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AKSH OPTIFIBRE LIMITED
(An ISO 9001:2000 Company)

22nd ANNUAL REPORT 2007-2009 (18 Months)

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INTRODUCTION
07-09



Aksh Optifibre Limited

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

PLANT-I

F-1075-1081, RIICO Industrial Area,
Phase-III, Bhiwadi-320 019 (Raj)

PLANT-II

A-315 (B), RIICO Industrial Area,
Phase-I, Bhiwadi-320 019 (Raj)

PLANT-III

A-58-59, RIICO Industrial Area,
Sri Khatushyamji Industrial Complex,
Reengus, Dist. Sikar (Raj)

Managing Director

Dr. Kailash S. Choudhari

Directors

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

Company Secretary

Seema Narang

Bankers

Union Bank of India, New Delhi
ICICI Bank Ltd. 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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF AKSH OPTIFIBRE LIMITED will be held at 11.00 a.m. on Saturday, July 25, 2009 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 receive, consider and adopt the Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the 18 months period ended 31st March, 2009 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dinesh Kumar Mathur, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint M/s. P.C. Bindal & Co., Chartered Accountants, New Delhi, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to 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 for the current financial year.

By Order of the Board of Directors

Place : New Delhi

Seema Narang

Date : May 26, 2009

Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The instrument appointing proxy to be valid shall be deposited with the Company at its registered office at least 48 hours before the time fixed for the meeting.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from July 20, 2009 to July 25, 2009 (both days inclusive).

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.

1. 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.

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 shareholding 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. In accordance with Section 205A of the Companies Act, 1956, all unclaimed/ unpaid dividends unpaid for seven years or more till 31st March, 2009 have been transferred to the General Revenue Account of Central Government as required by Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those Members who have not claimed their dividend so far, are requested to claim the same by submitting an application in prescribed Form II to the Registrar of Companies, 132 Vijay Nagar, Near Kartarpura Phatak, Kartarpura, Jaipur – 302 006 (Rajasthan).

Dividends for the financial year 2001-02 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
2001-02	Final Dividend	05.07.2002	05.07.2009
2005-06	Final Dividend	04.11.2006	04.11.2013
2006-07	Final Dividend	06.03.2008	06.03.2015

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.

2. At the ensuing Annual General Meeting, Mr. Dinesh Kumar Mathur retires by rotation and being eligible, offers himself for reappointment. The details pertaining to Mr. Mathur as required to be provided pursuant to clause 49 of the listing agreement are furnished in the Corporate Governance Report forming part of this Annual Report.

By Order of the Board of Directors

Place : New Delhi

Seema Narang

Date : May 26, 2009

Company Secretary

2007-09



Aksh Optifibre Limited

DIRECTORS' REPORT

To The Members,

The Directors are pleased to present the 22nd Annual Report and the Audited Accounts for the 18 months ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	Period ended 31.03.2009 (18 months)	Period ended 30.09.2007 (18 months)
Turnover	26385.41	12748.02
Profit / (Loss) before Interest, Depreciation and Tax	(4432.06)	2322.11
Interest	965.25	1092.84
Depreciation	2085.58	1088.65
Profit/ (Loss) before Tax	(7482.89)	140.62
Provision for Tax		
- Deferred tax (Credit) / Charge	(2697.46)	65.29
- Fringe Benefit Tax	17.78	8.67
Net Profit / (Loss) after Tax	(4803.21)	66.66

During the period under review, your Company has achieved a turnover of Rs. 26385.41 lacs as compared to a turnover of Rs. 12,748.02 lacs during the previous period, registering an increase of 107%. Turnover is high due to increased market share in sale of cables to BSNL.

Net loss after Tax during the period under review was Rs. 4803.21 lacs. The loss is mainly due to reduction in selling prices of the products of the company due to stiff competition, increase in raw material prices due to increase in crude prices coupled with strengthening of USD, Japanese Yen and Euro, losses from Services division on account of start up of IPTV and VOIP services and provisioning of Foreign exchange fluctuations on account of restatement of FCCB liabilities pursuant to weakening of Rupee.

DIVIDEND

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

OPERATIONS

A. MANUFACTURING DIVISION:

The manufacturing operations of the Company comprising of manufacture of optical fibre, Optical fibre cable and FRP rods has performed satisfactorily. The plant ran at its optimum capacity. During the period under review, the Fibre Draw Tower was successfully re-commissioned, thereby increasing the Fibre draw capacity to 1.6 mn FKM. The Company has also successfully developed Low Bend Fibre for the Fibre To The Home (FTTH) applications. On export front Company has its footprints in almost 30 countries across six continents.

B. SERVICES DIVISION

During the period under review, the Company started commercially IPTV services under the brand "icontrol" on revenue share basis in association with MTNL in the cities of Delhi and Mumbai and with BSNL in 20 cities of North India in the State of Jammu & Kashmir, Himachal, 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, Video on Demand (VoD), ATube (Video Yellow pages - Pull advertising), icontrol Mall (on line shopping) and TV messaging. Your Company has the largest subscriber base of IPTV in South East Asia.

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.

TRANSFER OF MANUFACTURING OPERATIONS

Shareholders of the Company have through Postal Ballot approved the transfer of the manufacturing operations of the Company comprising of manufacture and sale of Optic fibre, Optical fibre cable and FRP rods to 100% subsidiary of the Company viz., Aksh Technologies Ltd.

The appointed date of transfer of manufacturing undertakings is 1st April, 2009, to be effective once the Company gets all the requisite approvals from secured lenders.

PREFERENTIAL ISSUES

a. FCCB & GDR Issue:

In accordance with the approval of Shareholders and Reserve Bank of India, the Company raised a sum of USD 20 Mn through an issue of Foreign Currency Convertible Bonds (FCCBs), convertible into equity shares and USD 20 Mn through an issue of Global Depositary Receipts (GDR).

b. CONVERTIBLE WARRANTS / EQUITY SHARES :

In accordance with the approval of shareholders, Company has issued 5,000,000 convertible warrants on preferential basis, out of which 396825 warrants were converted into equity shares and 4,603,175 warrants are yet to be converted. The Company also issued 1,000,000 Equity Shares on preferential basis

c. FULLY CONVERTIBLE DEBENTURES:

The company raised Rs. 2.5 crores through issue of Zero Coupon Fully Convertible Debentures. The debentures have since been converted into equity shares.

SUBSIDIARY COMPANIES

During the period under review the Company promoted four 100% subsidiary companies and 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 Company have not been annexed. Your Company has made necessary application to the Ministry of Corporate Affairs seeking dispensation from the compliance of Sec 212 (1) with

respect to attachment of audited statements of Accounts along with the Report of the Board of Directors and Auditors' Report thereon. 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), 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.

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.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. Dinesh Kumar Mathur, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The details of Mr.D.K.Mathur are given else where in the Report.

CORPORATE GOVERNANCE

A Certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchange is enclosed as part of Corporate Governance Report. The Board of Directors support the concept of Corporate Governance and having regard to transparency, accountability and rationale behind the decisions have made proper disclosures separately under the heading "Corporate Governance".

The Management Discussion and Analysis Report forms part of this report and is annexed hereto.

AUDITORS

Your Company's Statutory Auditors, M/s P. C. Bindal & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are recommended for being re-appointed as Auditors of the Company for the financial year 2009-10. The company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

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

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

As required under Section 217 (1) (e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the information relating to foreign exchange earning and outgo is annexed hereto and forms integral part of this report.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, a statement of information relating to employees 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 this statement 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 office of the Company.

EMPLOYEE STOCK PURCHASE SCHEME

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- it has in the selection of the accounting policies, consulted 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 that period;
- the proper and sufficient care has been taken 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;
- the Annual Accounts have been prepared on a going concern basis.

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. 432,707 being the Unclaimed amount of Dividends paid in the financial year 2000-01 and 2001-02, to the Investor Education and Protection Fund established by Central Government.

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation of the support provided by the Bankers, various Government Agencies, Trade partners, Service partners, Suppliers, Customers and Investors. Your Directors would like to express their sincere thanks to the employees for their ongoing and valuable contributions during the year.

On behalf of the Board of Directors

B.R.Rakhecha

Director

Kailash S. Choudhari

Managing Director

Place : New Delhi

Date: June 22, 2009

Aksh Optifibre Limited

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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, 2009, is as follows:

1. CONSERVATION OF ENERGY

a) Energy conservation measures taken

The company is continuously engaged in the process of energy conservation by adopting improved and efficient maintenance practices and by adding power saving equipments like:-

- Installed and commissioned 1200KVA UPS System for cleaner energy and reduced diesel consumption by 80%.
- Added new Cable Manufacturing Machines with energy efficient motors, equipments, etc

b) Additional investments & proposals, if any, being implemented for reduction of energy

The Company has invested an amount of Rs.179.73 lacs in 1200KVA UPS System, 1600KVA Transformer, Power Capacitors, etc.

c) Impact of measures of a & b above for reduction of energy consumption & consequent impact on cost of production

Energy conservation measures has resulted in major saving of around 30-35% in terms of energy cost.

d) 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)

a) Specific area in which R & D is carried by the company

The company has developed Low Bend G657A & G657B Fibre for the FTTH Application.

The company has developed a new Droplite Cable with G652D, G657A & G657B Fibres for the FTTH Application and supplied globally.

The company has developed and is supplying globally Water Swellable Glass Roving.

The company has developed and supplied 288F Ribbon Type Duct Cable with G652D Fibre.

b) Benefits derived as a result of the above R&D.

This has helped company to reduce the cost, better quality, increased business & to explore domestic as well as international market whereby customers looking for a huge band width for a access network as well as fibre to the home network.

c) Future Plan of action

The company has done the planning:

- to develop a 144F Mini Cable in 8.0mm diameter for global requirement.
- to develop a 576F Ribbon Type Duct Cable with G652D Fibre.

d) Expenditure on R & D.

- (i) Capital
- (ii) Recurring
- (iii) Total
- (iv) Total R & D Expenditure as a percentage of total turnover.

It is not possible to show separately capital expenses incurred in R&D activities as the same are used for normal operations also and hence considered as a part of normal capital expenditure.

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 - 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;

During the year under review, the Company tapped new customers and explored new markets. The Company is able to focus on its activities to develop new products specifically to meet overseas market requirements. The efforts made by the Company in the past yielded positive results in terms of market positioning, brand recall, business procurement and foreign exchange earnings.

(b) Total foreign exchange used and earned

The information of foreign exchange earning and outflows is furnished in the Notes to the Accounts.

For and on behalf of the Board of Directors

B.R.Rakhecha
Director

Kailash S. Choudhari
Managing Director

Place : New Delhi

Date: June 22, 2009

CORPORATE GOVERNANCE AT AKSH

CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPARENCY AND ACCOUNTABILITY.

1. Company's Philosophy on Corporate Governance

AKSH is committed to uphold the core values of transparency, integrity, honesty and accountability. This commitment lays the foundation for further development of superior governance practices, which are vital for growing a successful business, creating sustainable long term shareholder value and balancing it with the interests of other stakeholders in the Company by following principles which are a blend of law, regulations and voluntary practices.

Good corporate governance is an integral part of the Company management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, consumers, shareholders and the community at large – its stakeholders. **AKSH believes in implementing the philosophy of corporate governance in letter and spirit.**

In addition to its staunch 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 report, in line with the same is detailed below:

2. THE BOARD OF DIRECTORS

A. Composition:

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. In all there are 5 Directors comprising one whole-time executive director (being Promoter & Managing Director), two non-executive non-independent and two independent directors. As on March 31, 2009, 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 on 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. The necessary disclosures regarding Committee positions have been made by the Directors.

The composition of the Board as on 31st March, 2009 was as under:

Name	Designation	Category of Director Ship	No. of other Directors hips*	# No of other Committee positions held		No. of Board Meetings attended during the 18 months period.	Attendance at the 21 st Annual General Meeting held on 28 th Jan, 2008.
				Chairman	Member		
Dr. Kailash S. Choudhari	Managing Director	Promoter Executive	2		2	15	Yes
Mr. Popat Lal F. Sundesha	Director	Non Executive Non Independent	3		2	6	Yes
Mr. D. K. Mathur	Director	Independent	-		3	14	Yes
Mr. B. R. Rakhecha	Director	Non Executive Non Independent#	5		1	16	Yes
Mr. Narendra Kumbhat	Director	Independent	2		3	13	Yes

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

Continuing as Non Executive Non-Independent Directors w.e.f. 1st October, 2008.

Changes in Board Composition during the year:

Name of the Director	Details of change	Date of Change
Mr Sanjay Kalra	Retired as Director	28 th January, 2008
Mr. Narendra Kumbhat	Appointed as Director liable to retire by rotation.	28 th January, 2008.

Leave of absence was granted by the Board of Directors who were absent at the respective Board Meeting(s).

Details of equity shares held by the Non-Executive Directors of the Company are as under:

Mr. Popatlal F Sundesha	4,330,587
Mr. D.K. Mathur	67,500

B. During the period under review the Board of Directors of the Company met 16 times and the period between any two meetings did not exceed four months. The date of Board Meetings held during each quarter are as follows:

(i) 10th November, 2007 , (ii) 24th November, 2007 ,

(iii) 6th December, 2007 , (iv) 8th January, 2008 , (v) 15th January, 2008 , (vi) 28th January, 2008 , (vii) 7th February, 2008 , (viii) 11th April , 2008 , (ix) 28th April, 2008 , (x) 13th June, 2008 , (xi) 14th July, 2008 , (xii) 28th July, 2008 , (xiii) 27th September, 2008 , (xiv) 24th October, 2008 , (xv) 31st January, 2009 , (xvi) 5th March, 2009

Aksh Optifibre Limited

As required under Annexure I of Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

- C. The Non-Executive Directors are paid sitting fees only which has been increased from Rs. 1,000/- to Rs. 5,000/- per meeting for attending meetings of the Board of Directors w.e.f. 24th November 2007. Further, it was also decided to pay sitting fees of Rs. 5,000/- to the Non Executive Directors for attending the meetings of Audit committee and Remuneration Committee w.e.f. 31st January, 2009.
- D. The Company has adopted a code of Conduct for its Non-Executive Directors and all the Non Executive Directors have affirmed with the said Code of Conduct. The Annual report of the Company contains a certificate duly certified by the Managing Director 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.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

DETAILS OF DIRECTORS BEING APPOINTED/ RE-APPOINTED AT THE FORTHCOMING ANNUAL GENERAL MEETING.

Mr. D. K. Mathur, Director, shall retire by rotation at the ensuing Annual General Meeting. Mr. D.K. Mathur **being** eligible, offers himself for re-appointment.

The particulars as to his experience, expertise and directorship in other companies are given below:

A Management graduate, Mr. D.K. Mathur is running the export business of ready to wear garments, based at New Delhi and Gurgaon. Mr. Mathur possesses an experience of 26 years in the field of Export, Marketing, Finance and General Administration. Mr. D.K. Mathur is also on the Board of following Companies:

1. Akriti Creations Pvt. Ltd.
2. Rajasthan Trunk factory Pvt. Ltd.
3. RTF Promoters & Builders Pvt. Ltd.
4. T.V. Promoters & Builders Pvt. Ltd.
5. New Age Gardens Pvt. Ltd.
6. Photos India Pvt. Ltd.
7. Alankar Creations (proprietorship Concern)

Transaction of the Non-Executive Director vis-à-vis the Company.

During the year under review, the Company has entered into a Consultancy Agreement with Mr. B.R. Rakhecha, Director. He was paid a sum of Rs.

9,60,000/- towards the Consultancy fee. Other than this, the Company has not entered into any kind of pecuniary relationship/ transactions with any of the other Non-Executive Director(s).

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 2006-2007 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, stock exchange 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.

During the period ended 31st March, 2009, the committee reviewed:

- Quarterly and yearly financial statements before they are submitted to the Board of Directors.
- Statutory Auditors Audit Report.
- Internal Audit Function.
- Internal controls to ensure that the accounts of the company are properly maintained and that the transactions are in accordance with the prevailing laws and regulations.
- Management Information System.
- Legal requirements including Stock Exchange requirements concerning the Financial Statements.
- Utilisation Statement of FCCB and GDR proceeds
- Periodical Cash Flow Statements
- Related party transactions.

The Committee also considered the appointment of Statutory Auditors, their terms of reference, scope of reference, scope of work and powers etc and has also reviewed the action taken on various items discussed in the previous audit committee meeting.

During the period under review, 6 meetings of the Audit Committee were held on the following dates:

(i) 24th November, 2007, (ii) 28th January, 2008, (iii) 28th April, 2008, ((iv) 28th July, 2008, (v) 24th October, 2008, (vi) 31st January, 2009.

The composition of the Audit Committee as on 31st March, 2009 was as under:

Sl. No.	Name	Designation	No. of Meetings attended
1	Mr. Narendra Kumbhat*	Member	5
2	Mr. Popat Lal F Sundesha	Member	5
3	Mr. D.K. Mathur	Member	6

*Appointed w.e.f. 24th November, 2007.

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. Mrs. Seema Narang, 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.

The Company Secretary acts as the Secretary of the Committee.

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

the Directors.

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

During the period ended 31st March, 2009, the Remuneration Committee met 2 times on 27th March, 2008 and 5th March, 2009.

Details of Director's Remuneration

During the period under review, the Non-Executive Directors of the Company were paid sitting fees only.

Executive Directors

The details of remuneration paid/ provided to Directors are furnished below:

(A) The details of the remuneration to the **Managing Director provided as per accounts for the 18 months period ended 31st March, 2009**, is given below:

(Amt in Rs.)					
Name	Salary and Allowances	Perquisites	Contribution to Provident and other funds	Commission	Total
Dr. Kailash S. Choudhari	1,92,00,000	Nil	15,72,599	Nil	207,72,599

Provision for Gratuity: Rs. 18,46,153/-

The terms of employment of Dr. K.S. Choudhari were as under:

Service Contract is for 3 years.

Commission*:

1st Year: @5% on Net Profits after Tax exceeding Rs. 30 Crores.

2nd Year: @5% on Net Profits after Tax exceeding Rs. 35 Crores.

3rd Year: @ 5% on Net Profits after Tax exceeding Rs. 40 Crores.

*No commission was paid to Dr. K.S. Choudhari, during his tenure as Managing Director between the period Apr-06 to Mar -09.

(B) The details of the remuneration to the Executive Director (part of the year - upto 30th September, 2008) provided as per accounts for the year ended March 31, 2009 is given below:

(Amt in Rs.)					
Name	Salary and Allowances	Perquisites	Contribution to Provident and other funds	Commission	Total
Mr. B.R. Rakhecha	34,69,200	71,154	310,590	-	38,50,944

• Conveyance and telephone expenses reimbursed on actual basis.

• W.e.f. 01st October, 2008, Mr.Rakhecha resigned from whole time services of the Company and is continuing as Non Executive Director. He was appointed as Corporate Consultant of the Company and he has been in receipt of Rs. 960,000/- as consultancy fee till March 31, 2009.

c) SHAREHOLDER/ 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, 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.

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.

The Company has an "Online Investor Grievance Redressal System" at the Investors' Corner on its Website whereby the investor can login and lodge his grievance, which instantly reaches the Company and we ensure that the same is redressed at the earliest and to the satisfaction of the shareholders.

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Investors' Services – complaints received till 31st March, 2009.

Particulars	Received	Attended to	Pending
Revalidation/Correction/ Non-Receipt of Dividend Warrant	18	18	---
Annual Reports	3	3	---
Demat / Remat Related	---	---	---
Change of Bank Details/ Address	---	---	---
Stop Transfer/Issuance of Duplicate Share Certificate	---	---	---

d.) SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE

The Share Allotment cum Transfer Committee comprises of Dr.Kailash S Choudhari, Mr.Satyendra Gupta and Mr. Seema Narang 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, and Mr. Popatlal F Sundesha as Committee Members.

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..

During the year 12 meetings were held on the following dates:

- (i) 4th October, 2007, (ii) 6th November, 20 07, (iii) 18th Jan. 2008, (iv) 11th March 2008, (v) 13th March 2008, (vi) 27th March 2008, (vii) 2nd May 2008, (viii) 28th May 2008, (ix) 9th September 2008, (x) 1st December 2008, (xi) 28th Feb., 2009 & (xii) 31st March 2009.

The decisions taken by the Finance Committee were ratified by the Board of Directors.

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
2006-07	28.01.2008	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	10.00A.M.	-Nil-
2005-06	29.09.2006	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	9:00 A.M.	2
2004-05	30.09.2005	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	9.00 A.M.	-Nil -

Attendance of Directors at AGMs during the last four financial years

- 30-09-2005 : Two directors were present out of Five Directors.
 29-09-2006 : Two directors were present out of Five Directors.
 28-01.2008 : Five Directors were present out of Six Directors.

During the year Company Extra-ordinary General Meetings were held on 6th December,2007 and 7th May

2008 at the Registered Office of the Company at F-1080, RIICO Industrial Area, Phase – III, Bhiwadi – 300 019, Rajasthan.

Two resolutions were passed by the shareholders through postal ballot on 15th April 2009.

5. Postal Ballot

The Company completed the process of obtaining the approval of its Members on the following resolutions, through the process of Postal Ballot under section 192 A of the Companies Act, 1956.

No.	Item	Section of Co's Act , 1956	Nature of resolution
1.	Sell, Lease or otherwise dispose off as going concern the whole or substantially the whole of manufacturing undertakings of the company to its wholly owned subsidiary.	293(1)(a)	Ordinary Resolution
2.	Re-appointment of Dr.Kailash S Choudhari as Managing Director.	198,269,309,310,311,read with Schedule XIII	Special Resolution

Ms. Pooja Anand, of M/s. Pooja Anand & Associates, Company Secretaries was appointed as scrutinizer, who carried out the Postal Ballot process in a fair and transparent manner. The results were announced on 15th April, 2009.

Voting Pattern and Procedure of Postal Ballot:

The Board of Directors of the Company had, at its meeting held on March 5, 2009, appointed Ms. Pooja Anand as the scrutinizer for conducting the postal ballot voting process.

The postal ballot forms had been kept under her safe custody in sealed manner before commencing the scrutiny of such postal ballot forms.

All postal ballot forms received/ receivable upto the close of working hours of 11th April 2009, the last date and time fixed by the company for receipt of the forms, had been considered by her in her scrutiny.

Envelopes containing postal ballot forms received on /after 11th April 2009, had not been considered for her scrutiny.

The results of Postal Ballot were announced on 15th April

2009 at the Registered Office of the company as per the Scrutinizer's Report as under:

Postal Ballot Summary:

Accordingly, the Ordinary and special resolution set out in the notice dated March 05, 2009 were duly approved by the requisite majority of the shareholders.:-

No. of valid postal forms received	145
Number of Invalid postal ballot forms received	3
Votes in favour of resolution no. 1	192,17,659
% age of votes in favour of resolution no.1	99.96%
Votes against the resolution no.1	7060
%age of votes against resolution no.1	0.04%
Votes received in favour of resolution no.2	192,21,859
% age of votes in favour of resolution	99.99%
Votes against the resolution no.2	2860
%age of votes against resolution no.2	0.01%

6. 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.
- 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.
- All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- The Company follows the Accounting Standards followed by the Institute of Chartered Accountants of

India and there are no statutory audit qualifications in this regard.

- 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.

7. Means of Communication

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

Quarterly Results

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
October - December 2007	January 28, 2008	January 30, 2008
January - March 2008	April 28, 2008	April 30, 2008
April 2008- June 2008	July 28, 2008	July 30, 2008
July 2008- September 2008	October 24, 2008	October 26, 2008
Oct 2008 - December 2008	January 31, 2009	February 02, 2009

8. Risk Management

The Company has in place a Risk Management Policy. All the assets of the Company are adequately insured and the insurance policies are reviewed from time to time to ensure proper mitigation of risk perception.

9. 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.

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The Company does not have any material unlisted subsidiary and hence is not required to have an Independent Director of the Company on the Board of such subsidiary.

10. General Shareholder Information

The shares of the company continue to be listed at The Stock Exchange Mumbai and the National Stock Exchange Ltd.

10.1 Annual General Meeting.

1. **Date, Time and Venue of the Annual General Meeting.** July 25, 2009 at 11.00 A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi – 301 019.
2. **Financial Calendar** October 1, 2007 to March 31, 2009.
3. **Book Closure Dates** July 20, 2009 to July 25, 2009.
4. **Dividend Payment Date** N.A.
5. **Listing on Stock Exchanges** The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 13.
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 – 400013.
Website: www.nseindia.com
6. **Stock Code** '532351' on the Stock Exchange, Mumbai.
'AKSHOPTFBR' at the National Stock Exchange of India Ltd., Mumbai
7. **Share Transfer Agents** **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
8. **Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent** **M/s. MCS Limited**
K/A: Mr. Umesh Gupta

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).

10.2 Stock Market data relating to shares listed on BSE and NSE for the period October 2007 - March 2009.

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

Month	(BSE)			(NSE)		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
October 2007	68.75	52.65	4,310,573	68.85	52.95	2,928,546
November 2007	64.20	54.25	952,618	63.90	54.00	619,426
December 2007	84.05	58.10	3,949,275	83.70	58.95	2,463,012
January 2008	96.00	53.00	3,207,045	96.95	55.00	2,165,185
February 2008.	66.90	48.30	695,564	67.00	47.70	519,237
March 2008	58.80	36.95	809,903	57.75	36.15	541,500
April 2008	55.15	45.00	351,904	55.50	44.15	250,963
May 2008	50.90	43.15	210,594	50.35	43.00	136,623
June 2008	45.95	35.70	229,375	46.50	35.00	161,884
July 2008	41.85	34.35	176,800	42.25	34.50	120,592
August 2008	46.25	38.15	283,933	46.50	38.05	278,900

September 2008	42.00	24.60	132,600	43.50	24.15	125,110
October 2008	30.50	14.50	205,659	30.95	14.20	248,672
November 2008.	17.45	12.50	623,400	18.00	12.50	603,601
December 2008.	15.60	11.87	673,360	15.60	11.80	644,000
January 2009	13.80	8.25	1,673,830	13.90	8.10	2,201,534
February 2009	10.19	8.30	1,244,000	10.40	8.05	1,536,669
March 2009.	11.95	8.05	457,929	12.05	8.10	461384

10.3 Distribution of Shareholding as on 31.03.2009

No. of Equity Shares held	No. of Shareholders	% to Total	No. of Shares held	% to Total
1-500	9933	82.74	1678469	2.84
501-1000	1037	8.64	884926	1.51
1001-2000	468	3.90	740646	1.26
2001-3000	150	1.25	395547	0.67
3001-4000	91	0.76	329944	0.56
4001-5000	62	0.52	293166	0.50
5001-10000	105	0.87	791665	1.34
10000-50000	106	0.88	2485388	4.21
50001-100000	18	0.15	1251173	2.12
And Above	35	0.29	50116417	84.99
TOTAL	12005	100	58967341	100

10.4 Categories of shareholders as on 31.03.2009

Particulars	No. of Shares held	%age
Promoters	9,644,966	16.36
FIs/Banks/MF/UTI	-	-
Corporate Bodies	6,654,309	11.28
Directors and their relatives	9,312,129	15.79
FII's/NRIs/OCBs	11,976,143	20.31
Trusts	462,620	0.78
Public	19,635,499	33.31
Foreign National	1,281,675	2.17
TOTAL	5,896,7341	100

10.5 Dematerialisation of Shares.

The Shares of the Company are in Compulsory Demat Mode. As on 31.03.2009 98.56% of the total shareholding is held in Demat Mode.

10.6 Compliance Officer and Contact Address.

Mrs. Seema Narang
Company Secretary,
Aksh Optifibre Limited : J-1/1, B-1Extension,
Mohan Co-operative Industrial Estate Mathura
Road, New Delhi – 110044.
Telephone : 91-11 – 26991508/1509, Extn. 750
Fax : 91-11-26991510.
e-mail : seema@akshoptifibre.com

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

GDRs / ADRs / Warrants or any Convertible instruments and likely impact on equity: The Company has issued FCCBs aggregating to US\$ 8.75 Mn in Jan 2007. FCCBs worth US\$ 2.5 Mn have been converted into equity shares. Further fresh FCCB issue aggregating US\$ 20 Mn was issued in Jan 2008. During the period under review, the Company also issued 6535948 GDRs, out of which **5,882,361** are outstanding. The Company also issued 50,00,000 convertible warrants in the month of January 2008. Out of those, 396825 warrants got converted into equity. The paid up equity capital of the Company will further be increased as and

Aksh Optifibre Limited

when the convertible warrants and the FCCBs get converted into equity shares.

10.8 Plant Locations

Plant – I

F – 1075-81, RIICO Industrial Area, Phase – III, Bhiwadi, Rajasthan – 301 019

Plant – II

F – 315 (B), RIICO Industrial Area, Phase – I, Bhiwadi – 301 019

Plant – III

A 58-59, RIICO Industrial Area, Sri Khatushyamji Industrial Complex, Ringus, (Sikar) Rajasthan

10.9 Address for Correspondence

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

11. 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.

DECLARATION

I, Kailash S. Choudhari, the Managing Director of the Company hereby declare that the Code of Conduct adopted by Aksh Optifibre Limited for its Board Members and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

Kailash S. Choudhari

Managing Director

COMPLIANCE

The certificate dated 26/05/2009 obtained from our Statutory Auditors M/S P.C. Bindal & Co. forms part of this Annual Report and the same is given herein below:

AUDITORS CERTIFICATE

ON CLAUSE 49 OF THE LISTING AGREEMENT

To the members of Aksh Optifibre Limited,

We have examined the compliance of conditions of Corporate Governance by Aksh Optifibre Limited, for the financial year ended 31st March, 2009, as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchange(s).

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

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

We state that in respect of the investor grievance received during the year ended 31st March 2009, 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

Place : New Delhi.

Dated : 26.05.2009

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. Important factors, which could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, dependence on certain customers, change in Government regulations, and other statutes and incidental factors.

Industry Structure and Developments

Global Industry Scenario

The recent economic downturn engulfed the entire world economies. The worst sufferers were the banks/Financial Institutions IT and Automobile Industries. The Fibre Optic Industry worldwide also had an impact on its business and growth, but it was better positioned than the other Industries. The Fibre Optic Industry worldwide grew @ 16% with China as lead consumer of optical fibre cables, with its cabled fibre consumption increasing to 39.3 million.

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

Indian Optical Fibre Market

A jump in bandwidth usage along with fibre – to -home installations has been driving the market of optical fibres in India. During the year ended December 2008 the demand of optical fibre in the Indian Subcontinent grew by 28% . The key demand drivers for Optical Fibre & Optical Fibre Cables in India are – Growth in Broadband usage, aggressive Network expansion through Telecom Companies namely BSNL & MTNL. Government of India has a target of reaching 20 million Broadband subscribers by 2010 by adding 0.5 Million Broadband connections per month from Jan.2008 to Dec.2010. Auction of 3G licences, stress of State Government to run e-governance projects, emergence of triple services requiring high bandwidth deployment.

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

IPTV / VOIP Services Scenario

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

It is expected that IPTV service will increase the user density across the Country and would reach out to 1 million homes by 2010.

The key driver of IPTV services is that it 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.

Opportunities and Threats

Opportunities

Your Company is poised strategically to take advantage of being the Single largest production facility for FRP in the world, which is to be further increased. The demand of OFC and OF cables is set to increase with high roll out of optical fibre networks, emergence of DTH and IPTV services both by Govt Telecom Companies and Pvt telecom players.

Your Company is First to start IPTV services in India under the brand name **i-control**. This initiative of Aksh opens new vistas of entertainment , infotainment and e-learning for everyone and enables rural masses to have global connectivity and content. Aksh is having largest subscriber base in South East Asia. It is also the first to provide High Definition Television Services (HDTV) using FTTH (Fibre-To-The- Home) Technology using the last mile connectivity.

Our ability to deploy cutting-edge technology allows us to easily advance our IPTV strategy in India and improve the viewing experience for our customers while also meeting our internal operational goals.

The Company has completed trials for 3G platform. Extending the IPTV platform with value added services like VoIP, e-commerce, Video on demand (VoD). In furtherance of the IPTV business, the Company has entered into long term agreements with entertainment companies/ broadcasters and is having a large library of both hindi and english content with a content storage capacity of one million hours.

Threats / Risks and Concerns

The threats identified by your Company are related mainly to the markets in which your Company operates and general factors related to the telecom industry. Significant among them include General downturn in global and domestic demand of Optical fibre cables, Policy decision changes by the Government.

The policy and regulatory framework of IPTV is still at evolving stage. Fast Changing technology, coupled with less awareness amongst the people in respect of IPTV and over dependence on cable TV service providers, which are growing at faster pace, is also a major hindrance

Further currency fluctuations, weakening of Rupee against foreign currencies like Yen and Dollar and any material changes in the Import and Export policies of the Government and Exchange Control Regulations could adversely effect Company's profitability

Accreditation Process

Your Company continues to be accredited with ISO 9001:2000 by United Laboratories (UL).

Future Outlook

India is on the verge of achieving new growth by responding to and by imbibing changing technology. Fibre is the technology of the next generation. The Indian telecom 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. Auction of 3G spectrum licenses, emergence of DTH and IPTV services is also expected to fuel the demand of OFC. Further, to above, major telecom Companies are looking to provide triple play services, which requires high bandwidth deployment on account of the service providers. Currently

Aksh Optifibre Limited

wireless penetration in India is pegged at about 23 percent which is expected to go upto 56 per cent by 2012.

In the international market, the demand of OFC is buoyant with high deployment of OFC in the emerging countries like Korea, Africa and South America and large FTTH projects in mature telecom markets such as France and Switzerland.

With its leadership position in FRP and commanding position in Optical Fibre and Optical Fibre Cable, your Company expects to achieve sustainable and profitable growth in the coming years.

In the IPTV business of Service segment, your Company would aggressively pursue to attract subscribers 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.

Internal Control Systems and their Adequacy.

The Company has in place adequate system of internal controls commensurate with its size and the nature of its operations. An independent internal audit function is in place which reports periodically to the Audit Committee.

The composition and the competencies of the audit team is reviewed from time to time to assess its effectiveness.

The scope of internal audit extends to all functions and locations of the company. The company has also taken steps to comply with the clause 49 of the Listing Agreement as disclosed in the Corporate Governance Report.

Human Resource Development

In the era of globalization and competitiveness and knowledge-based economy, the industrial scenario is changing frequently, which forces the organization to develop its human resources, to achieve its business goals. 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.

Industrial relations throughout the period were cordial.

Financial Performance

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

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, 2009 and also the profit & loss account and the cash flow statement for the period 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 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 and 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009;
- b) In the case of Profit & Loss Account, of the loss of the company for the period ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the period ended on that date.

For P.C. BINDAL & CO.

Chartered Accountants

K.C. GUPTA

Partner

Place: New Delhi

Date: 26/05/2009

Membership No. : 088638

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF AKSH OPTIFIBRE LIMITED FOR THE PERIOD ENDED ON 31st MARCH, 2009

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the period. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable.
- (c) During the period, the company has not disposed off substantial / major part of fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified during the period 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 not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (a) to (d) of the order are not applicable.
- (b) 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 period was

Aksh Optifibre Limited

Rs.3,111.56 lacs and the closing balance of loan taken from such parties was Rs. 958 lacs.

- (c) 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.
- (d) According to the information and explanations given to us, the payments of the principal amount and interest of the aforesaid loan are regular.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets, sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements need to entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered ; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules,

1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determining whether they are accurate and correct.
- (ix) (a) According to the information and explanations given to us and according to the books and records produced before us, the company is regular in depositing with appropriate authorities 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, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they become payable except Rs.3.91 lacs relating to sales tax and Rs.0.69 lacs 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)	Period to which Amount Relates	Forum where dispute is pending
Central Excise Act	Excise Duty Demand	95.8	2000-01 & 2003-06	Appellate Tribunal
Central Excise Act	Service Tax Demand	11.09	2004-05, 2005-06 2006-07, 2007-08 & 2008-09	Commissioner (Appeals)
Central Excise Act	Excise Duty Demand	123.33	2005-06 & 2008-09	Commissioner (Appeals)
Central Excise Act	Service Tax Demand	5.50	2004-05	Appellate Tribunal
Rajasthan Sales Tax Act	Sales Tax Demand	74.25	1996-97, 2000-01 & 2001-02	Asstt. Commissioner
Provident Fund Act	Provident Fund	7.60	2004-05	Hon'ble High Court, Jaipur
Stamp Duty Act	Stamp Duty	372.59	2007-08	Hon'ble High Court, Gujrat

- (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 period covered by our audit; however the Company has not incurred cash loss during the immediately preceding accounting period.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders except letters of credits aggregating to Rs 685.50 lacs were not paid on due dates. Average delay per letter of credit was 19.3 days.
- (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 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not availed any term loan during the period under audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of share to parties covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the company has issued Convertible debentures during the period which were later on converted into equity shares during this period.
- (xx) We have verified the end use of money raised by public issue from the offering circular and as disclosed in the notes to the financial statements.
- (xxi) According to the 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

K.C. GUPTA
Partner

Place: New Delhi
Dated: 26/05/2009

Membership No. : 088638

Aksh Optifibre Limited

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, 2009 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the period 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 15,854.82 lacs as at March 31, 2009 . 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, 2009;
 - (ii) In the case of Consolidated Profit and Loss Account, of the loss for the period ended on that ; and
 - (iii) In the case of Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

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

Place: New Delhi
Dated: 26th May, 2009

K.C.Gupta
Partner
Membership. No. : 088638

Aksh Optifibre Limited

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 2009	31 st March 2009	31 st March 2009	31 st March 2009	31 st March 2009
2. Extent of Holding Company's Interest in the subsidiary					
a. Number of Shares	2,259,50,000 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.	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, 2009	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	(668,009)	(58,666)	(46,166)	(161,027)
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, 2009					
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

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at 31.03.2009	As at 30.09.2007
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	"A"	516,290,188	214,811,620
Share Warrant		29,000,003	-
Reserves & Surplus	"B"	1,941,020,594	1,196,632,588
		<u>2,486,310,785</u>	<u>1,411,444,208</u>
Loan Funds			
Secured Loans	"C"	204,625,870	211,070,381
Unsecured Loans	"D"	1,658,072,065	852,555,463
Minority Interest		1,046,517	222,500,000
		<u>1,863,744,452</u>	<u>1,286,125,844</u>
Deferred Tax Liabilities (Net)		-	125,390,786
TOTAL		<u>4,350,055,237</u>	<u>2,822,960,838</u>
APPLICATION OF FUNDS			
Fixed Assets	"E"		
Gross Block		2,196,567,943	1,543,242,665
Less : Accumulated Depreciation		652,915,463	478,844,764
Net Block		<u>1,543,652,480</u>	<u>1,064,397,901</u>
Capital Work in Progress		1,522,928,488	1,411,512,037
Project Development Expenditure		56,462,506	49,861,474
		<u>3,123,043,474</u>	<u>2,525,771,412</u>
Investments	"F"	107,045	107,045
Deferred Tax Assets (Net)		144,354,928	-
Current Assets, Loans & Advances	"G"		
Inventories		207,730,448	289,126,499
Sundry Debtors		285,604,298	184,889,892
Cash & Bank Balances		284,038,495	66,246,927
Loans & Advances		434,254,092	238,584,249
		<u>1,211,627,333</u>	<u>778,847,567</u>
Less : Current Liabilities & Provisions	"H"		
Current Liabilities		453,867,300	444,213,927
Provisions		19,919,899	37,551,259
Net Current Assets		<u>737,840,134</u>	<u>297,082,381</u>
Profit and Loss Account		344,709,656	-
TOTAL		<u>4,350,055,237</u>	<u>2,822,960,838</u>
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 P.C. Bindal & Co.
Chartered Accountants

For & on behalf of Board of Directors

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary

Aksh Optifibre Limited

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR 18 MONTHS ENDED MARCH 31, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
INCOME			
Gross Turnover	"I"	2,638,540,540	970,639,100
Less: Excise Duty/Service Tax		238,442,479	109,470,676
Net Turnover		2,400,098,061	861,168,424
Miscellaneous Income	"J"	40,668,160	29,260,202
TOTAL		2,440,766,221	890,428,626
EXPENDITURE			
Manufacturing and other expenses	"K"	2,262,558,256	625,109,304
Administrative and Selling Expenses	"L"	599,040,969	104,928,390
Financial Expenses	"M"	119,567,514	120,227,621
Miscellaneous Expenditure written off		263,821	1,309,162
Depreciation including amortization	"E"	208,558,207	103,510,290
TOTAL		3,189,988,767	955,084,767
PROFIT / (LOSS) BEFORE TAX		(749,222,546)	(64,656,141)
Provision for tax			
-Current Tax (MAT)		-	2,937,866
-Fringe Benefit Tax		1,778,283	867,292
-Deferred Tax (Credit) / Charge		(269,745,714)	6,529,644
MAT Credit Entitlement		-	2,937,866
PROFIT / (LOSS) AFTER TAX		(481,255,115)	(72,053,077)
Balance brought forward from Previous Year		32,677,568	39,013,570
Reversal of Impairment		58,867,891	-
(refer note 15 of notes to accounts)			
Balance of profit & loss account of erstwhile Aksh Broadband Ltd		-	40,848,960
Balance transferred from General Reserve		45,000,000	
Debenture Redemption Reserve written back		-	50,000,000
PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION		(344,709,656)	57,809,453
APPROPRIATIONS			
Proposed Dividend		-	21,481,162
Dividend Distribution Tax		-	3,650,723
Balance carried to Balance Sheet		(344,709,656)	32,677,568
Basic and Diluted Earning Per Share			
(Face value of Rs.5/- each per share)			
Basic		(7.25)	(1.70)
Diluted		(5.87)	(1.60)
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 P.C. Bindal & Co.
Chartered Accountants

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

For & on behalf of Board of Directors

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR 18 MONTHS ENDED MARCH 31, 2009

(Amount in Rupees)

Particulars	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
A Cash Flow from Operating activities		
Net profit before taxation	(749,222,546)	(64,656,141)
Add: Depreciation	208,558,207	103,510,290
Miscellaneous exp written off	263,821	1,309,162
Interest Expense	96,525,375	109,284,119
Loss on sale of Fixed Assets	82,796	7,546
Less: Interest Income	(27,148,990)	(5,516,819)
Operating cash flow before working capital changes	(470,941,337)	143,938,157
Adjustment for :		
Decrease/(Increase) in Sundry Debtors	(100,714,406)	(184,889,892)
Decrease/(Increase) in Other Assets	(183,249,109)	(232,495,660)
Decrease/(Increase) in Inventories	81,396,051	(289,126,499)
(Decrease)/Increase in Sundry Creditors	261,228,454	452,726,323
Cash generated from operations	(412,280,347)	(109,847,571)
Direct tax (paid)	(9,814,007)	(3,150,723)
Net Cash Inflow / (outflow) from Operating activities	(422,094,354)	(112,998,294)
B Cash Flow from Investing activities		
Purchase of Fixed Assets	(652,705,190)	(1,169,095,747)
Proceeds from Sale of Fixed Assets	20,566,347	1,281,830
Purchase of Investments	-	(107,045)
Adjustment for change in current assets and liabilities	(248,459,566)	-
Interest Income	27,148,990	5,516,819
Miscellaneous Expenditure	(263,821)	(1,309,162)
Project Development Expenditure	(3,489,880)	(49,861,474)
Capital Work in progress including capital advances	(111,416,451)	(1,411,512,037)
Net Cash outflow from Investing activities	(968,619,571)	(2,625,086,816)
C Cash Flow from Financing activities		
Proceeds from Issue of Share Capital	992,967,630	1,524,064,175
Proceeds from Issue of FCCB	1,019,295,200	312,892,300
Proceeds/(Repayments) from Unsecured Borrowings	(213,778,598)	539,663,163
Adjustment for Deferred Tax	-	118,861,142
Adjustment for Minority Interest	-	222,500,000
Proceeds from Long Term Borrowing	-	49,792,559
Proceeds of Working capital borrowing	(6,444,511)	161,277,822
FCCB Issue expenses	(61,876,968)	(15,435,005)
Interest paid	(96,525,375)	(109,284,119)
Dividend and dividend distribution tax paid	(25,131,885)	-
Net Cash inflow from Financing activities	1,608,505,493	2,804,332,037
D Net Increase in cash & cash equivalents	217,791,568	66,246,927
E Cash & Cash equivalents at beginning of period		
- As reported in previous financial statements	66,246,927	-
- Acquired on amalgamation of erstwhile ABL	-	-
F Cash & Cash equivalents at end of period	284,038,495	66,246,927
(refer schedule G (c) of Consolidated Financial Statement)		

As per our report of even date attached

For P.C. Bindal & Co.
Chartered Accountants

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

For & on behalf of Board of Directors

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary

Aksh Optifibre Limited

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at	As at
	31.03.2009	30.09.2007
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED		
85,000,000 (Previous Period 60,000,000) Equity Shares of Rs.5/- each	425,000,000	300,000,000
	425,000,000	300,000,000
ISSUED, SUBSCRIBED & PAID UP		
58,967,341 (Previous Period 42,962,324) Equity Shares of Rs.5/- each fully paid up	294,836,705	214,811,620
Forfeited Shares in case of APAKSH Broadband Ltd	221,453,483	
	516,290,188	214,811,620

Footnotes:

Issued, Subscribed & Paid up Capital includes :

1. a) 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 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 Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation.
2. a) 13,071,896 Equity Shares of Rs.5/- each at a premium of Rs. 55.08 represented by 65,35,948 Global Depository Receipts (GDRs) were issued at a price of USD 3.06 per GDR inclusive of Securities Premium. Each GDR equivalent to 2 equity shares.
- b) 1,129,528 Equity Shares of Rs. 5 each fully paid up issued at the premium of Rs. 53.79 per share upon conversion of Foreign Currency Convertible Bonds (FCCBs).
- c) 396,825 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.58/- per share upon conversion of convertible warrants issued on preferential basis.
- d) 406,768 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.56.46 per share upon conversion of Zero Coupon Fully Convertible Debenture issued on preferential basis.
- e) 1,000,000 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.58/- per share issued on preferential basis.

SCHEDULE - "B"

RESERVES & SURPLUS

(Amount in Rupees)

	As at	Additions	Deductions	As at
	30.09.2007			31.03.2009
Securities Premium Account	1,117,455,020	883,942,542 #	61,876,968 ##	1,939,520,594
General Reserve	45,000,000	-	45,000,000 \$\$	-
State Capital Subsidy	1,500,000	-	-	1,500,000
Profit & Loss Account	32,677,568	58,867,891 *	(91,545,459)	-
	1,196,632,588	942,810,433	15,331,510	1,941,020,594

Notes

Comprises of

- a) Rs. 7200.00 lacs on issue of 13,071,896 equity shares represented by 65,35,948 GDRs.
- b) Rs. 607.57 lacs on issue of 1,129,528 equity shares upon conversion of Foreign Currency Convertible Bonds of 2010 (FCCBs)
- c) Rs. 230.16 lacs on issue of 396,825 equity shares upon conversion of Convertible Warrants.
- d) Rs. 229.66 lacs on issue of 406,768 equity shares upon conversion of Zero Coupon Fully Convertible Debentures.
- e) Rs. 580.00 lacs on issue of 1,000,000 equity shares on preferential basis.

Applied in writing off of GDR / FCCBs issue expenses (net) incurred during the period.

\$\$ Transferred to Profit & Loss Account.

* Includes-

- Rs. 588.68 lacs being reversal upon successful commissioning of Fibre Draw Tower, which was earlier impaired.
- Rs. 450.00 lacs transferred from General Reserve.



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "C"		
SECURED LOANS		
Loans and Advances from Banks		
- Cash Credits	154,833,311	161,277,822
Other Loans		
- Cisco Sysyems Capital India Pvt Ltd	49,792,559	49,792,559
	<u>204,625,870</u>	<u>211,070,381</u>

Footnotes:

- Working Capital Facilities from Banks are secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable claims and material in transit. These facilities are further secured by way of second charge on the fixed assets of the Company and personal guarantee of Managing Director of the Company.
- Non fund based limit (One time Specific Foreign Letter of Credits) aggregating Rs 2180 lacs are further secured by first charge on fixed asset of the Company, of which Rs. 1400 lacs is 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.

SCHEDULE - "D"

UNSECURED LOANS

Foreign Currency Convertible Bonds	1,332,187,500	312,892,300
Loan from Managing Director	800,000	32,500,000
Inter Corporate Deposits	105,725,000	413,156,327
Short Term Loan from Bank #	-	25,000,000
Security Deposit	20,258,910	-
Buyers Credit from Banks	82,599,852	-
Other loans and advances:		
From banks		
Due within one year Rs.24,486,895, (previous period Rs 4,371,862)	24,486,895	4,371,862
From others		
Due within one year Rs.92,013,908, (previous period Rs.64 634,974)	92,013,908	64,634,974
	<u>1,658,072,065</u>	<u>852,555,463</u>

Footnote:

- # Managing Director of the Company has provided his personal guarantee and pledge of part of equity shares held by him as collateral security.

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE - "E"

FIXED ASSETS

S.No.	Description	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		As at	Additions	Deductions	As at	For The	Adjustment	Deductions	As at	As at	As at
		01.10.2007	#		31.03.2009	Period	for pre-operative expenses		31.03.2009	31.03.2009	01.10.2007
1	Freehold Land	184,250	-	-	184,250	-	-	-	-	184,250	184,250
2	Leasehold Land	33,067,875	339,043	-	33,406,918	502,643	-	-	3,254,637	30,152,221	30,315,821
3	Factory Buildings	79,417,081	2,408,607	-	81,825,688	4,099,034	-	-	24,618,654	57,207,034	58,897,461
4	Residential Building	540,400	-	-	540,400	9,695	-	-	85,140	455,260	464,955
5	Plant & Machinery @	918,963,226	501,410,987	58,083,555	1,362,290,658	136,897,921	-	37,539,123	395,385,550	966,925,108	622,956,473
6	Telecom Networking	304,640,682	10,045,050	-	314,685,732	22,395,864	-	-	81,104,249	233,581,483	245,932,277
7	Testing Instruments	86,804,787	8,119,575	-	93,924,362	6,708,642	-	-	45,752,140	48,172,222	46,761,289
8	Air Conditioners	25,789,117	3,109,937	-	28,879,054	3,888,109	-	-	15,649,657	13,229,398	14,007,570
9	Furniture & Fixtures	8,728,751	9,944,228	11,160	18,661,819	1,037,694	109,818	3,415	5,549,717	13,112,102	4,323,131
10	Office Equipments	8,561,884	952,326	153,088	9,361,122	495,596	94,705	56,122	3,059,445	6,301,677	6,036,528
11	Data Processing System	20,340,535	4,383,821	-	24,724,355	1,242,892	1,167,489	-	17,369,415	7,354,940	5,401,501
12	Electric Fittings	29,023,830	20,891,645	-	49,915,275	4,821,911	-	-	17,797,876	32,117,398	16,047,664
13	Vehicles	2,277,100	-	-	2,277,100	165,451	157,980	-	746,423	1,530,677	1,854,107
14	Fork Lift	1,278,275	48,960	-	1,327,235	147,635	-	-	976,062	351,173	450,048
15	Intangible Assets-Software	24,645,092	149,916,902	-	174,563,994	26,145,910	-	-	41,586,436	132,977,558	10,764,826
	Total	1,543,242,665	711,573,081	58,247,803	2,196,567,943	208,558,207	3,111,152	37,598,660	652,915,463	1,543,652,480	1,064,397,901
	Previous Period	1,273,103,440	271,555,030	1,415,905	1,543,242,665	103,510,290	8,461,907	126,429	478,844,764	1,064,397,901	612,453,389

Notes:

@ Includes Rs. Nil (previous period Rs. 1,21,197) due to exchange rate changes of foreign currencies liabilities incurred for acquiring fixed assets.

* Includes Rs. 334,895,575 transferred from erstwhile Aksh Broadband Limited

\$ Includes Rs. 41,244,620 transferred from erstwhile Aksh Broadband Limited



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "F"		
INVESTMENTS		
A LONGTERM INVESTMENT		
QUOTED		
CMI Limited 22,300 (previous period 22,300) equity shares of Rs. 5 each fully paid up	44,600	44,600
	44,600	44,600
UNQUOTED		
Government Securities		
National Saving Certificates	57,045	57,045
(Lodged with Government Department as Security Deposit)		
Kisan Vikas Patra	50,000	50,000
	107,045	107,045
TOTAL LONG TERM INVESTMENTS	151,645	151,645
B CURRENT INVESTMENT	-	-
TOTAL CURRENT INVESTMENTS	-	-
TOTAL INVESTMENTS (A+B)	151,645	151,645
Less: Provision for Diminution in value of quoted Investments	44,600	44,600
	107,045	107,045
Aggregate value of Investments		
Quoted (Market value not available) **	-	-
Unquoted	107,045	107,045
	107,045	107,045
Addition - Nil		
Deletion - Nil		
** 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	25,505,043	24,179,299
ii) Raw Material (Including Goods-in-Transit)	87,625,000	188,265,234
iii) Semi Finished Goods	76,234,351	57,502,524
iv) Stores, Spares & Others	18,366,054	19,179,442
	207,730,448	289,126,499
b) SUNDRY DEBTORS(UNSECURED)		
i) Debts outstanding for a period exceeding six months		
a) Considered Good *	57,417,261	9,012,065
b) Considered Doubtful	1,393,647	1,393,647
Less: Provision for Doubtful Debts	1,393,647	1,393,647
	57,417,261	9,012,065
ii) Others (Considered Good) #	228,187,037	175,877,827
	285,604,298	184,889,892

Aksh Optifibre Limited

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "G" (contd.)		
c) CASH & BANK BALANCES		
i) Cash in hand	724,400	550,797
ii) Balance with Scheduled Banks		
- Current Accounts	19,172,227	11,896,328
- Fixed Deposit	212,660,618	
- Deposit Accounts (Margin) *	50,893,971	49,649,141
iii) In Current Account with Non Scheduled Bank \$	5,090	5,090
iv) Bank balance in Dividend Account	582,190	674,315
v) Unutilised Money of FCCB in Escrow account	-	3,471,256
	284,038,495	66,246,927
LOANS & ADVANCES		
(Unsecured, Considered Good)		
a) Advances Recoverable in cash or in kind for value to be received	220,827,627	143,694,845
b) Prepaid Taxes	11,371,926	3,150,723
c) MAT Credit Entitlement	15,810,666	15,810,666
d) Balance with Excise & Custom	177,561,802	75,928,015
vi) Interest accrued on deposits	8,682,071	-
	434,254,092	238,584,249
	1,211,627,333	778,847,567

Footnotes:

* Pledged against Credit Facilities

\$ The Urban Co-operative Bank Ltd., Maximum Balance Rs. 5,090/-

SCHEDULE - "H"

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

a) Dues of other than SSI undertakings	319,821,895	189,421,680
b) Dues of SSI Undertakings	5,263,376	4,135,730
c) Other Current Liabilities @	111,309,050	133,794,300
d) Advance From Customers	16,690,789	115,739,865
e) Retention Money & Security Deposit	200,000	448,036
f) Unclaimed Dividend	582,190	674,315
	453,867,300	444,213,927

PROVISIONS

a) Provision for Retirement Benefits	12,196,210	8,512,396
b) Provision for Income Tax	2,937,866	2,937,866
c) Provision for Fringe Benefit Tax	1,974,983	969,112
d) Proposed Dividend	-	21,481,162
e) Dividend Distribution tax	-	3,650,723
f) Unearned Income	2,810,840	-
	19,919,899	37,551,259
	473,787,199	481,765,186

Footnote :

@ Includes Rs Nil (Previous Period Rs 37,800,000) being Share Warrant money payable to promoter / a section of public on cancellation of warrants.

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

(Amount in Rupees)

PARTICULARS	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
SCHEDULE - "I"		
GROSS TURNOVER		
Sales (Net of Retruns)	2,594,901,235	957,980,313
Service Income	43,639,305	12,658,787
	<u>2,638,540,540</u>	<u>970,639,100</u>
SCHEDULE - "J"		
MISCELLANEOUS INCOME		
Interest Received on deposits/others	27,148,990	5,516,818
(Tax Deducted at Source Rs. 21,26,458/- (Previous Period Rs.117,986/-)		
Foreign Exchange Fluctuations	-	20,986,524
Liabilities written back	26,525	2,756,860
Other Income	13,492,645	-
	<u>40,668,160</u>	<u>29,260,202</u>
SCHEDULE - "K"		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed	1,797,069,517	563,696,876
Trading Purchases	6,491,877	31,670,249
(Increase)/Decrease in stock	(12,821,687)	15,710,869
Stores Consumed	54,973,814	16,234,629
Job Charges & Contract Expenses	63,995,553	71,697,344
Subscription Charges	37,088,566	41,676,516
Wages, Salaries & Bonus	57,299,746	3,329,883
Contribution to Provident & Other Funds	4,591,151	2,893,445
Employees Welfare	4,864,953	(1,032,313)
Increase/(Decrease) in Excise Duty on Stock	(689,534)	21,131,547
Freight & Cartage	36,651,795	3,237,243
Insurance	2,558,310	34,922,429
Packing Material Consumed	94,042,096	55,119,116
Power & Fuel	114,288,066	-
Repair & Maintenance - Plant & Machinery	5,723,196	4,273,100
Testing Charges	696,005	864,507
	<u>2,266,823,424</u>	<u>865,425,440</u>
Less : Expenses Capitalised	4,265,168	240,316,136
	<u>2,262,558,256</u>	<u>625,109,304</u>

Aksh Optifibre Limited

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

PARTICULARS	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
SCHEDULE - "L"		
ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	73,784,894	-
Salaries & Bonus	98,839,867	22,995,133
Contribution to Provident & Other Funds	7,366,701	1,776,562
Employees Welfare	3,726,528	919,609
Directors' Remuneration	26,672,698	13,692,682
Travelling & Conveyance	22,287,720	9,918,628
Postage & Telephone	6,939,459	3,952,513
Insurance	1,169,025	1,560,401
Loss on Sale of Fixed Assets	82,796	7,546
Foreign Exchange Fluctuations	182,419,830	-
Rent, Rates & Taxes	26,442,228	5,392,828
Professional & Legal Expenses	46,722,946	-
Repair & Maintenance		6,992,857
- Buildings	3,939,736	1,955,728
- Others	3,499,145	1,098,483
Marketing & Service Charges	28,874,922	9,092,057
Discount & Rebate	1,299,183	4,881,032
Freight & Cartage (Outward)	17,863,932	9,732,878
Auditors' Remuneration	2,057,119	1,154,604
Late Delivery Charges	18,483,751	-
Other Expenses	26,568,491	16,870,274
	599,040,969	111,993,815
Less : Expenses Capitalised	-	7,065,425
	599,040,969	104,928,390
SCHEDULE - "M"		
FINANCIAL EXPENSES		
Bank Charges	23,042,139	13,069,162
Interest on Fixed Loans *	46,529,495	73,472,263
Interest on Debentures	-	4,462,001
Interest Others	49,995,880	31,349,855
	119,567,514	122,353,281
Less : Expenses Capitalised	-	2,125,660
	119,567,514	120,227,621

Footnotes:

* Includes Rs. 4,093,561 (previous period Rs. 734,589) on loan taken from Managing Director

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS
SCHEDULE "N"
NOTES TO THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2009.
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

a) Basis of preparation

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, 2009
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) Revenue Recognition

- Revenue from sale of goods is recognized when all the significant risk and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are inclusive of excise duty and exclusive of sales tax and sales return. Net sales are exclusive of excise duty. Service charges are accounted for on accrual basis.
- Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.
- Other Incomes are accrued as earned except where the receipt of income is uncertain.
- Revenue from project under implementation has not been accounted as the project is under implementation stage and will be accounted for on accrual basis.

d) Fixed Assets

- Fixed Assets are stated at cost of acquisition less accumulated depreciation. 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 Building, Plant and Machinery and other Fixed Assets (except leasehold land and software) is provided as per straight-line method in accordance with 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 upto 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.

- Extra shift depreciation is charged on the basis of actual extra shifts worked as required by Schedule XIV to the Companies Act, 1956.
- 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) **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.

h) **Impairment**

Fixed Assets are tested for impairment if there is any indication of their possible impairment. An impairment loss is recognized where the carrying amount of a fixed asset (or cash generating unit) exceeds its recoverable amount, i.e. higher of value in use and net selling price. Impairment Loss recognized in one period can get reversed fully or partly in a subsequent year.

i) **Investments**

Investments are classified into Long Term Investments and Current 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.

j) **Inventories**

- i) 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.
- ii) 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.
- iii) The comparison of cost and realizable value is made on an item-by-item basis.
- iv) Net realizable value of work-in-process is determined on the basis of selling prices of related finished products.
- v) 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 the cost of related finished goods will exceed their net realizable value.

k) **Employee Benefits**

- i) Contribution to Provident Fund and Employees State Insurance Corporation, the defined contribution plans, is accounted for on accrual basis. The Company continues to make contribution to provident fund and employees state insurance corporation plans, administered by the Government of India.
- ii) Liability for gratuity and leave encashment, the defined benefit plans, is determined by actuarial valuation carried out by an independent actuary as at the year-end in accordance with Accounting Standard -15 (Revised 2005). 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.

l) **Foreign Exchange Transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on restatement of liabilities (at the rates prevailing at the year end) is included in the carrying amount of the related fixed assets. In the case of other foreign currency denominated monetary assets and liabilities, the loss or gain arising as above is charged or credited to profit and loss account of the year of restatement / settlement. In the case of forward contracts that relate to operating transactions, difference between forward rates and spot rates on the date of transaction (i.e. forward premium or discount) is recognized as income or expense, as the case may be, over the life of the contract.

m) **Income Tax**

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) **Miscellaneous Expenditure**

Expenditure on issue of shares and foreign currency convertible bonds is adjusted against Securities Premium account.



SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

2. Contingent Liabilities not provided for:

a) Claims not acknowledged as debts

S. No.	Particulars	March 31, 2009	September 30, 2007
i)	Income Tax Matters	-	114.24
ii)	Sales Tax Matters	74.25	74.25
iii)	Service Tax	94.12	14.31
iv)	Excise / Custom Duty	226.02	104.14
v)	Stamp Duty	413.01	372.59
vi)	Others	423.36	49.79

b) Bank Guarantees, letters of credit issued by banks and outstanding as at 31st March, 2009 is Rs. 2,536.93 lacs, net of margin (Previous Period Rs.984.53 lacs).

c) 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.

d) Consequent to import of Plant & Machinery in previous years, the balance of export obligation pending as at 31st March, 2009 is Rs. 5,033.24 lacs (Previous Period Rs. 6,345.46 lacs) and the contingent liability in respect thereof till 31st March, 2009 is Rs.749.57 lacs (Previous Period Rs. 836.66 lacs). The management expects that the obligation will be fulfilled in the coming years.

e) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs. 2635.57 lacs (Previous Period Rs. 142.75 lacs).

3. Employee Benefits:

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

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

(Amount in Rs / Lacs)

Particulars	Current period	Previous period
Employer's Contribution to Provident Fund	136.87	65.97
Employer's Contribution to ESI	7.10	4.25

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

Period ended March 31, 2009
(Amount in Rs. / Lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation as at the beginning of the period	53.71	24.72
b) Interest cost	4.30	1.98
c) Current service cost	17.33	19.14
d) Benefits paid	(14.67)	(5.33)
e) Actuarial (gain)/loss on obligation	(2.58)	(4.33)
f) Present value of obligation as at the end of period	58.09	36.18

ii). Changes in the fair value of plan assets

	Gratuity (Funded)	Leave Encashment
a) Fair value of plan assets at the beginning of the period	27.19	--
b) Expected return on plan assets	2.18	--
c) Contributions	19.10	--
d) Benefits paid	(14.67)	--
e) Actuarial gain/(loss) on plan assets	0.18	--
f) Fair value of plan assets at the end of the period	33.98	--

Aksh Optifibre Limited

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

iii) Net asset / (liability) recognized in balance sheet (24.11) (36.18)

iv). Expense recognized in the statement of profit and loss Account

	Gratuity (Funded)	Leave Encashment
a) Current service cost	17.33	19.14
b) Interest cost	4.30	1.98
c) Expected return on plan assets	(2.17)	--
d) Net actuarial (gain)/ loss recognized in the period	(2.76)	(4.33)
e) Expenses recognized in the statement of profit & losses	16.70	16.79

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. Out of the three petition for winding up of erstwhile Aksh Broadband Limited by a few of its creditors under the provisions of the Companies Act, 1956 before the Hon'ble High Court of Delhi, two matters have been referred to Arbitrator and one matter is pending before the Hon'ble High Court of Delhi.

5. Issue of Foreign Currency Convertible Bonds (FCCBs):

The Company, during the period ended September 30, 2007 and during the current period issued the FCCBs which are convertible into ordinary shares. The particulars, terms of issue and the status of conversion as at March 31, 2009 are given below:

Issue	1% FCCBs (due Jan 2010)	0% FCCBs (due Jan 2013)
Issued on	January 29, 2007	January 8, 2008
Issue Amount (in INR at the time of Issue)	US\$ 8.75 Million (INR 38.73 Crores)	US\$ 20 Million (INR. 78.54 crores)
Face Value	US\$ 10,000	US\$ 100,000
Conversion Price per share at fixed Exchange Rate	US\$1 = INR 44.27	US\$ 1= INR 39.27
Exercise Period	Between February 21, 2007 to December 15, 2009.	Between January 9, 2008 to January 01, 2013.
Redeemable on	January 29, 2010	January 8, 2013
Redemption percentage of the Principal Amount	120.53%	139.93%
Amount Converted	US\$ 2.50 Mn	Nil
Aggregate conversion into shares	1,843,560	Nil
FCCBs outstanding as on March 31, 2009.	US\$ 6.25 Mn	US\$ 20 Mn
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	5,078,699 shares	13,133,779 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
6. Global Depository Receipts (GDRs)

During the period, the Company issued 4,901,961 Global Depository Receipts (GDRs) aggregating to US\$15 Million equivalent to Rs. 58.90 Crores and further 1,633,987 GDRs under Green shoe Option aggregating to US\$ 5 Million equivalent to Rs. 19.64 Crores. The GDRs are listed on Luxembourg Stock Exchange. The GDR issue expenses have been adjusted against the Securities Premium Account. The proceeds from the issue of GDRs have been utilised for the purposes as stated in the offer documents.

7. During the period, the company has issued 5,000,000 convertible warrants on preferential basis. The holder of each warrant is entitled to apply for one equity share of Rs. 5/- each at a premium of Rs. 58/- per share.

Out of above, 396,825 warrants have been converted into equity shares.

Application money @ Rs. 6.30 per warrant i.e. 10% of the price aggregating to Rs. 2.90 Crores received against 4,603,175 warrant has been shown under Shareholders Funds as Share Warrants (These warrants shall be convertible into equity shares within a period of 18 months from the date of allotment i.e. 15th January 2008).

8. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:
(Amt in Rs. / Lacs)

S. No.	Particular	March 31,2009	September 30, 2007
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	1,596.84	1,601.99
	Deferred Tax Assets		
a.	Unabsorbed Depreciation/ Business Loss	2,994.20	314.41
b.	Provision for Retirement Benefits	41.45	28.93
c.	Provision for doubtful debts	4.74	4.74
	Total Deferred Tax Assets	3,040.39	348.08
	Net Deferred Tax Liabilities/(Assets)	(1,443.55)	1,253.91

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, 2009:

- a) Associate :
 - Aksh Networks Limited (Related party in Previous Period)
- 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 (Up to 30th September, 2008)
 - Mr. Y. L. Agarwal (MD of erstwhile Aksh Broadband Ltd., related in Previous Period)
 - Mr. R. V. R. Chowdary
 - Mr. Jacob Victor
- d) Enterprises over which personnel referred in b & c aforementioned exercise significant influence :
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)
 - Luxor Writing Instruments Private Limited (Related in Previous Period)
 - In Cable Net (Andhra) Limited (Relates to Mr. R. V. R. Chowdary)
 - C Star Media Private Limited (Relates to Mr. R. V. R. Chowdary)

Aksh Optifibre Limited

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

Related Party Transactions

		(Amount in Rs. / Lacs)	
		<u>Current Period</u>	<u>Previous Period</u>
a)	<u>Associate</u>		
	Aksh Networks Limited		
	Sale transactions	-	48.79
	Purchase transactions	-	222.53
	Services received	-	8.69
	Interest Expenses	-	6.10
	Outstanding balance due to / (from)	-	120.81
b)	<u>Individuals exercising significant influence & their relatives</u>		
	Dr. Kailash S. Choudhari		
	Director's Remuneration	226.19	182.33
	Interest Expenses	40.94	7.35
	Loans taken	535.00	
	Loans repayment	852.00	
	Outstanding balance due to / (from)	22.77	338.23
	Mr. P. F. Sundesha		
	Rent Paid	37.80	-
	Security Deposit Paid	15.66	-
	Sitting Fees	0.36	0.50
	Outstanding balance due to / (from)	24.85	-
	Mr. Shailesh Popat Lal		
	Rent Paid	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	47.16
	Re-imbursment of expenses Paid	0.40	-
	Outstanding balance due to / (from)	-	1.56
	Mr. Y. L. Agarwal		
	Director's Remuneration	-	17.27
	Outstanding balance due to / (from)	-	-
	Mr. R. V. R. Chowdary		
	Sitting Fees	-	0.50
	Amount Received	-	1.05
	Amount Paid	-	0.80
	Outstanding balance due to / (from)	0.25	0.25
	Mr. Jacob Victor		
	Sitting Fees	-	0.50
	Outstanding balance due to / (from)	-	-
d)	<u>Enterprises over which personnel referred in b & c above exercise significant influence</u>		
	Fulchand Finance Private Limited		
	Interest Expenses	225.16	160.02
	Rent Paid	3.85	-
	Loans taken	3,713.00	50.00
	Loans repayment	4,749.56	-
	Outstanding balance due to / (from)	1,085.59	2,039.66
	Luxor Writing Instruments Private Limited		
	Interest Expenses	-	78.26
	Outstanding balance due to / (from)	-	627.92
	In Cable net (Andhra) Limited		
	Amount Paid	-	12.21
	Amount Received	-	2.58
	Commission Paid	-	1.49
	Outstanding balance due to / (from)	(8.14)	(8.14)
	C Star Media Private Limited		
	Amount Paid	-	80.00
	Outstanding balance due to / (from)	(80.00)	(80.00)

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS
10. Segmental Reporting

Based on the guiding principles given in Accounting Standard -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:

		(Amount in Rs. / Lacs)	
S.No.	Particulars	Current Period	Previous Period
a)	Segment Revenue		
1	Cable Manufacturing	25,949.02	11,558.60
2.	Services	436.39	1,189.42
	Total	26,385.41	12,748.02
	Less : Inter-Segment Revenues	-	3,041.63
	Net Sales / Income from Operations	26,385.41	9,706.39
b)	Segment Results		
1.	Cable Manufacturing	(700.04)	907.01
2.	Services	(3,454.62)	(394.46)
	Total	(4,154.66)	512.55
	Un-allocable Expenses / (Income)	665.13	297.26
	Operating Profit / (Loss)	(4,819.79)	215.29
	Interest expenses	965.25	1,071.58
	Profit/(Loss) before Exceptional Items	(5,785.04)	(856.29)
	Exceptional Items – Expenses / (Income)	1,707.19	(209.73)
	Net Profit / (Loss) before Tax	(7,492.23)	(646.56)
c)	Segmental Capital Employed		
	(Segment assets – segment liabilities)		
	Cable Manufacturing	7,691.32	4,134.90
	Services	27,994.88	22,280.55
	Unallocated	2,923.21	1,814.16
	Total	38,609.41	28,229.61

11. Amount paid/ payable to Auditors

		(Amount in Rs. / Lacs)	
		Current Period	Previous Period
a)	Audit Fee	20.40	11.00
b)	Tax Matters	2.97	0.81
c)	Out of Pocket Expenses	1.17	0.83
d)	Certification Fee/Other Services	1.25	0.41

Aksh Optifibre Limited

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

12. Basic and diluted earning per share :

S.No.	Particulars	Current Period	Previous Period
a.	Net Profit/(Loss) for the period (Rs in Lacs)	(4812.55)	(720.52)
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	55,468,226	42,482,828
c.	Weighted average number of equity shares from dilutive instruments	19,552,550	2,474,031
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	75,020,776	44,956,859
e.	Nominal Value of Equity Shares-(Rs.)	5.00	5.00
f.	Basic-Earning Per Shares (Rs.)	(7.25)	1.70
g.	Diluted -Earning Per Share (Rs.)	(5.87)	1.60

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.
14. 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.
15. During the period consequent upon successful commissioning of Fibre Draw Tower which was earlier impaired, the company has credited Rs. 588.68 lacs to revenue reserve.
16. The names of small scale industrial undertakings to whom the group owes amount outstanding for more than 30 days as at the Balance sheet date are Wood Tech & Wood Home.
17. 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.
18. In the case of AP AKSH Bank Guarantee of Rs. 5,000,000.00 was invoked by M/s. Andhra Pradesh Technology Services Ltd due to failure of implementation of project, shown in advance recoverable as company is contesting.
19. 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. 7,377,240.00 (Previous period Rs. 3,972,360.00)on secured loan taken from Cisco Systems Capital India Pvt Ltd.
20. In case of AP AKSH, the operation are presently suspended due to some litigation. One of the shareholder of the company 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 has also been dismissed. A Special Leave Petition filed against the Hon'ble High Court order is pending adjudication before Hon'ble Supreme Court, where arguments have been part heard. The management of the company is confident that the Special Leave Petition will be dismissed after which it would take the appropriate decision.



SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

21. Additional information pursuant to the provisions of paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act, 1956

	Unit	Current Period		Previous Period	
(A) Capacity & Production					
(a) Licenced Capacity		Not Applicable		Not Applicable	
(b) Installed Capacity					
(i) Metal free Optical Fibre Cable	Km/p.a.		125,560		79,896
---Duct Type, Armoured and Aerial					
(ii) Proof Cable	Km/p.a.		75,000		75,000
(iii) Optical Fibre	Km/p.a.		1,600,000		800,000
(iv) Fibre Reinforced Plastic Rod	Km/p.a.		600,000		500,000
(c) Production					
(i) Optical Fibre Cables	Kms		57,913		33,289
(ii) Fibre Reinforced Plastic Rod	Kms		608,945		349,711
(iii) Optical Fibre	Kms		1,297,603		260,924
(B) Sales					
		Quantity	Value	Quantity	Value
			(Rs in Lacs)		(Rs in Lacs)
(i) Optical Fibre Cables*	Kms	58,355	19,595.94	33,039	7,158.66
(ii) Fibre Reinforced Plastic Rod*	Kms	544,582	5,656.78	323,029	3,474.71
(iii) Optical Fibre*	Kms	125,016	489.86	31,585	133.68
(iv) Accessories #			113.17		761.60
(v) Others			93.28		29.95
			<u>25,949.02</u>		<u>11,558.60</u>
* Excludes captive consumption					
# Quantities details not easily ascertainable due to various items.					
(C) Trading Purchases					
(i) Cables	Kms	-	-	351	42.65
(ii) Accessories			64.92		274.05
(D) Raw Material Consumed					
(i) Optical Fibre	Kms	483,282	2,154.37	197,199	935.36
(ii) Preforms	Mts	38	3,812.27	8	764.35
(iii) PVC, HDPE, Nylon, MB, LSZH	Mts	4,681	6,137.77	1,530	1,678.30
(iv) Glass Rovings	Mts	3,547	1,940.01	1,621	806.43
(v) Others			3,926.26		1,452.54
			<u>17,970.69</u>		<u>5,636.98</u>
(E) Closing Stock of Finished Goods/Products					
(i) Optical Fibre Cables	Kms	803	166.56	1,058	179.36
(ii) Fibre Reinforced Plastic Rod	Kms	-	-	156	0.50
(iii) Optical Fibre	Kms	6,602	29.30	400	1.76
(iv) Accessories		4,660	58.97	5,255	59.78
(v) Others			0.22		0.39
			<u>255.05</u>		<u>241.79</u>
(F) Opening Stock of Finished Goods/products					
(i) Optical Fibre Cables	Kms	1,058	179.36	1,233	195.60
(ii) Fibre Reinforced Plastic Rod	Kms	156	0.50	3,583	12.62
(iii) Optical Fibre	Kms	400	1.76		
(iv) Accessories			59.78		8.41
(v) Others			0.39		0.38
			<u>241.79</u>		<u>217.01</u>

Aksh Optifibre Limited

SCHEDULE FORMING PART OF CONSOLIDATED ACCOUNTS

		Current Period		Previous Period	
		VALUE (Rs. / Lacs)	%	VALUE (Rs. / Lacs)	%
(G)	Value and Percentage of Imported/ Indigenous Raw-Material Consumed				
	Imported	11,373.14	63.29	3,536.29	62.73
	Indigenous	6,597.55	36.71	2,100.69	37.27
		17,970.69	100.00	5,636.98	100.00
(H)	Spare Parts & Components				
	Imported	106.43	71.64	7.63	35.42
	Indigenous	42.14	28.36	13.91	64.58
(I)	Value of Imports on CIF Basis				
	Raw Materials	11,159.11		3,776.36	
	Consumable	189.91		13.53	
	Telephone Software	-		487.83	
	Capital Goods	4,861.64		925.87	
(J)	Earnings in Foreign Exchange on FOB Basis				
	Exports of Goods	6,158.60		1,379.68	
	Interest received on FDRs	160.85		-	
(K)	Expenditure in Foreign Currency				
	Interest on FCCB	43.92		13.49	
	Travelling	24.57		5.18	
	Legal & Professional	520.20		142.03	
	Repair & Maintenance	3.68		1.33	
	Exhibition Expenses	37.55		-	
	Commission on sale	35.23		-	
	International Carrier Charges-Services	69.57		-	
	Bank Charges	27.26		-	
	Bandwidth Expenses	-		35.45	
	Others	6.55		8.73	
(L)	Dividend Remitted in Foreign Currency				
	Year of Dividend	2006-07		2005-06	
	No. of Non Resident Shareholders	2		4	
	No. of Equity Shares Held by them	1,331,675		1,750,025	
	Gross Amount of Dividend (Rs. Lacs)	6.66		30.62	

22 Previous Period's figures have been regrouped and/or rearranged to conform to those of current period's figures wherever necessary.

As per our report of even date attached
For P.C. Bindal & Co.
Chartered Accountants

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

For & on behalf of Board of Directors

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary

Aksh Optifibre Limited

BALANCE SHEET AS AT MARCH 31, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	As at 31.03.2009	As at 30.09.2007
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	"A"	294,836,705	214,811,620
Share Warrant		29,000,003	-
Reserves & Surplus	"B"	1,941,020,594	1,275,351,168
		<u>2,264,857,302</u>	<u>1,490,162,788</u>
Loan Funds			
Secured Loans	"C"	154,833,311	161,277,822
Unsecured Loans	"D"	1,653,072,065	847,555,463
		<u>1,807,905,376</u>	<u>1,008,833,285</u>
Deferred Tax Liabilities (Net)		-	125,390,786
TOTAL		<u>4,072,762,678</u>	<u>2,624,386,859</u>
APPLICATION OF FUNDS			
Fixed Assets	"E"		
Gross Block		2,181,669,206	1,528,343,929
Less : Accumulated Depreciation		645,651,955	474,692,408
Net Block		1,536,017,251	1,053,651,521
Capital Work in Progress		139,455,742	28,039,291
		<u>1,675,472,993</u>	<u>1,081,690,812</u>
Investments	"F"	1,131,857,045	881,532,045
Deferred Tax Assets (Net)		144,354,928	-
Current Assets, Loans & Advances	"G"		
Inventories		207,730,448	289,126,499
Sundry Debtors		456,269,004	590,867,910
Cash & Bank Balances		270,054,570	50,114,687
Loans & Advances		387,707,628	205,396,106
		<u>1,321,761,650</u>	<u>1,135,505,202</u>
Less : Current Liabilities & Provisions	"H"		
Current Liabilities		445,936,797	436,485,907
Provisions		19,804,349	37,855,293
Net Current Assets		856,020,504	661,164,002
Profit and Loss Account		265,057,208	
TOTAL		<u>4,072,762,678</u>	<u>2,624,386,859</u>
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 P.C. Bindal & Co.
Chartered Accountants

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

For & on behalf of Board of Directors

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary



PROFIT & LOSS ACCOUNT FOR 18 MONTHS ENDED MARCH 31, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
INCOME			
Gross Turnover	"I"	2,638,540,540	1,274,801,797
Less: Excise Duty/Service Tax		238,442,479	121,061,035
Net Turnover		2,400,098,061	1,153,740,762
Miscellaneous Income	"J"	40,668,160	29,260,203
TOTAL		2,440,766,221	1,183,000,965
EXPENDITURE			
Manufacturing and other expenses	"K"	2,262,558,256	824,417,507
Administrative and Selling Expenses	"L"	598,373,113	111,993,815
Financial Expenses	"M"	119,565,323	122,353,281
Miscellaneous Expenditure written off		-	1,309,162
Depreciation including amortization	"E"	208,558,207	108,864,761
TOTAL		3,189,054,899	1,168,938,526
PROFIT / (LOSS) BEFORE TAX		(748,288,678)	14,062,439
Provision for tax			
-Current Tax (MAT)		-	2,937,866
-Fringe Benefit Tax		1,778,283	867,292
-Deferred Tax (Credit)/Charge		(269,745,714)	6,529,644
MAT Credit Entitlement		-	2,937,866
PROFIT / (LOSS) AFTER TAX		(480,321,247)	6,665,503
Balance brought forward from Previous Year		111,396,148	39,013,570
Reversal of Impairment		58,867,891	-
(refer note 16 of notes to accounts)			
Balance of profit & loss account of erstwhile Aksh Broadband Ltd		-	40,848,960
Balance transferred from General Reserve		45,000,000	-
Debenture Redemption Reserve written back		-	50,000,000
PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION		(265,057,208)	136,528,033
APPROPRIATIONS			
Proposed Dividend		-	21,481,162
Dividend Distribution Tax		-	3,650,723
Balance carried to Balance Sheet		(265,057,208)	111,396,148
Basic and Diluted Earning Per Share			
(Face value of Rs.5/- each per share)			
Basic		(8.66)	0.16
Diluted		(6.36)	0.15
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 P.C. Bindal & Co.
Chartered Accountants

For & on behalf of Board of Directors

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary

Aksh Optifibre Limited

CASH FLOW STATEMENT FOR 18 MONTHS ENDED MARCH 31, 2009

(Amount in Rupees)

Particulars	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
A Cash Flow from Operating activities		
Net profit/(loss) before taxation	(748,288,678)	14,062,439
Add: Depreciation	208,558,207	108,864,761
Miscellaneous exp written off	-	1,366,335
Interest Expense	96,525,375	109,284,119
Loss on sale of Fixed Assets	82,796	7,546
Less: Interest Income	(27,148,989)	(5,516,819)
Operating cash flow before working capital changes	(470,271,289)	228,068,381
Adjustment for :		
Decrease/(Increase) in Sundry Debtors	134,598,906	(162,522,324)
Decrease/(Increase) in Other Assets	(177,793,130)	443,907,092
Decrease/(Increase) in Inventories	81,396,051	(124,453,220)
(Decrease)/Increase in Sundry Creditors	16,531,832	(232,291,373)
Cash generated from operations	(415,537,630)	152,708,556
Direct tax (paid)	(6,296,675)	18,748,537
Net Cash Inflow / (outflow) fom Operating activities	(421,834,305)	171,457,093
B Cash Flow from Investing activities		
Purchase of Fixed Assets	(764,121,641)	(286,903,142)
Proceeds from Sale of Fixed Assets	20,566,347	572,880
Purchase of Investments	(250,325,000)	(542,500,000)
Interest Income	27,148,989	5,516,819
Net Cash outflow from Investing activities	(966,731,305)	(823,313,443)
C Cash Flow from Financing activities		
Proceeds from Issue of Share Capital/Warrants	993,764,402	78,769,984
Proceeds from Issue of FCCB	1,019,295,200	312,892,300
Proceeds/(Repayments) from Unsecured Borrowings	(213,778,598)	385,292,964
Repayment of long Term Borrowing	-	(97,293,355)
Proceeds/(Repayments) of Working capital borrowing	(6,444,511)	71,642,275
FCCB/GDR Issue expenses	(62,673,740)	(15,435,005)
Interest paid	(96,525,375)	(109,284,119)
Dividend and dividend distribution tax paid	(25,131,885)	(45,634,890)
Net Cash inflow from Financing activities	1,608,505,493	580,950,154
D Net Increase in cash & cash equivalents	219,939,883	(70,906,196)
E Cash & Cash equivalents at beginning of period		
- As reported in previous financial statements	50,114,687	69,040,086
- Acquired on amalgamation of erstwhile ABL	-	51,980,797
F Cash & Cash equivalents at end of period	270,054,570	50,114,687
(refer schedule G (c) of Financial Statements		

As per our report of even date attached
For P.C. Bindal & Co.
Chartered Accountants

For & on behalf of Board of Directors

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	(Amount in Rupees)	
	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED		
85,000,000 (previous period 60,000,000) Equity Shares of Rs.5/- each	425,000,000	300,000,000
	<u>425,000,000</u>	<u>300,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
58,967,341 (previous period 42,962,324) Equity Shares of Rs.5/- each fully paid up	294,836,705	214,811,620
	<u>294,836,705</u>	<u>214,811,620</u>

Footnotes:
Issued, Subscribed & Paid up Capital includes :

1. a) 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 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 Equity Shares of Rs. 5/- each issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation.
2. a) 13,071,896 Equity Shares of Rs.5/- each at a premium of Rs. 55.08 represented by 65,35,948 Global Depository Receipts (GDRs) were issued at a price of USD 3.06 per GDR inclusive of Securities Premium. Each GDR equivalent to 2 equity shares.
- b) 1,129,528 Equity Shares of Rs. 5 each fully paid up issued at the premium of Rs. 53.79 per share upon conversion of Foreign Currency Convertible Bonds (FCCBs).
- c) 396,825 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.58/- per share upon conversion of convertible warrants issued on preferential basis.
- d) 406,768 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.56.46 per share upon conversion of Zero Coupon Fully Convertible Debenture issued on preferential basis.
- e) 1,000,000 Equity Shares of Rs. 5/- each fully paid up issued at premium of Rs.58/- per share issued on preferential basis.

SCHEDULE - "B"
RESERVES & SURPLUS

	(Amount in Rupees)			
	As at 01.10.2007	Additions	Deductions	As at 31.03.2009
Securities Premium Account	1,117,455,020	884,739,314#	62,673,740 ##	1,939,520,594
General Reserve	45,000,000	-	45,000,000 \$\$	-
State Capital Subsidy	1,500,000	-	-	1,500,000
Profit & Loss Account	111,396,148	103,867,891*	215 264 039	-
	<u>1,275,351,168</u>	<u>988,607,205</u>	<u>322,937,779</u>	<u>1,941,020,594</u>

Notes
Comprises of

- a) Rs. 7200.00 lacs on issue of 13,071,896 equity shares represented by 65,35,948 GDRs.
- b) Rs. 607.57 lacs on issue of 1,129,528 equity shares upon conversion of Foreign Currency Convertible Bonds of 2010 (FCCBs)
- c) Rs. 230.16 lacs on issue of 396,825 equity shares upon conversion of Convertible Warrants.
- d) Rs. 229.66 lacs on issue of 406,768 equity shares upon conversion of Zero Coupon Fully Convertible Debentures.
- e) Rs. 580.00 lacs on issue of 1,000,000 equity shares on preferential basis.

Applied in writing off of GDR / FCCBs issue expenses (net) incurred during the period.

\$\$ Transferred to Profit & Loss Account.

*** Includes-**

- Rs. 588.68 lacs being reversal upon successful commissioning of Fibre Draw Tower, which was earlier impaired.
- Rs. 450.00 lacs transferred from General Reserve.

Aksh Optifibre Limited

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
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SCHEDULE - "C"

SECURED LOANS

Loans and Advances from Banks

- Cash Credits	154,833,311	161,277,822
	154,833,311	161,277,822

Footnotes:

- a. Working Capital Facilities from Banks are secured by way of hypothecation of present and future stock of raw material, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable claims and material in transit. These facilities are further secured by way of second charge on the fixed assets of the Company and personal guarantee of Managing Director of the Company.
- b. Non fund based limit (One time Specific Foreign Letter of Credits) aggregating Rs 2180 lacs are further secured by first charge on fixed asset of the Company, of which Rs. 1400 lacs is 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.

SCHEDULE - "D"

UNSECURED LOANS

Foreign Currency Convertible Bonds	1,332,187,500	312,892,300
Loan from Managing Director	800,000	32,500,000
Inter Corporate Deposits	100,725,000	408,156,327
Short Term Loan from Bank #	-	25,000,000
Security Deposit	20,258,910	-
Buyers Credit from Banks	82,599,852	-
Other loans:		
From banks	24,486,895	4,371,862
From others	92,013,908	64,634,974
	1,653,072,065	847,555,463

Footnotes:

- # Managing Director of the Company has provided his personal guarantee and pledge of part of equity shares held by him as collateral security.



SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - "E"
FIXED ASSETS

(Amount in Rupees)

S.No.	Description	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		As at 01.10.2007	Additions	Deductions	As at 31.03.2009	As at 01.10.2007	For The Period	Deductions	As at 31.03.2009	As at 30.09.2007
1	Freehold Land	184,250	-	-	184,250	0	-	-	184,250	184,250
2	Leasehold Land	33,067,875	339,043	-	33,406,918	2,752,054	502,643	-	30,152,221	30,315,821
3	Factory Buildings	79,417,081	2,408,607	-	81,825,688	20,519,620	4,099,034	-	57,207,034	58,897,461
4	Residential Building	540,400	-	-	540,400	75,445	9,695	-	455,260	464,955
5	Plant & Machinery @	918,963,226	501,410,987	58,083,555	1,362,290,658	296,006,753	136,897,920	37,539,123	966,925,108	622,956,473
6	Telecom Networking	304,640,662	10,045,050	-	314,685,712	58,708,385	22,395,864	-	233,581,463	245,932,277
7	Testing Instruments	85,804,787	8,119,575	-	93,924,362	39,043,498	6,708,642	-	48,172,222	46,761,289
8	Air Conditioners	25,769,117	3,109,937	-	28,879,054	11,761,547	3,888,109	-	13,229,398	14,007,571
9	Furniture & Fixtures	7,572,167	9,944,228	11,160	17,505,235	4,238,505	1,037,695	3,415	12,232,450	3,333,662
10	Office Equipments	7,232,692	952,326	153,088	8,031,930	2,345,554	495,506	56,122	5,246,992	4,887,138
11	Data Processing System	15,456,764	4,383,820	-	19,840,584	13,332,261	1,242,893	-	5,265,430	2,124,502
12	Electric Fittings	29,023,630	20,891,645	-	49,915,275	12,975,965	4,821,911	-	32,117,399	16,047,665
13	Vehicles	1,168,473	-	-	1,168,473	213,092	165,450	-	789,931	955,381
14	Fork Lift	1,278,275	48,960	-	1,327,235	828,227	147,835	-	351,173	450,048
15	Intangible Assets-Software	18,224,530	149,918,902	-	168,143,432	11,891,502	26,145,010	-	130,106,920	6,333,028
	Total	1,528,343,929	711,573,080	58,247,803	2,181,669,206	474,692,408	208,558,207	37,598,660	1,536,017,251	1,053,651,521
	Previous Period	1,257,688,745	*	271,362,039	1,528,343,929	365,954,076	\$	108,864,761	1,053,651,521	598,083,614

Notes:

@ Includes Rs. NIL (previous period Rs. 1,21,197) due to exchange rate changes of foreign currencies liabilities incurred for acquiring fixed assets.

* Includes Rs 334,895,675 transferred from erstwhile Aksh Broadband Limited

\$ Includes Rs 41,244,620 transferred from erstwhile Aksh Broadband Limited

Aksh Optifibre Limited

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "F"		
INVESTMENTS		
A. LONG TERM INVESTMENTS		
QUOTED		
CMI Limited 22,300 (previous period 22,300) equity shares of Rs. 5 each fully paid up	44,600	44,600
	<u>44,600</u>	<u>44,600</u>
UNQUOTED		
Government Securities		
National Saving Certificates (Lodged with Government Department as Security Deposit)	57,045	57,045
Kisan Vikas Patra	50,000	50,000
	<u>107,045</u>	<u>107,045</u>
Total Long Term Investments	<u>151,645</u>	<u>151,645</u>
B. CURRENT INVESTMENTS		
Investment in Subsidiary Companies		
Spyk Global Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up	500,000	-
Aksh Infratel Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up	500,000	-
Aksh Net Tel Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up	500,000	-
Aksh Technologies Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up	500,000	-
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
Less : Uncalled liability on shares partly paid	-	248,325,000
Total Current Investments	<u>1,131,750,000</u>	<u>881,425,000</u>
TOTAL INVESTMENTS	<u>1,131,901,645</u>	<u>881,576,645</u>
Less: Provision for Diminution in value of quoted Investments	44,600	44,600
Aggregate value of Investments	<u>1,131,857,045</u>	<u>881,532,045</u>
Quoted (Market value not available) **	-	-
Unquoted	<u>1,131,857,045</u>	<u>881,532,045</u>
	<u>1,131,857,045</u>	<u>881,532,045</u>

Movements in investments during the year

Addition:

Spyk Global Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up
 Aksh Infratel Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up
 Aksh Net Tel Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up
 Aksh Technologies Limited 100000 (previous period Nil) equity shares of Rs. 5 each fully paid up
 APAKSH Broadband Limited payment of call money of Rs. 248,325,000

Deletion :

** 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 31.03.2009	As at 30.09.2007
SCHEDULE - "G"		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
a) INVENTORIES		
i) Finished Goods & Traded Goods	25,505,043	24,179,299
ii) Raw Material (Including Goods-in-Transit)	87,625,000	188,265,234
iii) Semi Finished Goods	76,234,351	57,502,524
iv) Stores, Spares & Others	18,366,054	19,179,442
	207,730,448	289,126,499
b) SUNDRY DEBTORS(UNSECURED)		
i) Debts outstanding for a period exceeding six months		
a) Considered Good #	228,081,967	414,990,083
b) Considered Doubtful	1,393,647	1,393,647
Less: Provision for Doubtful Debts	1,393,647	1,393,647
	228,081,967	414,990,083
ii) Others (Considered Good)	228,187,037	175,877,827
	456,269,004	590,867,910
c) CASH & BANK BALANCES		
i) Cash in hand	546,333	372,730
ii) Balance with Scheduled Banks		
- Current Accounts	17,393,680	10,942,155
- Deposit/ Margin Account *	251,527,277	34,649,141
iii) In Current Account with Non Scheduled Bank \$	5,090	5,090
iv) In Dividend Account	582,190	674,315
v) Unutilised Money of FCCB in Escrow account	-	3,471,256
	270,054,570	50,114,687
B. LOANS & ADVANCES		
(Unsecured, Considered Good)		
a)Advances Recoverable in cash or in kind for value to be received ¥	199,696,340	114,082,917
b)Prepaid Taxes	10,993,830	6,475,438
c)MAT Credit Entitlement	15,810,666	15,810,666
d)Interest accrued on deposits	8,682,071	18,135,774
e)Balance with Excise & Custom	152,524,721	50,891,311
	387,707,628	205,396,106
	1,321,761,650	1,135,505,202

Footnotes:

- # Includes Rs. 170,664,706 (net of advances) due from APAKSH Broadband Limited, a Subsidiary Company (previous period Rs. 405,978,018). Maximum amount due during the period Rs 405,978,018 (previous period Rs. 405,978,018).
- * Includes Rs. 213,070,261 pledged with the Banks for various Facilities.
- \$ The Urban Co-operative Bank Ltd., Maximum Balance Rs. 5,090/- (Previous Period Rs. 5090/-)
- ¥ includes Rs. 138,302/- due from APAKSH Broadband Limited a subsidiary Company (previous period Rs 5, 594,282) Maximum Amount due during the period Rs. 5,594,282/- (Previous period Rs. 5,594,282/-)

Aksh Optifibre Limited

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rupees)

PARTICULARS	As at 31.03.2009	As at 30.09.2007
SCHEDULE - "H"		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
a) Dues of other than SSI undertakings	313,521,930	183,121,716
b) Dues of SSI Undertakings	5,263,376	4,135,730
c) Other Current Liabilities @	109,678,512	132,366,245
d) Advance From Customers	16,690,789	115,739,865
e) Retention Money & Security Deposit	200,000	448,036
f) Unclaimed Dividend	582,190	674,315
	445,936,797	436,485,907
B. PROVISIONS		
a) Provision for Retirement Benefits	12,196,210	8,512,396
b) Provision for Income Tax	2,937,866	2,937,866
c) Provision for Fringe Benefit Tax	1,859,433	867,292
d) Proposed Dividend	-	21,481,162
e) Dividend Distribution tax	-	3,650,723
f) Unearned Income	2,810,840	405,854
	19,804,349	37,855,293
	465,741,146	474,341,200

Footnote :

@ Includes Rs Nil (Previous Period Rs 37,800,000) being Share Warrant money payable to promoter / a section of public on cancellation of warrants.



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
SCHEDULE - "I"		
GROSS TURNOVER		
Sales (Net of Retruns)	2,594,901,235	1,155,860,179
Service Income	43,639,305	118,941,618
	2,638,540,540	1,274,801,797
SCHEDULE - "J"		
MISCELLANEOUS INCOME		
Interest Received on deposits/others (Tax Deducted at Source Rs. 2,126,458/- (Previous Period Rs.541,422/-)	27,148,989	5,516,819
Foreign Exchange Fluctuations	-	20,986,524
Other Income	13,519,170	2,756,860
	40,668,160	29,260,203
SCHEDULE - "K"		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed	1,797,069,517	563,696,876
Trading Purchases	6,491,877	31,670,249
(Increase)/Decrease in stock	(12,821,687)	15,710,869
Stores Consumed	54,973,814	16,234,629
Job Charges & Contract Expenses	63,995,553	61,017,526
Subscription Charges	37,088,566	10,679,818
Wages, Salaries & Bonus	57,299,746	41,676,516
Contribution to Provident & Other Funds	4,591,151	3,329,883
Employees Welfare	4,864,953	2,893,445
Increase/(Decrease) in Excise Duty on Stock	(689,534)	(1,032,313)
Freight & Cartage	36,651,795	21,131,547
Insurance	2,558,310	3,237,243
Packing Material Consumed	94,042,096	34,922,429
Power & Fuel	114,288,066	55,119,116
Repair & Maintenance - Plant & Machinery	5,723,196	4,273,100
Testing Charges	696,005	864,507
	2,266,823,424	865,425,440
Less : Expenses Capitalised	4,265,168	41,007,933
	2,262,558,256	824,417,507

Aksh Optifibre Limited

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS	18 Months Ended 31.03.2009	18 Months Ended 30.09.2007
SCHEDULE "L"		
ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	73,784,894	-
Salaries & Bonus	98,839,867	22,995,133
Contribution to Provident & Other Funds	7,366,701	1,776,562
Employees Welfare	3,726,528	919,609
Directors' Remuneration	26,672,698	13,692,682
Travelling & Conveyance	22,287,720	9,918,628
Postage & Telephone	6,939,459	3,952,513
Insurance	1,169,025	1,560,401
Loss on Sale of Fixed Assets	82,796	7,546
Foreign Exchange Fluctuations	182,419,830	-
Rent, Rates & Taxes	26,442,226	5,392,828
Professional & Legal Expenses	46,095,090	6,992,857
Repair & Maintenance		
- Buildings	3,939,736	1,955,728
- Others	3,499,145	1,098,483
Marketing & Service Charges	28,874,922	9,092,057
Discount & Rebate	1,299,183	4,881,032
Freight & Cartage (Outward)	17,863,932	9,732,878
Auditors' Remuneration	2,017,119	1,154,604
Late Delivery Charges	18,483,751	-
Other Expenses	26,568,491	16,870,274
	598,373,113	111,993,815

SCHEDULE - "M"

FINANCIAL EXPENSES

Bank Charges	23,039,948	13,069,162
Interest on Fixed Loans *	46,529,495	73,472,263
Interest on Debentures	-	4,462,001
Interest Others	49,995,880	31,349,855
	119,565,323	122,353,281

Footnotes:

- Includes Rs. 4,093,561/- (previous period Rs. 734,589/-) on loan taken from Managing Director

SCHEDULE FORMING PART OF ACCOUNTS
SCHEDULE "N"

NOTES TO ACCOUNTS AS AT MARCH 31, 2009.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant requirements of the Companies Act, 1956. Significant accounting policies applied in preparing and presenting these financial Statements are set out below:

a) Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis of Accounting and on a going concern basis.

b) Revenue Recognition

- i) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership are transferred to the buyer (usually at the point of dispatch to customers). Sales are inclusive of excise duty and exclusive of sales tax and sales return. Net sales are exclusive of excise duty. Service charges are accounted for on accrual basis.
- ii) Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.
- iii) Other Incomes are accrued as earned except where the receipt of income is uncertain.

c) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. 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 Building, Plant and Machinery and other Fixed Assets (except leasehold land and software) is provided as per straight-line method in accordance with 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 upto 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) Extra shift depreciation is charged on the basis of actual extra shifts worked as required by Schedule XIV to the Companies Act, 1956.
- iii) Cost of leasehold land is amortized over lease period on a straight-line basis.
- iv) Cost of software is amortised over its useful life on a straight-line basis.

f) Impairment

Fixed Assets are tested for impairment if there is any indication of their possible impairment. An impairment loss is recognized where the carrying amount of a fixed asset (or cash generating unit) exceeds its recoverable amount, i.e. higher of value in use and net selling price. Impairment Loss recognized in one period can get reversed fully or partly in a subsequent year.

g) Investments

Investments are classified into Long Term Investments and Current 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.

h) Inventories

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

Aksh Optifibre Limited

SCHEDULE FORMING PART OF ACCOUNTS

- iv) Net realizable value of work-in- process is determined on the basis of selling prices of related finished products.
- v) 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 the cost of related finished goods will exceed their net realizable value.

i) Employee Benefits

- a) Contribution to Provident Fund and Employees State Insurance Corporation, the defined contribution plans, is accounted for on accrual basis. The Company continues to make contribution to provident fund and employees state insurance corporation plans, administered by the Government of India.
- b) Liability for gratuity and leave encashment, the defined benefit plans, is determined by actuarial valuation carried out by an independent actuary as at the year-end in accordance with Accounting Standard -15 (Revised 2005). 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.

j) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on restatement of liabilities (at the rates prevailing at the year end) is included in the carrying amount of the related fixed assets. In the case of other foreign currency denominated monetary assets and liabilities, the loss or gain arising as above is charged or credited to profit and loss account of the year of restatement / settlement. In the case of forward contracts that relate to operating transactions, difference between forward rates and spot rates on the date of transaction (i.e. forward premium or discount) is recognized as income or expense, as the case may be, over the life of the contract.

k) Income Tax

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.

l) Miscellaneous Expenditure

Expenditure on issue of shares and foreign currency convertible bonds is adjusted against Securities Premium account.

2. Contingent Liabilities not provided for:

a. Claims not acknowledged as debts

(Amount in Rs./lacs)			
S. No.	Particulars	March 31, 2009	September 30, 2007
i)	Income Tax Matters	-	114.24
ii)	Sales Tax Matters	74.25	74.25
iii)	Service Tax	94.12	14.31
iv)	Excise / Custom Duty	226.02	104.14
v)	Stamp Duty	413.01	372.59
vi)	Others	73.36	49.79

b) Bank Guarantees, letters of credit issued by banks and outstanding as at 31st March, 2009 is Rs. 2,536.93 lacs, net of margin (Previous Period Rs.984.53 lacs).

c) 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.

d) Consequent to import of Plant & Machinery in previous years, the balance of export obligation pending as at 31st March, 2009 is Rs. 5,033.24 lacs (Previous Period Rs. 6,345.46 lacs) and the contingent liability in respect thereof till 31st March, 2009 is Rs.749.57 lacs (Previous Period Rs. 836.66 lacs) .The management expects that the obligation will be fulfilled in the coming years.

SCHEDULE FORMING PART OF ACCOUNTS

e) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs. 2635.57 lacs (Previous Period Rs. 142.75 lacs).

3. Employee Benefits:

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

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

(Amount in Rs. / Lacs)

Particulars	Current period	Previous period
Employer's Contribution to Provident Fund	136.87	65.30
Employer's Contribution to ESI	7.10	4.25

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

Period ended March 31, 2009
(Amount in Rs. / Lacs)

	Gratuity (Funded)	Leave Encashment
a) Present value of obligation as at the beginning of the period	53.71	24.72
b) Interest cost	4.30	1.98
c) Current service cost	17.33	19.14
d) Benefits paid	(14.67)	(5.33)
e) Actuarial (gain)/loss on obligation	(2.58)	(4.33)
f) Present value of obligation as at the end of period	58.09	36.18

ii). Changes in the fair value of plan assets

	Gratuity (Funded)	Leave Encashment
a) Fair value of plan assets at the beginning of the period	27.19	--
b) Expected return on plan assets	2.18	--
c) Contributions	19.10	--
d) Benefits paid	(14.67)	--
e) Actuarial gain/(loss) on plan assets	0.18	--
f) Fair value of plan assets at the end of the period	33.98	--

iii) Net asset / (liability) recognized in balance sheet (24.11) (36.18)

iv) Expense recognized in the statement of profit and loss Account

	Gratuity (Funded)	Leave Encashment
a) Current service cost	17.33	19.14
b) Interest cost	4.30	1.98
c) Expected return on plan assets	(2.17)	--
d) Net actuarial (gain)/ loss recognized in the period	(2.76)	(4.33)
e) Expenses recognized in the statement of profit & losses	16.70	16.79

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SCHEDULE FORMING PART OF ACCOUNTS

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. Out of the three petition for winding up of erstwhile Aksh Broadband Limited by a few of its creditors under the provisions of the Companies Act, 1956 before the Hon'ble High Court of Delhi, two matters have been referred to Arbitrator and one matter is pending before the Hon'ble High Court of Delhi.

5. Issue of Foreign Currency Convertible Bonds (FCCBs):

The Company, during the period ended September 30, 2007 and during the current period issued the FCCBs which are convertible into ordinary shares. The particulars, terms of issue and the status of conversion as at March 31, 2009 are given below:

Issue	1% FCCBs (due Jan 2010)	0% FCCBs (due Jan 2013)
Issued on	January 29, 2007	January 8, 2008
Issue Amount (in INR at the time of Issue)	US\$ 8.75 Million (INR 38.73 Crores)	US\$ 20 Million (INR. 78.54 crores)
Face Value	US\$ 10,000	US\$ 100,000
Conversion Price per share at fixed Exchange Rate	US\$1 = INR 44.27	US\$ 1= INR 39.27
Exercise Period	Between February 21, 2007 to December 15, 2009.	Between January 9, 2008 to January 01, 2013.
Redeemable on	January 29, 2010	January 8, 2013
Redemption percentage of the Principal Amount	120.53%	139.93%
Amount Converted	US\$ 2.50 Mn	Nil
Aggregate conversion into shares	1,843,560	Nil
FCCBs outstanding as on March 31, 2009.	US\$ 6.25 Mn	US\$ 20 Mn
Aggregate amount of shares that could be issued on conversion of outstanding FCCBs	5,078,699 shares	13,133,779 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.

6. Global Depositary Receipts (GDRs)

During the period, the Company issued 4,901,961 Global Depositary Receipts (GDRs) aggregating to US\$15 Million equivalent to Rs. 58.90 Crores and further 1,633,987 GDRs under Green shoe Option aggregating to US\$ 5 Million equivalent to Rs. 19.64 Crores. The GDRs are listed on Luxembourg Stock Exchange. The GDR issue expenses have been adjusted against the Securities Premium Account. The proceeds from the issue of GDRs have been utilised for the purposes as stated in the offer documents.

7. During the period, the company has issued 5,000,000 convertible warrants on preferential basis. The holder of each warrant is entitled to apply for one equity share of Rs. 5/- each at a premium of Rs. 58/- per share.

Out of above, 396, 825 warrants have been converted into equity shares.

Application money @ Rs. 6.30 per warrant i.e. 10% of the price aggregating to Rs. 2.90 Crores received against 4,603,175 warrant has been shown under Shareholders Funds as Share Warrants (These warrants shall be convertible into equity shares within a period of 18 months from the date of allotment i.e. 15th January 2008).

SCHEDULE FORMING PART OF ACCOUNTS
8. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

(Amount in Rs. / Lacs)

S. No.	Particular	March 31, 2009	September 30, 2007
	Deferred Tax Liabilities		
a.	Difference in depreciation for accounting and tax purposes	1,596.84	1,601.99
	Deferred Tax Assets		
a.	Unabsorbed Depreciation/ Business Loss	2,994.20	314.41
b.	Provision for Retirement Benefits	41.45	28.93
c.	Provision for doubtful debts	4.74	4.74
	Total Deferred Tax Assets	3,040.39	348.08
	Net Deferred Tax Liabilities/(Assets)	(1,443.55)	1,253.91

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, 2009:

- a) Subsidiary Companies :
 - APAKSH Broadband Limited
 - Aksh Technologies Limited
 - Aksh Net Tel Limited
 - Aksh Infratel Limited
 - SPYK Global Limited
- b) Associate :
 - Aksh Networks Limited (Related party in Previous Period)
- c) Individuals exercising significant influence & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr P. F. Sundesha
 - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- d) Key Management personnel & their relatives:
 - Dr. Kailash S. Choudhari
 - Mr. B. R. Rakhecha (Up to 30th September, 2008)
 - Mr. Y. L Agarwal (MD of erstwhile Aksh Broadband Ltd., related in Previous Period)
- e) Enterprises over which personnel referred in c & d aforementioned exercise significant influence:
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)
 - Luxor Writing Instruments Private Limited (Related in Previous Period)

Aksh Optifibre Limited

SCHEDULE FORMING PART OF ACCOUNTS Related Party Transactions

(Amount in Rs. / Lacs)

		<u>Current Period</u>	<u>Previous Period</u>
a)	<u>Subsidiary Companies</u>		
	APAKSH Broadband Limited		
	Investment made	2,483.25	-
	Re-imbursement of expenses Received	29.66	124.63
	Sale transactions	-	1,978.80
	Services rendered	-	1,062.82
	Outstanding balance due to / (from)	(1,708.03)	(4,115.72)
	Aksh Technologies Limited		
	Investment made	5.00	-
	Re-imbursement of expenses Received	0.34	-
	Outstanding balance due to / (from)	-	-
	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)	-	-
b)	<u>Associate</u>		
	Aksh Networks Limited		
	Sale transactions	-	48.79
	Purchase transactions	-	222.53
	Services received	-	8.69
	Interest Expenses	-	6.10
	Outstanding balance due to / (from)	-	120.81
c)	<u>Individuals exercising significant influence & their relatives</u>		
	Dr. Kailash S. Choudhari		
	Director's Remuneration	226.19	182.33
	Interest Expenses	40.94	7.35
	Loans taken	535.00	-
	Loans repayment	852.00	-
	Outstanding balance due to / (from)	22.77	338.23
	Mr P. F. Sundesha		
	Rent Paid	37.80	-
	Security Deposit Paid	15.66	-
	Sitting Fees	0.36	-
	Outstanding balance due to / (from)	24.85	-
	Mr Shailesh Popat Lal		
	Rent Paid	37.80	-
	Security Deposit Paid	15.66	-
	Outstanding balance due to / (from)	24.85	-

SCHEDULE FORMING PART OF ACCOUNTS

d)	Key Management personnel & their relatives		
	Mr. B. R. Rakhecha		
	Director's Remuneration	38.51	47.16
	Re-imbursement of expenses Paid	0.40	-
	Outstanding balance due to / (from)	-	1.56
	Mr. Y. L. Agarwal		
	Director's Remuneration	-	17.27
	Outstanding balance due to / (from)	-	-
e)	Enterprises over which personnel referred in c & d above exercise significant influence		
	Fulchand Finance Private Limited		
	Interest Expenses	225.16	160.02
	Rent Paid	3.85	-
	Loans taken	3,713.00	-
	Loans repayment	4,749.56	-
	Outstanding balance due to / (from)	1,035.59	1,989.66
	Luxor Writing Instruments Private Limited		
	Interest Expenses	-	78.26
	Loans taken	-	-
	Loans repayment	-	-
	Outstanding balance due to / (from)	-	627.92

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:

(Amount in Rs. / Lacs)

S.No.	Particulars	Current Period	Previous Period
a)	Segment Revenue		
1	Cable Manufacturing	25,949.02	11,558.60
2.	Services	436.39	1,189.42
	Total	26,385.41	12,748.02
b)	Segment Results		
1.	Cable Manufacturing	(700.04)	1,419.26
2.	Services	(3,454.61)	(98.27)
	Total	(4,154.63)	1,320.99
	Un-allocable Expenses / (Income)	655.80	297.26
	Operating Profit / (Loss)	(4,810.45)	1,023.73
	Interest expenses	965.25	1,092.84
	Profit/(Loss) before Exceptional Items	(5,775.70)	(69.11)
	Exceptional Items – Expenses / (Income)	1,707.19	(209.73)
	Net Profit / (Loss) before Tax	(7,482.89)	140.62
c)	Segmental Capital Employed		
	(Segment assets – segment liabilities)		
	Cable Manufacturing	9,399.45	8,285.80
	Services	13,023.36	7,329.66
	Unallocated	14,210.30	10,628.41
	Total	36,633.01	26,243.87

Aksh Optifibre Limited

SCHEDULE FORMING PART OF ACCOUNTS

11. Amount paid/ payable to Auditors	(Amount in Rs. / Lacs)	
	Current Period	Previous Period
a) Audit Fee	18.00	9.50
b) Tax Matters	2.97	0.81
c) Out of Pocket Expenses	1.17	0.83
d) Certification Fee/Other Services	1.25	0.41

12. Basic and diluted earning per share:

S. No.	Particulars	Current Period	Previous Period
a.	Net Profit/(Loss) for the period (Rs in Lacs)	(4803.21)	66.66
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share	55,468,226	42,482,828
c.	Weighted average number of equity shares from dilutive instruments	19,552,550	2,474,031
d.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share	75,020,776	44,956,859
e.	Nominal Value of Equity Shares-(Rs.)	5.00	5.00
f.	Basic-Earning Per Shares (Rs.)	(8.66)	0.16
g.	Diluted -Earning Per Share (Rs.)	(6.36)	0.15

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

	(Amount in Rs. / Lacs)	
	Current Period	Previous Period
Salary	226.69	213.29*
Contribution to PF and other Funds	18.83	16.55
Perquisites	19.17	16.93
Sitting Fee	2.03	0.43

* Rs. 110.93 lacs capitalised in the project

14. Computation of net profit in accordance with Section 349 of the Companies Act, 1956, has not been given as no commission is payable to Managing Director for the current period.
15. 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.
16. During the period consequent upon successful commissioning of Fibre Draw Tower which was earlier impaired, the company has credited Rs. 588.68 lacs to revenue reserve.
17. 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 Wood Tech & Wood Home.
18. The Company has an investment of Rs. 11,297.50 Lacs in the equity shares and has outstanding dues of Rs. 1,708.03 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 has also been dismissed. A Special Leave Petition filed against the Hon'ble High Court order is pending adjudication before Hon'ble Supreme Court, where arguments have been part heard. The management of the company is confident that the Special Leave Petition will be dismissed after which it would take the appropriate decision. In view of the status quo on the project, no provision has been considered necessary in respect of the outstanding dues and investment at this stage.



SCHEDULE FORMING PART OF ACCOUNTS

19. Additional information pursuant to the provisions of paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act 1956

	Unit	Current Period		Previous Period	
(A) Capacity & Production					
(a) Licenced Capacity		Not Applicable		Not Applicable	
(b) Installed Capacity					
(i) Metal free Optical Fibre Cable	Km/p.a.	125,560		79,896	
---Duct Type, Armoured and Aerial					
(ii) Proof Cable	Km/p.a.	75,000		75,000	
(iii) Optical Fibre	Km/p.a.	1,600,000		800,000	
(iv) Fibre Reinforced Plastic Rod	Km/p.a.	600,000		500,000	
(c) Production					
(i) Optical Fibre Cables	Kms	57,913		33,289	
(ii) Fibre Reinforced Plastic Rod	Kms	608,945		349,711	
(iii) Optical Fibre	Kms	1,297,603		260,924	
(B) Sales					
		Quantity	Value	Quantity	Value
			(Rs in Lacs)		(Rs in Lacs)
(i) Optical Fibre Cables*	Kms	58,355	19,595.94	33,039	7,158.66
(ii) Fibre Reinforced Plastic Rod*	Kms	544,582	5,656.78	323,029	3,474.71
(iii) Optical Fibre*	Kms	125,016	489.86	31,585	133.68
(iv) Accessories #			113.17		761.60
(v) Others			93.28		29.95
			25,949.02		11,558.60
* Excludes captive consumption					
# Quantities details not easily ascertainable due to various items.					
(C) Trading Purchases					
(i) Cables	Kms	-	-	351	42.65
(ii) Accessories			64.92		274.05
			64.92		316.70
(D) Raw Material Consumed					
(i) Optical Fibre	Kms	483,282	2,154.37	197,199	935.36
(ii) Preforms	Mts	38	3,812.27	8	764.35
(iii) PVC, HDPE, Nylon, MB, LSZH	Mts	4,681	6,137.77	1,530	1,678.30
(iv) Glass Rovings	Mts	3,547	1,940.01	1,621	806.43
(v) Others			3,926.26		1,452.54
			17,970.69		5,636.98
(E) Closing Stock of Finished Goods/Products					
(i) Optical Fibre Cables	Kms	803	166.56	1,058	179.36
(ii) Fibre Reinforced Plastic Rod	Kms	-	-	156	0.50
(iii) Optical Fibre	Kms	6,602	29.30	400	1.76
(iv) Accessories		4,660	58.97	5,255	59.78
(v) Others			0.22		0.39
			255.05		241.79
(F) Opening Stock of Finished Goods / products					
(i) Optical Fibre Cables	Kms	1,058	179.36	1,233	195.60
(ii) Fibre Reinforced Plastic Rod	Kms	156	0.50	3,583	12.62
(iii) Optical Fibre	Kms	400	1.76		8.41
(iv) Accessories			59.78		
(v) Others			0.39		0.38
			241.79		217.01

Aksh Optifibre Limited

SCHEDULE FORMING PART OF ACCOUNTS

		Current Period		Previous Period	
		VALUE		VALUE	
		(Rs. Lacs)	%	(Rs. Lacs)	%
(G)	Value and Percentage of Imported/ Indigenous Raw-Material Consumed				
	Imported	11,373.14	63.29	3,536.29	62.73
	Indigenous	6,597.55	36.71	2,100.69	37.27
		17,970.69	100.00	5,636.98	100.00
(H)	Spare Parts & Components				
	Imported	106.43	71.64	7.63	35.42
	Indigenous	42.14	28.36	13.91	64.58
(I)	Value of Imports on CIF Basis				
	Raw Materials	11,159.11		3,776.36	
	Consumable	189.91		13.53	
	Telephone Software	-		487.83	
	Capital Goods	4,861.64		925.87	
(J)	Earnings in Foreign Exchange on FOB Basis				
	Exports of Goods	6,158.60		1,379.68	
	Interest received on FDRs	160.85		-	
(K)	Expenditure in Foreign Currency				
	Interest on FCCB	43.92		13.49	
	Travelling	24.57		5.18	
	Legal & Professional	520.20		142.03	
	Repair & Maintenance	3.68		1.33	
	Exhibition Expenses	37.55		-	
	Commission on sale	35.23		-	
	International Carrier Charges-Services	69.57		-	
	Bank Charges	27.26		-	
	Others	6.55		8.73	
(L)	Dividend Remitted in Foreign Currency				
	Year of Dividend	2006-07		2005-06	
	No. of Non Resident Shareholders	2		4	
	No. of Equity Shares Held by them	1,331,675		1,750,025	
	Gross Amount of Dividend (Rs. Lacs)	6.66		30.62	

20. Previous Period's figures have been regrouped and/or rearranged to conform to those of current period's figures wherever necessary.

As per our report of even date attached
For P.C. Bindal & Co.
Chartered Accountants

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

For & on behalf of Board of Directors

Kailash S. Choudhari
Managing Director

Seema Narang
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	:	31.03.2009
II Capital raised during the period		Amount in Thousands
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	80,025
III Position of mobilisation and deployments of funds		Amount in Thousands
Total Liabilities	:	4,072,763
Total Assets	:	4,072,763
Source of funds		
Paid-up Capital	:	294,837
Share Warrant	:	29,000
Reserves and Surplus	:	1,941,021
Secured Loans	:	154,833
Unsecured Loans	:	1,653,072
Deferred Tax Liability	:	-
		4,072,763
Application of funds :		
Net fixed assets	:	1,675,473
Investments	:	1,131,857
Deferred Tax Asset	:	144,355
Net current assets	:	856,021
Misc. Expenditure	:	-
Accumulated losses	:	265,057
		4,072,763
IV Performance of the Company		Amount in Thousands
Turnover	:	2,440,766
Total expenditure	:	3,189,055
Profit/loss before tax	:	(748,289)
Profit/loss after tax	:	(480,321)
Earning per share of Rs. 5/- each- Basic		Rs. (8.66)
Earning per share of Rs. 5/- each- Diluted		Rs. (6.36)
Dividend Rate		NIL
V Generic name of principal products of the Company		
Item Code No. (ITC code)		0 8 5 4 4 7 0 0 0
Product description		Optical Fibre Cable
Item Code No.		0 9 0 0 1 1 0 0 0
Product description		Optical Fibre
Item Code No.		0 0 0 3 9 1 6 9 0
Product description		Fibre Reinforced Plastic Rods

As per our report of even date attached
For P.C. Bindal & Co.
Chartered Accountants

For & on behalf of Board of Directors

K.C. Gupta
Membership No. 088638
Partner
Place : New Delhi
Dated : 26/05/2009

B.R. Rakhecha
Director

Satyendra Gupta
Chief Financial Officer

Kailash S. Choudhari
Managing Director

Seema Narang
Company Secretary



Summary of Financial Information of Subsidiary Companies

(Amount in Rs. / Lacs)

Name of Subsidiary	APAKSH Broadband Limited	Aksh Technologies Limited	Aksh Infratel Limited	Aksh Net Tel Limited	Spyk Global Limited
Funds Employed					
Capital	13522.50	5.00	500	500	500
Reserves	-	-	-	-	-
Liabilities:					
Secured Loans	497.93	-	-	-	-
Unsecured Loans	50.00	-	-	-	-
Deferred Tax Liability	-	-	-	-	-
Total Liabilities	547.93	-	-	-	-
Total Funds Employed	14070.43	5.00	5.00	5.00	5.00
Application of Funds					
Assets:					
Fixed Assets (Incl.CWIP)	15262.89	-	-	-	-
Investments	-	-	-	-	-
Long Term Deposits	-	-	-	-	-
Net Current Assets	(1192.46)	(1.68)	4.41	4.53	3.39
Deferred Tax Assets	-	-	-	-	-
Misc.Expenditure	-	-	-	-	-
(to the extent not written off)					
Profit & Loss A/c (Dr) Balance	-	6.68	0.59	0.47	1.61
Total Assets (Net)	14070.43	5.00	5.00	5.00	5.00
Total Income					
Profit Before Taxation	-	(6.68)	(0.59)	(0.46)	(1.61)
Provision for Taxation	-	-	-	-	-
Profit After Taxation	-	(6.68)	(0.59)	(0.46)	(1.61)
Proposed Dividend	N.A.	N.A.	N.A.	N.A.	N.A.