the fixed assets of the Company and personal guarantee of Managing Director of the Company. These facilities are transferred to Aksh Technologies Limited pursuant to transfer of manufacturing business, with the approval of consortium banks.
- b) Non fund based limit (One time Specific Foreign Letter of Credits) aggregating Rs 2180 lacs was further secured by first charge on fixed assest of the Company, of which Rs. 1400 lacs was further secured by pledge of 45,00,000 equity shares of Rs 5 each fully paid up of Company held by the Managing Director of the Company. These facilities are transferred to Aksh Technologies Limited pursuant to transfer of manufacturing business, with the approval of consortium banks.

* Refer Note No.7 of Schedule N

SCHEDULE - "D"

UNSECURED LOANS

Foreign Currency Convertible Bonds	1,114,777,200	1,332,187,500
Loan from Managing Director	60,825,000	800,000
Inter Corporate Deposits	137,435,000	100,725,000
Security Deposit	51,166,314	29,164,421
Buyers Credit from Banks*	-	82,599,852
Other loans:		
From banks*	-	24,486,895
From others*	-	92,013,908
	1,364,203,514	1,661,977,576

* Refer Note No.7 of Schedule N



SCHEDULE FORMING PART OF BALANCE SHEET
SCHEDULE - "E"
FIXED ASSETS

(Amount in Rupees)

S.No. Description	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK	
	As at April 1, 2009	Additions	Deductions / Adjustments #	As at March 31, 2010	As at April 1, 2009	As at March 31, 2010
1 Freehold Land	184,250	-	-	-	-	184,250
2 Leasehold Land	33,406,918	-	-	3,254,697	340,992	29,811,229
3 Factory Buildings	127,182,804	-	-	45,406,961	6,992,909	74,782,934
4 Residential Building	540,400	-	-	85,140	14,535	440,725
5 Plant & Machinery	1,316,229,779	58,362,374	715,940,192	374,511,123	45,626,969	572,688,946
6 Telecom Networking	314,685,712	-	-	81,104,249	14,947,572	218,633,891
7 Testing Instruments	93,924,362	-	93,924,362	45,752,140	-	-
8 Air Conditioners	28,879,054	-	26,000,947	15,649,656	151,212	2,569,282
9 Furniture & Fixtures	17,505,235	547,905	6,771,037	5,272,785	713,778	10,014,293
10 Office Equipments	8,031,930	23,088	6,270,137	2,784,938	55,057	1,550,822
11 Data Processing System	19,840,584	77,196	15,094,673	14,575,154	651,379	2,595,910
12 Electric Fittings	49,915,275	188,803	46,453,303	17,797,876	187,620	3,338,231
13 Vehicles	1,168,473	-	8,055	378,542	110,240	679,441
14 Fork Lift	2,030,998	-	2,030,998	1,042,182	-	-
15 Intangible Assets-Software	168,143,432	55,764,387	7,724,430	38,036,512	43,836,259	139,848,048
Total	2,181,669,206	114,963,753	920,218,134	645,651,955	113,628,522	1,057,138,002
Previous Period	1,528,343,929	711,573,080	58,247,803	474,692,408	208,558,207	1,536,017,251

Footnotes:

- 1) # Includes Rs 916,793,870 transferred to Aksh Technologies Limited pursuant to transfer of manufacturing business.
- 2) \$ Includes Rs 439,110,992 transferred to Aksh Technologies Limited pursuant to transfer of manufacturing business.
- 3) Immovable Properties of the Company are secured by way of first pari passu charge for Working Capital facilities taken by Aksh Technologies Ltd.
- 4) Following assets are given on Lease to Aksh Technologies Ltd

Particulars	Gross Block as on April 1, 2009	Accumulated Depreciation as on March 31, 2010	Net Block as on March 31, 2010
Leasehold Land	31,754,300	3,559,767	28,194,533
Factory Buildings	127,182,804	52,399,870	74,782,934

Aksh Optifibre Limited

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "F"		
INVESTMENTS		
A) LONG TERM INVESTMENTS		
QUOTED		
CMI Limited 22,300 (previous period 22,300) equity shares of Rs. 10 each fully paid up	44,600	44,600
	44,600	44,600
UNQUOTED		
Government Securities *		
National Saving Certificates	25,000	57,045
(Lodged with Government Department as Security Deposit)		
Kisan Vikas Patra	-	50,000
	25,000	107,045
Total Long Term Investments	69,600	151,645
B) CURRENT INVESTMENTS		
Investment in Subsidiary Companies		
SPYK Global Limited 100,000 (previous period 100,000) equity shares of Rs. 5 each fully paid up	500,000	500,000
Aksh Infratel Limited 100,000 (previous period 100,000) equity shares of Rs. 5 each fully paid up	500,000	500,000
Aksh Net Tel Limited 100,000 (previous period 100,000) equity shares of Rs. 5 each fully paid up	500,000	500,000
Aksh Technologies Limited 10,100,000(previous period 100,000) equity shares of Rs 5 each fully paid up,out of which 10,000,000 equity shares of Rs. 5 each at a premium of Rs.25 each \$	300,500,000	500,000
Aksh Technologies Limited 1,000,000(previous period NIL),0% Optionally Convertible Debentures of Rs 100 each \$\$	100,000,000	-
APAKSH Broadband Limited		
225,950,000 (previous period 225,950,000) Equity Shares of Rs.5/- each	1,129,750,000	1,129,750,000
Total Current Investments	1,531,750,000	1,131,750,000
TOTAL INVESTMENTS	1,531,819,600	1,131,901,645
Less: Provision for Diminution in value of quoted Investments	44,600	44,600
	1,531,775,000	1,131,857,045
Aggregate value of Investments		
Quoted (Market value not available) **	-	-
Unquoted	1,531,775,000	1,131,857,045
	1,531,775,000	1,131,857,045

Movements in investments during the year

Addition:

\$ 10,000,000 equity shares of Rs. 5 each at a premium of Rs 25/- each fully paid up

\$\$ 1,000,000 ,0% Optionally Convertible Debentures of Rs. 100 each .

Deletion :

* Investments amounting to Rs. 82,045/- transferred to Aksh Technologies Ltd pursuant to the transfer of manufacturing business.(Refer Note No.7 of Schedule N)

** As these shares have not been traded for several years, no market quotation is available.

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "G"		
CURRENT ASSETS, LOANS AND ADVANCES *		
A. CURRENT ASSETS		
a) INVENTORIES		
i) Finished Goods and Traded Goods	5,229,311	25,505,043
ii) Raw Material (Including Goods-in-Transit)	-	87,625,000
iii) Semi Finished Goods	6,253,324	76,234,351
iv) Stores, Spares and Others	-	18,366,054
	11,482,635	207,730,448
b) SUNDRY DEBTORS(UNSECURED) (Unsecured, Considered Good)		
i) Debts outstanding for a period exceeding six months		
a) Considered Good #	193,729,535	228,081,967
b) Considered Doubtful	-	1,393,647
Less: Provision for Doubtful Debts	-	1,393,647
	193,729,535	228,081,967
ii) Others	16,086,110	228,187,037
	209,815,645	456,269,004
c) CASH AND BANK BALANCES		
i) Cash in hand	228,240	546,333
ii) Balance with Scheduled Banks		
- Current Accounts	5,989,912	17,393,680
- Deposit/ Margin Account @	67,392,175	251,527,277
iii) Interest accrued on deposits	6,161,971	8,682,071
iv) In Current Account with Non Scheduled Bank \$	5,090	5,090
v) In Dividend Account	406,041	582,190
	80,183,429	278,736,641
B LOANS & ADVANCES (Unsecured, Considered Good)		
a) Advances Recoverable in cash or in kind for value to be received ¥	185,651,520	199,696,340
b) Prepaid Taxes	11,446,651	10,993,830
c) MAT Credit Entitlement	15,810,666	15,810,666
e) Balance with Excise and Custom	112,768,937	152,524,721
	325,677,774	379,025,557
	627,159,483	1,321,761,650

Footnotes:

* Refer Note No.7 of Schedule N

Includes Rs. 170,664,706 (net of advances) due from APAKSH Broadband Limited, a Subsidiary Company (previous period Rs. 170,664,706). Maximum amount due during the period Rs 170,664,706 (previous period Rs. 405,978,018).

@ Includes Rs. 66,662,175 pledged with the Banks for various Facilities.

\$ The Urban Co-operative Bank Ltd., Maximum Balance Rs. 5,090/- (Previous Period Rs. 5090/-)

¥ a) includes Rs. 978,285/- due from APAKSH Broadband Limited a subsidiary Company (previous period Rs 138,302) Maximum Amount due during the period Rs. 978,285/- (Previous period Rs. 5,594,282/-)

b) includes Rs 19,834,780/- (Rs 8,970,000 represents loan given and Rs 10,864,780 represents other advances) due from Aksh Technologies Ltd a subsidiary Company(previous period Rs Nil)

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "H"		
CURRENT LIABILITIES AND PROVISIONS*		
A. CURRENT LIABILITIES		
a) Dues of other than SSI undertakings	132,486,287	313,521,930
b) Dues of SSI Undertakings	-	5,263,376
c) Other Current Liabilities @	101,813,747	109,678,512
d) Advance From Customers	3,547,239	7,985,278
e) Unclaimed Dividend	406,041	582,190
	238,253,314	437,031,286
B. PROVISIONS		
a) Provision for Retirement Benefits	8,265,117	12,196,210
b) Provision for Income Tax	-	2,937,866
c) Provision for Fringe Benefit Tax	1,915,507	1,859,433
d) Unearned Income	1,898,529	2,810,840
	12,079,153	19,804,349
	250,332,467	456,835,635

Footnotes:

* Refer Note No.7 of Schedule N

@ Other Current Liabilities includes Rs 92.17 Lacs being Premium on FCCB Redemption

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

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
SCHEDULE - "I"		
GROSS TURNOVER		
Sales (Net of Retrurns)	29,360,230	2,594,901,235
Service Income	53,691,025	43,639,305
	83,051,255	2,638,540,540
SCHEDULE - "J"		
MISCELLANEOUS INCOME		
Interest Received on deposits/others (Tax Deducted at Source Rs. 39,280/- (Previous period Rs.2,126,458/-)	4,207,497	27,148,989
Rent Received (Tax Deducted at Source Rs. 1,480,000/- (Previous period Rs.NIL/-)	14,800,000	-
Foreign Exchange Fluctuations	153,389,409	-
Other Income	2,320,571	13,519,171
	174,717,477	40,668,160
SCHEDULE - "K"		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed	-	1,797,069,517
Trading Purchases	27,426,259	6,491,877
(Increase)/Decrease in stock	406,779	(12,821,687)
Stores and Hardware Consumed	1,459,959	54,973,814
Job Charges and Contract Expenses	44,795,147	63,995,553
Subscription Charges	49,170,380	37,088,566
Wages, Salaries & Bonus	-	57,299,746
Contribution to Provident and Other Funds	-	4,591,151
Employees Welfare	-	4,864,953
Increase/(Decrease) in Excise Duty on Stock	-	(689,534)
Freight & Cartage	-	36,651,795
Insurance	-	2,558,310
Packing Material Consumed	-	94,042,096
Power & Fuel	13,009,031	114,288,066
Repair & Maintenance - Plant & Machinery	-	5,723,196
Testing Charges	-	696,005
	136,267,555	2,266,823,424
Less : Expenses Capitalised	-	4,265,168
	136,267,555	2,262,558,256

Aksh Optifibre Limited

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
SCHEDULE - "L"		
ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	26,435,440	73,784,894
Salaries & Bonus	53,302,302	98,839,867
Contribution to Provident & Other Funds	4,535,808	7,366,701
Employees Welfare	1,394,186	3,726,528
Directors' Remuneration	12,653,571	26,672,698
Travelling & Conveyance	5,507,311	22,287,720
Postage & Telephone	3,669,510	6,939,459
Insurance	1,737,598	1,169,025
Loss on Sale of Fixed Assets	175,292	82,796
Foreign Exchange Fluctuations	-	182,419,830
Rent, Rates & Taxes	18,045,266	26,442,226
Professional & Legal Expenses	27,161,021	45,673,090
Repair & Maintenance		
- Buildings	-	3,939,736
- Others	7,953,933	3,499,145
Marketing & Service Charges	5,899,203	28,874,922
Bad Debts	10,636,398	-
Discount & Rebate	-	1,299,183
Freight & Cartage (Outward)	436,091	17,863,932
Auditors' Remuneration		
As auditors		
- Audit fee	1,000,000	1,800,000
- Out of pocket expenses	34,651	117,119
In other capacity		
- For tax matters and tax audit	400,000	397,000
- For certification and other reports	89,500	125,000
Late Delivery Charges	-	18,483,751
Bank Charges	2,784,615	23,039,948
Other Expenses	9,780,457	26,568,491
	193,632,153	621,413,061
SCHEDULE - "M"		
INTEREST		
Interest on Fixed Loans *	23,191,196	46,529,495
Interest Others	741,324	49,995,880
	23,932,520	96,525,375

Footnotes:

* Includes Rs. 3,221,425/- (previous period Rs. 4,093,561/-) on loan taken from Managing Director

**SCHEDULE FORMING PART OF ACCOUNTS****SCHEDULE "N"****NOTES TO ACCOUNTS AS AT MARCH 31, 2010.****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 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

SCHEDULE FORMING PART OF ACCOUNTS

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.

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 Cost**

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.

Compensated absence 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 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, 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) 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, 2010	March 31, 2009
i)	Sales Tax Matters	321.80	74.25
ii)	Service Tax	-	94.12
iii)	Excise / Custom Duty	-	226.02
iv)	Stamp Duty	-	413.01
v)	Others	101.26	73.36

SCHEDULE FORMING PART OF ACCOUNTS

- b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (Previous Period 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 Period Rs.Nil) in favour of Union Bank of India, Punjab National Bank and ICICI Bank (Consortium Banks) for working capital facilities sanctioned to Aksh Technologies Ltd. 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. 1,510.03 lacs (Previous Period Rs. 2,635.57 lacs).

3. Employee Benefits:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 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 period
Employer's Contribution to Provident Fund	54.80	136.87
Employer's Contribution to ESI	-	7.10

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, 2010

(Rs. In lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation as at the beginning of the year	58.09	-
b) Interest cost	4.64	-
c) Current service cost	6.90	-
d) Benefits paid	(2.53)	-
e) Actuarial (gain)/loss on obligation	(50.50)	-
f) Present value of obligation as at the end of year	16.60 @	18.99

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	33.98	-
b) Expected return on plan assets	2.72	-
c) Contributions	0	-
d) Benefits paid	(2.53)	-
e) Actuarial gain/(loss) on plan assets	2.34	-
f) Fair value of plan assets at the end of the year	36.51	-

iii). Net asset / (liability) recognized in balance sheet	19.91 @	(18.99)
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**SCHEDULE FORMING PART OF ACCOUNTS****iv). Expense recognized in the statement of profit and loss Account**

	Gratuity (Funded)	Leave Encashment
a) Current service cost	6.90	-
b) Interest cost	4.65	-
c) Expected return on plan assets	(2.72)	-
d) Net actuarial (gain)/ loss recognized in the period	(52.84)	-
e) Expenses recognized in the statement of profit & losses	(44.01) @	-

@ Since the fair value of plan assets as at the end of the year is in excess of Rs. 19.91 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

	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, 2010 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 \$ 2.5 Million	Nil
Aggregate conversion into shares	1,641,721	Nil
FCCBs outstanding as on March 31, 2010.	US\$ 17.5 Million	US\$ 6.328 Million
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	11,492,056 shares	14,687,521 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 scheduled banks in short term deposits/current accounts.

SCHEDULE FORMING PART OF 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 have been included under FCCBs and the redemption premium of USD 205,300 is included under current liabilities.
6. The Company had issued 4,603,175 Convertible warrants on preferential basis. As the holders of the convertible warrants did not exercise the option of conversion of warrants into equity shares within the stipulated period of 18 months from the date of allotment i.e. 15th January 2008, the Application money @ Rs. 6.30 per warrant aggregating to Rs. 290 lacs received against 4,603,175 warrant has been forfeited and credited to Securities Premium Account.
7. Pursuant to agreement for transfer of business under section 293(1) (a) of the Companies Act, 1956 as approved by the shareholders vide a special resolution dated 15th April 2009, the manufacturing division of Aksh Optifibre Limited together with all properties both movable and immovable (other than land & building) and liabilities including contingent liabilities has been transferred to Aksh Technologies Limited at book value with effect from the appointed date i.e. April, 1 2009.

The profit & loss account pertaining to manufacturing facilities of the company for the eight months ended November 2009, the period for which business was run and managed in trust for the Aksh Technologies Limited resulting in a profit of Rs. 24.34 lacs as detailed below has been transferred to Aksh Technologies Limited from these accounts.

(Rs. in lacs)

Particulars	Amount
Sales and other income	9,995.38
Less:	
-Manufacturing and other expenses	9,263.93
Profit before interest, depreciation and tax	731.45
Less:	
-Interest	218.87
-Depreciation	488.24
Profit before tax	24.34

Consequent to the effectuation of the said transfer of business, Aksh Technologies Limited have allotted One Crore Equity Shares of Rs. 5 each at a premium of Rs. 25 each fully paid up aggregating Rs. 30 Crores, 10 Lac, 0% Optionally Convertible Debentures of Rs. 100 each and the balance amount of consideration has been received in cash.

8. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

(Rs. In lacs)

S. No.	Particular	March 31, 2010	March 31, 2009
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	1,602.35	1,596.84
	Deferred Tax Assets		
a.	Unabsorbed Depreciation/ Business Loss	3,729.38	2,994.20
b.	Provision for Retirement Benefits	28.09	41.45
c.	Provision for doubtful debts	-	4.74
	Total Deferred Tax Assets	3,757.47	3,040.39
	Net Deferred Tax Liabilities/(Assets)	(2,155.12)	(1,443.55)

**SCHEDULE FORMING PART OF ACCOUNTS****9. 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, 2010:

- a) Subsidiary Companies :
 - APAKSH Broadband Limited
 - Aksh Technologies Limited
 - Aksh Net Tel Limited
 - Aksh Infratel Limited
 - SPYK Global Limited
- b) Individuals exercising significant influence & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr P. F. Sundesha
 - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- c) Key Management personnel & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr. B. R. Rakhecha (upto 30th September, 2008)
- 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 Period
a)	<u>Subsidiary Companies</u>		
	APAKSH Broadband Limited		
	Investment made	-	2,483.25
	Re-imbursement of expenses Received	8.40	29.66
	Outstanding balance due to / (from)	(1,716.43)	(1,708.03)
	Aksh Technologies Limited		
	Investment in Shares	3000.00	5.00
	Inverstment in Debentures	1000.00	-
	Loan given	89.70	-
	Receipt against advances	973.19	-
	Purchase of goods	129.20	-
	Sale of goods	137.02	-
	Lease Rent received	148.44	-
	Re-imbursement of expenses Received	-	0.34
	Outstanding balance due to / (from)	(198.34)	-
	Aksh Net Tel Limited		
	Investment made	-	5.00
	Re-imbursement of expenses Received	-	0.34
	Outstanding balance due to / (from)	-	-
	Aksh Infratel Limited		
	Investment made	-	5.00
	Re-imbursement of expenses Received	-	0.47
	Outstanding balance due to / (from)	-	-
	SPYK Global Limited		
	Investment made	-	5.00
	Re-imbursement of expenses Received	-	1.49
	Outstanding balance due to / (from)	-	-

SCHEDULE FORMING PART OF ACCOUNTS

b)	<u>Individuals exercising significant influence & their relatives</u>		
	Dr. Kailash S. Choudhari		
	Director's Remuneration	124.64	226.19
	Interest Expenses	32.21	40.94
	Loans taken	605.25	535.00
	Loans repayment	5.00	852.00
	Outstanding balance due to / (from)	608.57	22.77
	Mr P. F. Sundesha		
	Rent Paid	29.40	37.80
	Security Deposit Paid	-	15.66
	Sitting Fees	0.30	0.36
	Outstanding balance due to / (from)	-	24.85
	Mr Shailesh Popat Lal		
	Rent Paid	29.40	37.80
	Security Deposit Paid	-	15.66
	Outstanding balance due to / (from)	-	24.85
c)	<u>Key Management personnel & their relatives</u>		
	Mr. B. R. Rakhecha		
	Director's Remuneration	-	38.51
	Re-imbursement of expenses Paid	-	0.40
	Outstanding balance due to / (from)	-	-
d)	<u>Enterprise over which personnel referred in b & c above exercise significant influence</u>		
	Fulchand Finance Private Limited		
	Interest Expenses	164.32	225.16
	Rent Paid	-	3.85
	Loans taken	510.00	3,713.00
	Loans repayment	135.00	4,749.56
	Outstanding balance due to / (from)	1375.82	1,035.59

10. 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 and services. The information about business segments is given below:

(Rs in Lacs)

S.No.	Particulars	Current Year	Previous Period
a)	Segment Revenue		
	1. Cable Manufacturing	-	25,949.02
	2. Services	536.91	436.39
	3. Trading	293.60	-
	Total	830.51	26,385.41



SCHEDULE FORMING PART OF ACCOUNTS

b)	Segment Results		
	1. Cable Manufacturing	-	(700.04)
	2. Services	(3,484.17)	(3,454.61)
	3. Trading	15.27	-
	Total	(3,468.90)	(4,154.65)
	Un-allocable Expenses / (Income)	(42.08)	655.80
	Operating Profit / (Loss)	(3,426.82)	(4,810.45)
	Interest expenses	239.33	965.25
	Profit/(Loss) before Exceptional Items	(3,666.15)	(5,775.70)
	Exceptional Items – Expenses / (Income)	(1,569.23)	1,707.19
	Net Profit / (Loss) before Tax	(2,096.92)	(7,482.89)
c)	Segmental Capital Employed		
	(Segment assets – segment liabilities)		
	Cable Manufacturing	-	9,399.45
	Services	17,276.53	13,023.36
	Unallocated	15,317.75	14,210.30
	Total	32,594.28	36,633.01

11. Basic and diluted earning per share:

S. No.	Particulars	Current Year	Previous Period
a.	Net Profit/(Loss) for the period (Rs in Lacs)	(1,385.35)	(4803.21)
b.	Weighted Average No of Equity Shares used in computing Basic Earning per Share	59,174,243	55,468,226
c.	Weighted average number of equity shares from dilutive instruments	13,705,244	19,552,550
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	72,879,487	75,020,776
e.	Nominal Value of Equity Shares-(Rs.)	5.00	5.00
f.	Basic-Earning Per Shares (Rs.)	(2.34)	(8.66)
g.	Diluted -Earning Per Share (Rs.)	(1.87)	(6.36)

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

	Current Year	(Rs in Lacs) Previous Period
Salary	115.20	226.69
Contribution to PF and other Funds	9.44	18.83
Perquisites	-	19.17
Sitting Fee	1.90	2.03

*Approval pending from Central Government

13. 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.

SCHEDULE FORMING PART OF ACCOUNTS

14. The company is in the process of compiling the requisite list of mini, small and micro enterprises under the MSMED Act which has come into force recently and in the absence of information in this regard, the particulars required by the aforesaid Act have not been given.
15. The company has not received any claim for interest from any supplier covered under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993" to the extent such parties have been identified from the available information.
16. The Company has an investment of Rs. 11,297.50 Lacs in the equity shares and has outstanding dues of Rs. 1,716.43 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. The company'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 7th 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 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 period is Rs. 148 Lacs (Previous period Rs. Nil).

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

18. Derivative Instruments and unhedged Foreign Currency Exposure

No forward exchange contract, for hedge purpose, has been outstanding as on 31st March 2010.

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	405,315

19. In terms of approval of Shareholders' under section 293(1) (a) of the Companies Act 1956, the Company has transferred its manufacturing business comprising of manufacturing facilities of optical fibre, optical fibre cable and FRP on going concern basis to Aksh Technologies Limited, 100% subsidiary with appointed date being April 1, 2009 on book values. Consequently, the figures for the year ended March 31, 2010 have been worked out after giving effect of above transfer and thus are not comparable with previous periods figures.



SCHEDULE FORMING PART OF ACCOUNTS

20 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 Period	
(A) Capacity & Production					
(a) Licenced Capacity		Not Applicable		Not Applicable	
(b) Installed Capacity					
(i) Metal free Optical Fibre Cable	Km/p.a.		NA		125,560
Duct Type, Armoured and Aerial					
(ii) Proof Cable	Km/p.a.		NA		75,000
(iii) Optical Fibre	Km/p.a.		NA		1,600,000
(iv) Fibre Reinforced Plastic Rod	Km/p.a.		NA		600,000
(c) Production					
(i) Optical Fibre Cables	Kms		NA		57,913
(ii) Fibre Reinforced Plastic Rod	Kms		NA		608,945
(iii) Optical Fibre	Kms		NA		1,297,603
(B) Sales					
		Quantity	Value	Quantity	Value
			(Rs in Lacs)		(Rs in Lacs)
(i) Optical Fibre Cables*	Kms	NA	NA	58,355	19,595.94
(ii) Fibre Reinforced Plastic Rod*	Kms	NA	NA	544,582	5,656.78
(iii) Optical Fibre*	Kms	NA	NA	125,016	489.86
(iv) Accessories #			NA		113.17
(v) Others			293.60		93.28
* Excludes captive consumption			293.60		25,949.02
# Quantities details not easily ascertainable due to various items.					
(C) Trading Purchases					
(i) Accessories			NA		64.92
(ii) Others			274.26		-
			274.26		64.92
(D) Raw Material Consumed					
(i) Optical Fibre	Kms	NA	NA	483,282	2,154.37
(ii) Preforms	Mts	NA	NA	38	3,812.27
(iii) PVC, HDPE, Nylon, MB, LSZH	Mts	NA	NA	4,681	6,137.77
(iv) Glass Rovings	Mts	NA	NA	3,547	1,940.01
(v) Others			NA		3,926.26
			-		17,970.69
(E) Closing Stock of Finished Goods/Products					
(i) Optical Fibre Cables	Kms	NA	NA	803	166.56
(ii) Fibre Reinforced Plastic Rod	Kms	NA	NA	-	-
(iii) Optical Fibre	Kms	NA	NA	6,602	29.30
(iv) Accessories		NA	NA	4,660	58.97
(v) Others			NA		0.22
			-		255.05
(F) Opening Stock of Finished Goods/products					
(i) Optical Fibre Cables	Kms	NA	NA	1,058	179.36
(ii) Fibre Reinforced Plastic Rod	Kms	NA	NA	156	0.50
(iii) Optical Fibre	Kms	NA	NA	400	1.76
(iv) Accessories			NA		59.78
(v) Others			NA		0.39
			-		241.79

SCHEDULE FORMING PART OF ACCOUNTS

	Current Year		Previous Period	
	VALUE (Rs. in Lacs)	%	VALUE (Rs. in Lacs)	%
(G) Value and Percentage of Imported/ Indigenous Raw-Material Consumed				
Imported	NA	NA	11,373.14	63.29
Indigenous	NA	NA	6,597.55	36.71
	-	-	17,970.69	100.00
(H) Spare Parts & Components				
Imported	NA	NA	106.43	71.64
Indigenous	NA	NA	42.14	28.36
(I) Value of Imports on CIF Basis				
Raw Materials	NA		11,159.11	
Consumable	NA		189.91	
Capital Goods	882.13		4,861.64	
Others	133.99		-	
(J) Earnings in Foreign Exchange on FOB Basis				
Exports of Goods	137.46		6,158.60	
Interest received on FDRs	25.46		160.85	
(K) Expenditure in Foreign Currency				
Interest on FCCB	29.60		43.92	
Travelling	7.93		24.57	
FCCB / GDR issue Expenses	44.73		520.20	
Repair & Maintenance	-		3.68	
Exhibition Expenses	0.47		37.55	
Commission on sale	-		35.23	
International Carrier Charges-Services	56.08		69.57	
Bank Charges	1.91		27.26	
Others	-		6.55	
(L) Dividend Remitted in Foreign Currency				
Year of Dividend	-		2006-07	
No. of Non Resident Shareholders	-		2	
No. of Equity Shares Held by them	-		1,331,675	
Gross Amount of Dividend (Rs. Lacs)	-		6.66	

21 Previous Period'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

CA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N

B. R. RAKHECHA
Director

KAILASH S. CHOUDHARI
Managing Director

Place : New Delhi
Dated : 17.05.2010

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**

I	Registration details		
	Registration no.	:	17-016132
	State code	:	17
	Balance Sheet date	:	31.03.2010
II	Capital raised during the period		Amount in Thousands
	Public Issue	:	NIL
	Rights Issue	:	NIL
	Bonus Issue	:	NIL
	Private Placement	:	8,209
III	Position of mobilisation and deployments of funds		Amount in Thousands
	Total Liabilities	:	3,663,021
	Total Assets	:	3,663,021
	Source of funds		
	Paid-up Capital	:	303,045
	Share Warrant	:	-
	Reserves and Surplus	:	1,995,772
	Secured Loans	:	-
	Unsecured Loans	:	1,364,204
			3,663,021
	Application of funds :		
	Net fixed assets	:	1,135,315
	Investments	:	1,531,775
	Deferred Tax Asset	:	215,512
	Net current assets	:	376,827
	Misc. Expenditure	:	-
	Accumulated losses	:	403,592
			3,663,021
IV	Performance of the Company		Amount in Thousands
	Turnover	:	257,769
	Total expenditure	:	467,461
	Profit/loss before tax	:	(209,692)
	Profit/loss after tax	:	(138,535)
	Earning per share of Rs. 5/- each- Basic	Rs.	(2.34)
	Earning per share of Rs. 5/- each- Diluted	Rs.	(1.87)
	Dividend Rate		NIL
V	Generic name of principal products of the Company		
	Item Code No. (ITC code)		Not Applicable
	Product description		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

CA. K.C. Gupta

Partner

Membership No. 088638

FRN: 003824N

Place : New Delhi

Dated : 17.05.2010

B. R. RAKHECHA

Director

KAILASH S. CHOUDHARI

Managing Director

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	Aksh Infratel Limited	Aksh Net Tel Limited	Spyk Global Limited
1. The Financial Year of the Company ends on	31 st March 2010	31 st march 2010	31 st March 2010	31 st March 2010	31 st March 2010
2. Extent of Holding Company's Interest in the subsidiary					
a. Number of Shares	225,950,000 equity shares of Rs. 5/- each	10,100,000 equity shares of Rs. 5/- each	100,000 equity shares of Rs. 5/- each	100,000 equity shares of Rs. 5/- each	100,000 equity shares of Rs. 5/- each
b. Extent of Holding	99.92%	100%	100%	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 st March, 2010	Nil	Nil	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	7,212,736	(14,377)	(14,327)	(14,735)
b) For subsidiary's previous financial year since it became subsidiary	Nil	(668,009)	(58,666)	(46,166)	(161,027)
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	Nil	Nil
b) For subsidiary's previous financial year since it became subsidiary	Nil	Nil	Nil	Nil	Nil
6. Material changes between the end of the Financial Year of the Subsidiary Company as the case may be and 31 st March ,2010					
a) Fixed Asset	Nil	Nil	Nil	Nil	Nil
b) Investments	Nil	Nil	Nil	Nil	Nil
c) Moneys lent by the Subsidiary Company	Nil	Nil	Nil	Nil	Nil
d) Moneys borrowed by the Subsidiary company other than for meeting Current Liabilities	Nil	Nil	Nil	Nil	Nil



Summary of Financial Information of Subsidiary Companies					
	Rs./Lacs				
Name of Subsidiary	APAKSH Broadband Limited	Aksh Technologies Limited	Aksh Infratel Limited	Aksh Net Tel Limited	Spyk Global Limited
Funds Employed					
Capital	13,522.50	505.00	5.00	5.00	5.00
Reserves	-	2,565.45	-	-	-
Liabilities:					
Secured Loans	497.93	1,490.37	-	-	-
Unsecured Loans	50.00	1,407.98	-	-	-
Deferred Tax Laibility	-	10.56	-	-	-
Total Liabilities	547.93	2,908.91	-	-	-
Total Funds Employed	14,070.43	5,979.36	5.00	5.00	5.00
Application of Funds					
Assets:					
Fixed Assets (Incl.CWIP)	15,277.97	4,420.16	-	-	-
Investments	-	1.32	-	-	-
Long Term Deposits	-	-	-	-	-
Net Current Assets	(1207.54)	1,557.88	4.27	4.40	3.24
Deferred Tax Assets-	-	-	-	-	-
Misc.Expenditure (to the extent not written off)	-	-	-	-	-
Profit & Loss A/c (Dr) Balance	-	-	0.73	0.60	1.76
Total Assets (Net)	14070.43	5,979.36	5.00	5.00	5.00
Total Income					
Turnover	Nil	13254.80	Nil	Nil	Nil
Profit Before Taxation	Nil	83.23	(0.14)	(0.14)	(0.15)
Provision for Taxation	-	11.10	-	-	-
Profit After Taxation	Nil	72.13	(0.14)	(0.14)	(0.15)
Proposed Dividend	N.A.	N.A.	N.A.	N.A.	N.A.

Consolidated Financial Statements with Auditors' Report

AUDITORS' 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, 2010 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. **Audit of one of subsidiary namely AP AKSH Broadband Limited has not been conducted. whose financial statements reflect total assets of Rs 15,861.02 lacs as at March 31, 2010 . The figure of the subsidiary have been incorporated on the basis of unaudited financial statements prepared by the management of the said subsidiary.**
5. Subject to above, 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, 2010;
 - (ii) In the case of Consolidated Profit and Loss Account, of the loss for the year ended on that date ; 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

CA K.C.Gupta

Partner

Place : New Delhi

Dated :17.05.2010

Membership. No. : 088638

FRN :003824N

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010**

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	"A"	524,498,793	516,290,188
Share Warrant		-	29,000,003
Reserves and Surplus	"B"	1,995,771,821	1,941,020,594
		2,520,270,614	2,486,310,785
Loan Funds			
Secured Loans	"C"	198,829,626	204,625,870
Unsecured Loans	"D"	1,401,031,418	1,666,977,576
Minority Interest		1,046,517	1,046,517
		1,600,907,561	1,87,26,49,963
TOTAL		4,121,178,175	4,35,89,60,748
APPLICATION OF FUNDS			
Fixed Assets	"E"		
Gross Block		2,321,564,111	2,196,567,943
Less : Accumulated Depreciation		821,431,266	652,915,463
Net Block		1,500,132,845	1,543,652,480
Capital Work in Progress		1,466,231,138	1,522,928,488
Project Development Expenditure		60,044,237	56,462,506
		3,026,408,220	3,123,043,474
Investments	"F"	157,045	107,045
Deferred Tax Assets (Net)		214,455,691	144,354,928
Current Assets, Loans & Advances	"G"		
Inventories		157,950,084	207,730,448
Sundry Debtors		155,151,484	285,604,298
Cash and Bank Balances		125,596,072	292,720,566
Loans and Advances		449,135,776	425,572,021
		887,833,416	1,211,627,333
Less : Current Liabilities and Provisions	"H"		
Current Liabilities		463,485,618	44,49,61,789
Provisions		20,266,082	19,919,899
Net Current Assets		404,081,716	74,67,45,645
Profit and Loss Account		476,075,503	344,709,656
TOTAL		4,121,178,175	4,358,960,748

Significant Accounting Policies and Notes to Accounts "N"

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 AccountantsCA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N
Place : New Delhi
Dated : 17.05.2010B. R. RAKHECHA
DirectorKAILASH S. CHOUDHARI
Managing DirectorSATYENDRA GUPTA
Chief Financial OfficerGAURAV MEHTA
Company Secretary

Aksh Optifibre Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rupees)

PARTICULARS	SCHEDULE	12 Months ended March 31, 2010	18 Months ended March 31, 2009
INCOME			
Gross Turnover	"I"	1,381,909,989	2,638,540,540
Less: Excise Duty/Service Tax		56,275,385	238,442,479
Net Turnover		1,325,634,604	2,400,098,061
Miscellaneous Income	"J"	190,664,395	40,668,160
TOTAL		1,516,298,999	2,440,766,221
EXPENDITURE			
Manufacturing and other expenses	"K"	1,199,794,980	2,262,558,256
Administrative and Selling Expenses	"L"	296,741,658	622,083,108
Miscellaneous Expenditure written off		-	263,821
TOTAL		1,496,536,638	2,884,905,185
Profit/(Loss) Before Interest, Depreciation and tax		1,97,62,361	(44,41,38,964)
Interest	"M"	53,839,971	96,525,375
Depreciation including amortization	"E"	167,334,366	208,558,207
PROFIT/(LOSS) BEFORE TAX		(201,411,976)	(749,222,546)
Provision for tax		-	-
-Current Tax (MAT)		1,340,611	-
-Fringe Benefit Tax		-	1,778,283
-Deferred Tax		(70,100,762)	(269,745,714)
MAT Credit Entitlement		1,285,978	-
PROFIT/(LOSS) AFTER TAX		(131,365,847)	(481,255,115)
Balance brought forward from Previous Year		(344,709,656)	32,677,568
Reversal of Impairment		-	58,867,891
Transfer from General Reserve		-	45,000,000
Balance carried to Balance Sheet		(476,075,503)	(344,709,656)
Basic and Diluted Earning Per Share			
(Face value of Rs.5/- each per share)			
Basic		(2.22)	(7.25)
Diluted		(1.78)	(5.87)

Significant Accounting Policies and Notes to Accounts "N"

The schedules referred to above form an integral part of profit & 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

CA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N

B. R. RAKHECHA
Director

KAILASH S. CHOUDHARI
Managing Director

Place : New Delhi
Dated : 17.05.2010

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
A Cash Flow from Operating activities		
Net profit/(Loss) before taxation	(201,411,976)	(749,222,546)
Add: Depreciation	167,334,366	208,558,207
Miscellaneous exp written off	-	263,821
Interest Expense	53,839,971	96,525,375
Loss on sale of Fixed Assets	175,292	82,796
Less: Interest Income	(6,418,689)	(27,148,990)
Operating cash flow before working capital changes	13,518,964	(470,941,337)
Adjustment for :		
Decrease/(Increase) in Sundry Debtors	130,452,814	(100,714,406)
(Increase) in Other Assets	(11,660,290)	(174,567,038)
Decrease in Inventories	49,780,364	81,396,051
Increase in Sundry Creditors	1,82,49,122	261,228,454
Cash generated from operations	20,03,40,974	(403,598,276)
Direct tax (paid)	(1,031,617)	(9,814,007)
Net Cash Inflow / (outflow) from Operating activities	19,93,09,357	(413,412,283)
B Cash Flow from Investing activities		
Purchase of Fixed Assets	(128,420,432)	(652,705,190)
Proceeds from Sale of Fixed Assets	2,356,307	20,566,347
Adjustments for change in current assets & liabilities	(10,305,590)	(248,459,566)
Purchase of Investments	(50,000)	-
Interest Income	6,418,689	27,148,990
Miscellaneous exp	-	(263,821)
Project Development Expenditure	(1,507,631)	(3,489,880)
Capital Work in progress including capital advances	56,697,350	(111,416,451)
Net Cash outflow from Investing activities	(74,811,307)	(968,619,571)
C Cash Flow from Financing activities		
Proceeds from Issue of Share Capital	98,174,915	992,967,630
Proceeds from Issue of FCCB	(277,152,600)	1,019,295,200
Proceeds/(Repayments) from Unsecured Borrowings	(4,85,35,858)	(213,778,598)
Proceeds of Working capital borrowing	(5,796,244)	(6,444,511)
FCCB Issue expenses	(4,472,786)	(61,876,968)
Interest paid	(53,839,971)	(96,525,375)
Dividend and dividend distribution tax paid	-	(25,131,885)
Net Cash inflow from Financing activities	(29,16,22,544)	1,608,505,493
D Net Increase in cash and cash equivalents	(167,124,494)	226,473,639
E Cash and Cash equivalents at beginning of year		
- As reported in previous financial statements	292,720,566	66,246,927
F Cash and Cash equivalents at end of year	125,596,072	292,720,566

As per our report of even date attached

For and on behalf of Board of Directors

For P.C. Bindal & Co.

Chartered Accountants

CA. K.C. Gupta

Partner

Membership No. 088638

FRN: 003824N

B. R. RAKHECHA

Director

KAILASH S. CHOUDHARI

Managing Director

Place : New Delhi

Dated : 17.05.2010

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED		
95,000,000 (previous period 85,000,000) Equity Shares of Rs.5/- each	475,000,000	425,000,000
	475,000,000	425,000,000
ISSUED, SUBSCRIBED & PAID UP		
60,609,062 (previous period 58,967,341) Equity Shares of Rs.5/- each fully paid up	303,045,310	294,836,705
Forfeited Shares in case of AP Aksh Broadband Ltd.	221,453,483	221,453,483
	524,498,793	516,290,188

Footnotes:

Issued, Subscribed and Paid up Capital includes :

- a) 9,505,860 (Previous period 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 period 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 period 20,210,400) Equity Shares of Rs. 5/- each issued to Shareholders of erstwhile Aksh Broadband Limited as fully paid up pursuant to Scheme of Amalgamation.
- d) 16,41,721 (Previous period Nil) 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).

SCHEDULE - "B"

RESERVES & SURPLUS

(Amount in Rupees)

	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
Securities Premium Account	1,939,520,594	118,966,313 #	64,215,086 ##	1,994,271,821
State Capital Reserve	1,500,000	-	-	1,500,000
	1,941,020,594	118,966,313	64,215,086	1,995,771,821

Footnotes

- # Comprises of Rs. 899.66 lacs on issue of 1,641,721 equity shares upon conversion of Foreign Currency Convertible Bonds of 2013(FCCBs), Rs.290.00 lacs represents forfeited application Money @ Rs. 6.30 per warrant against 4,603,175 warrant.
- ## Rs 597.42 Lacs applied in writing off of premium on redemption of FCCBs redeemed during the year and Rs 44.73 Lacs being FCCB issue expenses.

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "C"		
SECURED LOANS		
Loans and Advances from Banks		
- Cash Credits	149,037,067	154,833,311
Other Loan		
- Cisco Sysyems Capital India Pvt Ltd	49,792,559	49,792,559
	198,829,626	204,625,870

Notes:

- a Working Capital facilities from Banks are secured by way of hypothication 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 Managing Director of the Company.
- b Non fund based limit (One time Specific Foreign Letter of Credits) aggregating Rs 2180 lacs was further secured by first charge on fixed assest of the Company, of which Rs. 1400 lacs was further secured by pledge of 45,00,000 equity shares of Rs 5 each fully paid up of Company held by the Managing Director of the Company. These facilities are transferred to Aksh Technologies Limited pursuant to transfer of manufacturing business, with the approval of consortium banks.

SCHEDULE - "D"**UNSECURED LOANS**

Foreign Currency Convertible Bonds	1,114,777,200	1,332,187,500
Loan from Managing Director	60,825,000	800,000
Inter Corporate Deposits	142,435,000	105,725,000
Security Deposit	51,166,314	2,91,64,421
Buyers Credit from Banks	31,827,904	82,599,852
Other loans and advances:		
From banks		
Due within one year Rs.Nil, (previous period Rs 24,486,895)	-	24,486,895
From others		
Due within one year Rs.Nil, (previous period Rs.92,013,908)	-	92,013,908
	1,401,031,418	1,66,69,77,576

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET
SCHEDULE - “E”
FIXED ASSETS

		(Amount in Rupees)									
S.No.	Description	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		As at April 1, 2009	Additions	Deductions / Adjustments	As at March 31, 2010	For the April 1, 2009	For The Period	Adjustment for Pre-Operative Expenses	Deductions / Adjustments	As at March 31, 2010	As at March 31, 2009
1	Freehold Land	184,250	-	-	184,250	-	-	-	-	184,250	184,250
2	Leasehold Land	33,406,918	-	-	33,406,918	3,254,697	340,992	-	-	29,811,229	30,152,221
3	Factory Buildings	127,182,804	-	-	127,182,804	45,406,959	6,992,909	-	-	74,782,936	81,775,844
4	Residential Building	540,400	-	-	540,400	85,140	14,535	-	-	440,725	455,260
5	Plant & Machinery	1,316,229,780	71,591,800	187,999	1,387,633,581	374,511,128	90,609,639	-	(112,940)	922,399,874	941,718,652
6	Telecom Networking	314,685,712	-	-	314,685,712	81,104,249	14,947,572	-	-	218,633,891	233,581,463
7	Testing Instruments	93,924,362	-	-	93,924,362	45,752,140	4,265,544	-	-	43,906,678	48,172,222
8	Air Conditioners	28,879,054	-	-	28,879,054	15,649,657	1,297,897	-	2,055	11,933,555	13,229,397
9	Furniture & Fixtures	18,661,819	551,555	332,061	18,881,313	5,549,715	1,051,341	73,212	144,825	12,351,871	13,112,104
10	Office Equipments	9,361,122	68,068	40,400	9,388,790	3,059,444	355,856	63,137	180,778	6,091,131	6,301,678
11	Data Processing System	24,724,355	255,820	676,804	24,303,371	17,369,415	1,005,604	791,658	677,945	5,814,638	7,354,940
12	Electric Fittings	49,915,275	188,803	-	50,104,078	17,797,876	2,362,326	-	-	29,943,876	32,117,400
13	Vehicles	22,77,100	-	-	2,277,100	746,425	110,300	105,320	-	1,315,055	1,530,675
14	Fork Lift	2,030,998	-	-	2,030,998	1,042,182	143,592	-	-	845,224	988,816
15	Intangible Assets-Software	174,563,994	55,764,386	2,187,000	228,141,380	41,586,436	43,836,259	1,040,773	-	141,677,912	132,977,558
Total		2,196,567,943	12,84,20,432	3,424,264	2,321,564,111	652,915,463	1,67,334,366	2,074,100	892,663	821,431,266	1,543,652,480
Previous Period		15,432,426,665	711,573,081	58,247,803	2,196,567,943	478,844,762	208,558,207	3,111,152	37,598,660	1,543,652,480	1,064,397,901



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "F"		
INVESTMENTS		
A LONGTERM INVESTMENT		
QUOTED		
CMI Limited 22,300 (previous year 22,300) equity shares of Rs.10 each fully paid up	44,600	44,600
	44,600	44,600
UNQUOTED		
Government Securities		
National Saving Certificates (Lodged with Government Department as Security Deposit)	107,045	57,045
Kisan Vikas Patra	50,000	50,000
	157,045	107,045
TOTAL LONG TERM INVESTMENTS	201,645	151,645
B CURRENT INVESTMENT		
TOTAL CURRENT INVESTMENTS	-	-
TOTAL INVESTMENTS (A+B)	201,645	151,645
Less: Provision for Diminution in value of quoted Investments	44,600	44,600
	157,045	107,045
Aggregate value of Investments		
Quoted (Market value not available) **	-	-
Unquoted	157,045	107,045
	157,045	107,045

Movements in investments during the year

Addition:

National Saving Certificates amounting to Rs.50,000 purchased during the year

Deletion :

** As these shares have not been traded for several years, no market quotation is available.

SCHEDULE - "G"

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

a) INVENTORIES

i) Finished Goods & Traded Goods	26,783,341	25,505,043
ii) Raw Material (Including Goods-in-Transit)	68,746,295	87,625,000
iii) Semi Finished Goods	41,360,977	76,234,351
iv) Stores, Spares & Others	21,059,471	18,366,054
	157,950,084	207,730,448

b) SUNDRY DEBTORS(UNSECURED)

i) Debts outstanding for a period exceeding six months		
a) Considered Good	42,304,389	57,417,261
b) Considered Doubtful	-	1,393,647
Less: Provision for Doubtful Debts	-	1,393,647
	42,304,389	57,417,261
ii) Others (Considered Good)	112,847,095	228,187,037
	155,151,484	285,604,298

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
SCHEDULE - "G" (contd.)		
c) CASH and BANK BALANCES		
i) Cash in hand	532,664	724,400
ii) Balance with Scheduled Banks		
- Current Accounts	8,933,673	19,172,227
- Fixed Deposit	-	212,660,618
- Deposit Accounts (Margin) *	108,683,542	50,893,971
iii) In Current Account with Non Scheduled Bank \$	5,090	5,090
iv) Bank balance in Dividend Account	4,06,041	582,189
v) Interest Accrued on Deposits	7,035,062	8,682,071
	125,596,072	292,720,566
LOANS and ADVANCES		
(Unsecured, Considered Good)		
a) Advances Recoverable in cash or in kind for value to be received	215,370,516	220,827,627
b) Prepaid Taxes	12,348,910	11,371,926
c) MAT Credit Entitlement	17,096,644	15,810,666
d) Balance with Excise & Custom	204,319,706	177,561,802
	449,135,776	425,572,021
	887,833,416	1,211,627,333

Footnotes:

* Includes Rs 1,013.35 Lacs (Previous Period Rs. 508.94 Lacs) pledged with Banks for various Facilities

\$ The Urban Co-operative Bank Ltd., Maximum Balance Rs. 5,090/- (Previous Period Rs. 5090/-)

SCHEDULE - "H"

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

a) Sundry Creditors- Dues of other than SSI undertakings	306,923,720	319,821,895
b) Sundry Creditors -Dues of SSI Undertakings	10,173,113	5,263,376
c) Other Current Liabilities @	137,271,258	111,309,050
d) Advance From Customers	8,531,486	79,885,278
e) Retention Money & Security Deposit	180,000	-
f) Unclaimed Dividend	406,041	582,190
	463,485,618	444,961,789

PROVISIONS

a) Provision for Retirement Benefits	15,111,435	12,196,210
b) Provision for Income Tax	1,340,611	2,937,866
c) Provision for Fringe Benefit Tax	1,915,507	1,974,983
d) Unearned Income	1,898,529	2,810,840
	20,266,082	19,919,899
	483,751,700	464,881,688

Footnotes:

@ Other Current Liability includes Rs 92.17 Lacs being Premium on FCCB Redemption

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

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
SCHEDULE - "I"		
GROSS TURNOVER		
Sales (Net of Retruns)	1,328,218,964	2,594,901,235
Service Income	53,691,025	43,639,305
	1,381,909,989	2,638,540,540
SCHEDULE - "J"		
MISCELLANEOUS INCOME		
Interest Received on deposits/others	6,418,689	27,148,990
(Tax Deducted at Source Rs. 550,225/- (Previous period Rs.2,126,458/-)		
Foreign Exchange Fluctuations	153,389,409	-
Export Incentive	16,108,425	-
Liabilities written back	1,393,647	26,525
Other Income	13,354,225	13,492,645
	190,664,395	40,668,160
SCHEDULE - "K"		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed	852,706,206	1,797,069,517
Trading Purchases	14,894,942	6,491,877
(Increase)/Decrease in stock	26,524,503	(12,821,687)
Stores Consumed	29,005,803	54,973,814
Job Charges & Contract Expenses	47,618,609	63,995,553
Subscription Charges	49,170,380	37,088,566
Wages, Salaries & Bonus	38,110,200	57,299,746
Contribution to Provident & Other Funds	2,972,450	4,591,151
Employees Welfare	3,048,578	4,864,953
Increase/(Decrease) in Excise Duty on Stock	480,470	(689,534)
Freight & Cartage	13,814,471	36,651,795
Insurance	1,670,138	2,558,310
Packing Material Consumed	51,840,535	94,042,096
Power & Fuel	64,448,232	114,288,066
Repair & Maintenance - Plant & Machinery	2,753,352	5,723,196
Testing Charges	736,111	696,005
	1,199,794,980	2,266,823,424
Less : Expenses Capitalised	-	4,265,168
	1,199,794,980	2,262,558,256

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS	12 Months ended March 31, 2010	18 Months ended March 31, 2009
SCHEDULE - "L"		
ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	26,435,440	73,784,894
Salaries & Bonus	70,138,512	98,839,867
Contribution to Provident & Other Funds	5,859,278	7,366,701
Employees Welfare	2,086,996	3,726,528
Directors' Remuneration	12,653,571	26,672,698
Travelling & Conveyance	8,130,872	22,287,720
Postage & Telephone	4,418,649	6,939,459
Insurance	2,319,291	1,169,025
Loss on Sale of Fixed Assets	175,292	82,796
Foreign Exchange Fluctuations	-	182,419,830
Rent, Rates & Taxes	20,413,484	26,442,228
Professional & Legal Expenses	31,468,884	46,300,946
Repair & Maintenance		
- Buildings	579,449	3,939,736
- Others	9,134,332	3,499,145
Bad Debts	10,636,398	
Marketing & Service Charges	23,621,105	28,874,922
Discount & Rebate	1,363,076	1,299,183
Freight & Cartage (Outward)	12,593,622	17,863,932
Auditors' Remuneration		
<u>As Auditors</u>		
-Audit Fee	1,836,180	1,840,000
-Out of Pocket Expenses	114,322	117,119
<u>In other capacity</u>		
-For tax matter and tax Audit	400,000	397,000
-For certification	100,000	125,000
Late Delivery Charges	19,928,787	18,483,751
Bank Charges	17,572,531	23,042,139
Other Expenses	14,761,587	26,568,491
	296,741,658	622,083,108
SCHEDULE - "M"		
INTEREST		
Interest on Fixed Loans *	20,445,641	46,529,495
Interest Others	33,394,330	49,995,880
	53,839,971	96,525,375

Footnotes:

* Includes Rs. 3,221,425/- (previous period Rs. 4,093,561/-) on loan taken from Managing Director

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

SCHEDULE "N"

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

- a) 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.

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 mandatory accounting standards issued by the Institute of Chartered Accountants of India ('ICAI') 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, 2010
APAKSH Broadband Limited (AP AKSH)	India	99.92%
Aksh Technologies Limited (ATL)	India	100%
Aksh Net Tel Limited (ANTL)	India	100%
Aksh Infratel Limited (AIL)	India	100%
SPYK Global Limited (SPYK)	India	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.

Licence fee is amortised over the licenced 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.

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS**g) 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.

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.

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS****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.

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.

Compensated absence 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 licences / 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.

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

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 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) and premium on redemption of FCCBs are adjusted against Securities Premium account.

2. Contingent Liabilities not provided for:

a) Claims not acknowledged as debts

(R.s. In lacs)

S. No.	Particulars	March 31, 2010	March 31, 2009
i)	Sales Tax Matters	760.26	74.25
ii)	Service Tax	140.13	94.12
iii)	Excise / Custom Duty	495.99	226.02
iv)	Stamp Duty	-	413.01
v)	Others	475.01	423.36

b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (Previous Period 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 Period Rs.Nil) in favour of Union Bank of India, Punjab National Bank and ICICI Bank (Consortium Banks) for working capital facilities sanctioned to Aksh Technologies Ltd. Further the Immovable properties of the company are also charged for working capital facilities sanctioned to Aksh technologies Limited.

d) Bank Guarantees, letters of credit issued by banks and outstanding as at 31st March, 2010 is Rs. 1,441.50 lacs, net of margin (Previous Period Rs. 2,536.93 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 16th August 2001. The Company has applied for extension of export obligation period, approval for which is awaited. The balance unfulfilled export obligation as on 31st March 2010 is Rs. 4,406.15 lacs (previous period Rs. 5,033.24 lacs) and the contingent liability in respect thereof is Rs.716.73 lacs (previous period Rs. 749.57 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 31,775.16 lacs (Previous Period Rs. 2,635.57 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 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 period
Employer's Contribution to Provident Fund	93.48	136.87
Employer's Contribution to ESI	4.27	7.10

- 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, 2010

(Rs. In lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation	66.87	37.18
b) Fair Value of plan assets	36.51	-
c) Net asset / (liability) recognized in balance sheet	30.36	37.18

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, 2010 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 \$ 2.5 Million	Nil
Aggregate conversion into shares	1,641,721	Nil
FCCBs outstanding as on March 31, 2010.	US\$ 17.5 Million	US\$ 6.328 Million
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	11,492,056 shares	14,687,521 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 scheduled 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 have been included under FCCBs and the redemption premium of USD 205,300 is included under current liabilities.
6. The Company had issued 4,603,175 Convertible warrants on preferential basis. As the holders of the convertible warrants did not exercise the option of conversion of warrants into equity shares within the stipulated period of 18 months from the date of allotment .i.e. 15th January 2008, the Application money @ Rs. 6.30 per warrant aggregating to Rs. 290 lacs received against 4,603,175 warrant has been forfeited and credited to Securities Premium Account.
7. Breakup of Deferred Tax Assets and Deferred Tax Liabilities of the Group :

(Rs. in lacs)

S. No.	Particular	March 31,2010	March 31,2009
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	1,674.61	1,596.84
	Deferred Tax Assets		
a.	Unabsorbed Depreciation/ Business Loss	3,769.93	2,994.20
b.	Provision for Retirement Benefits	49.24	41.45
c.	Provision for doubtful debts	-	4.74
	Total Deferred Tax Assets	3,819.17	3,040.39
	Net Deferred Tax Liabilities/(Assets)	(2,144.56)	(1,443.55)

8. 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, 2010.

- a) Individuals exercising significant influence & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr P. F. Sundesha
 - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
 - Mr Chetan Choudhari
- b) Key Management personnel & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr. B. R. Rakhecha (upto 30th September, 2008)
 - Mr. Chetan Choudhari
 - Mr. R.V.R. Chowdary
- c) Enterprises over which personnel referred in a & b aforementioned exercise significant influence :
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)
 - New Generation Networks Limited (Relates to Mr. Chetan Choudhari)
 - In Cable Net (Andhra) Limited (Relates to Mr. R. V. R. Chowdary)
 - C Star Media Private Limited (Relates to Mr. R. V. R. Chowdary)



SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

Related Party Transactions

(Rs. In Lacs)

		Current Year	Previous Period
a)	<u>Individuals exercising significant influence & their relatives</u>		
	Dr. Kailash S. Choudhari		
	Director's Remuneration	124.64	226.19
	Interest Expenses	32.21	40.94
	Loans taken	605.25	535.00
	Loans repayment	5.00	852.00
	Outstanding balance due to / (from)	608.57	22.77
	Mr P. F. Sundesha		
	Rent Paid	29.40	37.80
	Security Deposit Paid	-	15.66
	Sitting Fees	0.30	0.36
	Outstanding balance due to / (from)	-	24.85
	Mr Shailesh Popat Lal		
	Rent Paid	29.40	37.80
	Security Deposit Paid	-	15.66
	Outstanding balance due to / (from)	-	24.85
b)	<u>Key Management personnel & their relatives</u>		
	Mr. B. R. Rakhecha		
	Director's Remuneration	-	38.51
	Re-imbursement of expenses Paid	-	0.40
	Outstanding balance due to / (from)	-	-
	Mr. R.V.R. Chowdary		
	Outstanding balance due to / (from)	0.25	0.25
c)	<u>Enterprises over which personnel referred in a & b above exercise significant influence</u>		
	Fulchand Finance Private Limited		
	Interest Expenses	164.32	225.16
	Rent Paid	-	3.85
	Loans taken	510.00	3,713.00
	Loans repayment	135.00	4749.56
	Outstanding balance due to / (from)	1,425.82	1,085.59
	New Generation Networks Limited		
	Purchase of Capital Goods	1.66	-
	Computer rental paid	0.86	-
	Outstanding balance due to / (from)	(0.06)	-
	In Cable Net (Andhra) Limited		
	Outstanding balance due to / (from)	(12.64)	(12.64)
	C Star Media Private Limited		
	Outstanding balance due to / (from)	(80.00)	(80.00)

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS
9. 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 and services. The information about business segments is given below:

(Rs in Lacs)

S.No	Particulars	Current Year	Previous Period
a)	Segment Revenue		
	1. Cable Manufacturing	13,254.80	25,949.02
	2. Services	536.91	436.39
	3. Trading	293.60	-
	Total	14,085.31	26,385.41
	Less : Inter-Segmental Revenue	266.21	-
	Net Sales / Income from Operations	13819.10	26,385.41
b)	Segment Results		
	1. Cable Manufacturing	360.20	(700.04)
	2. Services	(3,484.61)	(3,454.62)
	3. Trading	15.27	-
	Total	(3,109.14)	(4,154.66)
	Un-allocable Expenses / (Income)	(64.19)	665.13
	Operating Profit / (Loss)	(3,044.95)	(4,819.79)
	Interest expenses	538.40	965.25
	Profit/(Loss) before Exceptional Items	(3,583.35)	(5,785.04)
	Exceptional Items – Expenses / (Income)	(1,569.23)	1,707.19
	Net Profit / (Loss) before Tax	(2,014.12)	(7,492.23)
c)	Segmental Capital Employed		
	(Segment assets – segment liabilities)		
	Cable Manufacturing	5,968.80	7,691.32
	Services	29,812.23	27,994.88
	Unallocated	670.00	2,923.21
	Total	36,451.03	38,609.41

10. Basic and diluted earning per share:

S. No.	Particulars	Current Year	Previous Period
a.	Net Profit/(Loss) for the period (Rs in Lacs)	(1,313.66)	(4812.55)
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	59,174,243	55,468,226
c.	Weighted average number of equity shares from dilutive instruments	13,705,244	19,552,550
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	72,879,487	75,020,776
e.	Nominal Value of Equity Shares-(Rs.)	5.00	5.00
f.	Basic-Earning Per Shares (Rs.)	(2.22)	(7.25)
g.	Diluted -Earning Per Share (Rs.)	(1.78)	(5.87)

**SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS****11. Managerial remuneration paid to the Whole-Time Director/ Non- Whole-Time Directors/Managing Director.*****(Rs in Lacs)**

	Current Year	Previous Period
Salary	115.20	226.69
Contribution to PF and other Funds	9.44	18.83
Perquisites	-	19.17
Sitting Fee	1.90	2.03
* Approval pending from Central Government		

12. 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.
13. The Group is in the process of compiling the requisite list of mini, small and micro enterprises under the MSMED Act which has come into force recently and in the absence of information in this regard, the particulars required by the aforesaid Act have not been given.
14. a) The Group has not received any claim for interest from any supplier covered under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1993" to the extent such parties have been identified from the available information.
- b) The names of small scale industrial undertakings to whom the company owes amount outstanding for more than 30 days as at the Balance sheet date are as under J. D. Wood Products, Wood Home & Rajshree Timber Products.
- 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.
15. AP AKSH is setting up a Broadband Project in the state of Andhra Pradesh. No Profit & 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.
16. In the case of AP AKSH, Bank Guarantee of Rs. 100 lacs (previous period Rs. 50 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.
17. 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. 96.47 lacs (previous period Rs. 73.77 lacs) on secured loan taken from Cisco Systems Capital India Pvt Ltd.
18. 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 7th 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.

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS
19. Derivative Instruments and unhedged Foreign Currency Exposure

No forward exchange contract, for hedge purpose, has been outstanding as on 31st March 2010.

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

Amount receivable in foreign currency on account of the following:

S. No.	Particulars	Currency	Amount
1	Export of goods	USD	840,797
		GBP	51,945
		EURO	220,373
2	Advance to suppliers	USD	23,666

Amount payable in foreign currency on account of the following:

S. No.	Particulars	Currency	Amount
1	Import of goods and services	USD	903,378
		EURO	785,200
		JPY	194,000
2	Advance from customers	USD	37,728
3	Buyer's Credit	USD	712,435

20. Previous Period'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

CA. K.C. Gupta
Partner
Membership No. 088638
FRN: 003824N

B. R. RAKHECHA
Director

KAILASH S. CHOUDHARI
Managing Director

Place : New Delhi
Dated : 17.05.2010

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 23rd Annual General Meeting of the Company held at 11.00 a.m. on Saturday the 3rd July, 2010 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..... offailing him/her, Mr./ Ms. ofas my/our proxy to vote for me/us, on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Saturday the 3rd July, 2010 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 thisday of2010

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.