

19th ANNUAL REPORT
2004-2005



Aksh Optifibre Limited

PLANT-I

F-1075-81, RIICO Industrial Area
(Phase-III), Bhiwadi - 301 019

PLANT-II

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

PLANT-III

A-58-59, RIICO Industrial Area
Sri Khatushyanji Industrial Complex
Rigus, Dist. Sikkar, Rajasthan

PLANT-IV

A-141, RIICO Industrial Area
Jaitura, Dist. Jaipur - 303 704

CORPORATE OFFICE :

Enkay Towers, Udyog Vihar-V,
Gurgaon - 122 016 (Haryana) INDIA
Tel : 91-1242397101-103
Fax : 91-124-2450141
E-mail : aksh@akshoptifibre.com
Website : www.akshoptifibre.com

Managing Director

Dr. Kailash S. Choudhary

Directors

P.F. Sundesha
John Levack
Sanjay Kalra
B.R. Rakhecha (Executive Director)

Company Secretary

Barinder Singh Maur

Bankers

Union Bank of India, New Delhi
ICICI Bank Ltd., New Delhi

Auditors

P.C. Bindal & Co.
101, Sita Ram Mansion
718/21, Joshi Road,
Karol Bagh, New Delhi - 110 005
Registered Office :
F-1080, RIICO Industrial Area,
(Phase-III), Bhiwadi - 3201 019

Share Transfer Agent :

MCS Limited
Sri Venkateshwara Bhawan
W -40, Okhla Indl. Area,
Phase-II, New Delhi-110 020

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NOTICE

TO,
THE MEMBERS,
AKSH OPTIFIBRE LIMITED.

NOTICE is hereby given that the 19th Annual General Meeting of the members of the Company will be held on Friday the 30th Day of September 2005 at 9.00 am at the registered office of the Company, at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi-3201 019, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and Profit & Loss Account for the Financial Year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. John Levack who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. P.C. Bindal & Co., Chartered Accountants, 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 and to authorize the Board of Directors/Audit Committee to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"**RESOLVED THAT** Shri. Sanjay Kalra, who was appointed as Director in Casual Vacancy by the Board of Directors under Section 262 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD
FOR AKSH OPTIFIBRE LIMITED

Date : 02.09.2005
Place : Gurgaon

Barinder Singh Maur
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT TO BE MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTEERD OFFICE OF THE COMPANY AT BHIWADI NOT LATER THAT FORTY EIGHT HOURS BEFORE THE MEETING.
2. The explanatory statement pursuant to section 173(2) of the Companies Act 1956, setting out the material facts in respect of the Special Business as set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 29th to 30th September 2005 (both days inclusive).
4. The nomination facility is available with the Shareholders in respect of equity shares held by them. Shareholders holding shares in electronic, mode may obtain and submit duly filled Nomination forms to their respective Depository Participants. Also, shareholders holding shares in physical mode may send their request for Nomination at the office of the Share Transfer Agents of the Company, M/s. MCS Limited at Shri.Venkateshwara Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110020. Tel: 011-26384909-10, Fax-011-26384907.
5. Members holding shares in electronic mode are requested to intimate the change of addresses, bank details etc to their respective Depository Participants and those holding in physical mode are requested to intimate any change in the addresses, bank details etc to the Share Transfer Agents, M/s. MCS Ltd, 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 day of meeting to enable the information required to be made available at the Meeting, to the best extent possible.

7. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company on all working days between 11:00 Am to 1:00 P.M. upto the day of Meeting.
 8. The members who have not claimed /encased the dividend warrants in respect of Dividend declared by the Company in the previous years are requested to approach the Company at its Corporate Office for obtaining Demand Draft in lieu thereof, as the case may be.
 9. Members are requested to bring alongwith a copy of the Annual Report, and duly filled in attendance slip for attending the Annual General Meeting.
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4.

Shri. Sanjay Kalra was appointed as Director in casual vacancy created by the resignation of Shri. Davinder Kumar Jain, Director of the Company, and holds office till the date of this Annual General Meeting.

Shri. Sanjay Kalra is a Fellow Member of the Institute of Chartered Accountants of India, and is having over two decades of post qualification experience as Chartered Accountant. Shri. Sanjay Kalra is the Proprietor S. Kalra & Associates, Firm of Practicing Chartered Accountants, Director in Veeshal & Co Pvt Ltd, and in the Board of Directors of Binany Semantics Ltd.

Shri. Sanjay Kalra has loads of experience in the field of Finance and accounts. During his present tenure as Director, the Company has immensely benefited from his knowledge and experience more so of his being member of the audit committee.

The Board considers it desirable that the Company should continue to avail itself of his services as a Director and recommend this resolution for the approval of the shareholders.

None of the Directors except Shri. Sanjay Kalra to the extent of his appointment as Director are concerned or interested in the above resolution.

**DIRECTORS' REPORT**

To

The Members,

Your Directors are pleased to present the 19th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2005.

FINANCIAL RESULTS**(Rs. in Lacs)**

Particulars	Year ended 31.03.2005	Year ended 31.03.2004
Turnover	3827.46	2550.69
Profit/(Loss) before interest & depreciation	374.58	158.43
Interest	(402.45)	(429.67)
Depreciation	(523.55)	(436.67)
Profit/(Loss) before Tax	(551.42)	(707.91)
Provision for Deferred Tax	227.55	223.22
Net Profit /(Loss) after Deferred Tax	(323.87)	(484.69)
Balance brought forward from Previous Years	322.65	811.66
Profit/(Loss) available for appropriation	(1.22)	326.97
Appropriations:		
Dividends	—	—
Income Tax (Earlier Year)	2.20	4.32
Surplus/Deficit carried to Balance Sheet	(3.42)	322.65

OPERATIONAL REVIEW

During the Financial 2004-2005 Company has achieved an aggregate income of Rs. 3827.46 lacs registering an increase of 50.06 % (approx) over the previous year. Due to continuing slump in demand for Optical Fibre Cable, which continued till the third financial qtr, Company suffered a loss of Rs.323.87 lacs (Previous year loss of Rs.484.69 during the previous year lacs).

During the financial year, your Company has been successful in reducing the borrowing cost by repayment of loans, redempson of non-convertible debentures worth Rs. 300.00 lacs and renegotiation of interest rate.

With market conditions turning favorable vis-a-vis increase in net sales realization and better cost control efforts, your Company expects better results during the financial year 2005-06.

FUTURE OUTLOOK

With stabilizing prices and raising demand for Optical Fibre Cables, financial year 2005-2006 seems to be promising. Over the medium term, the demand for Optical Fibre Cables in India is expected to rise. The higher off-take of Optical Fibre Cables will be dependent on the success of pilot broadband services in several states. Company believes increasing demand for bandwidth by various users will push the demand for Optical Fibre Cables.

The manufacturing capacities of our plants have been optimised to meet the current demand from market, and we hope to operate the plants at full capacity.

EXPORTS

During the year, foreign exchange earnings through exports amounted to Rs.414 Lacs as against Rs. 804 Lacs in the previous year, representing decrease of 51% over the last year. This was due to sluggish overseas demand.

NEW PRODUCTS IN PIPELINE

The Company has developed a New Micro Cable upto 72Fibre in maximum 6mm cable diameter that can be blown in the micro duct to increase the bandwidth of existing network. The micro duct can be further blown into existing duct thereby reducing the installation cost & time. This type of micro cable installation practice is now widely used and finds applicability in highly dense areas for example metropolitan cities.

Apart from above new products like ADSS Cable, which is of high strength & lightweight to meet, the market needs are being developed. This light weight high tensile aerial cable has been specifically designed to meet the stringent quality requirements for AP Broadband Project.

ISO 9001-2000 ACCREDITATION

Your Company's manufacturing facilities in Plants I & II at Bhiwadi and Plant -III at Ringus, continues to hold the prestigious ISO 9001:2000 certification.

LISTING

Pursuant to SEBI (Delisting of Securities) Guidelines, 2003 Company has got its equity shares delisted from Jaipur Stock Exchange Ltd. The Equity Shares of the Company continues to be listed at The Mumbai Stock Exchange and The National Stock Exchange Ltd.

DIRECTORS

Mr. Rudolf Meier, Director with the Company tendered his resignation citing personal reasons with effect from 21st January 2005.

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. Sanjay Kalra, Director, who was appointed in the causal vacancy caused due to the resignation of Mr. D.K.Jain is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. A brief resume of Mr. Sanjay Kalra, nature of his expertise in specific functional areas and the names of the companies in which he holds the directorship and the membership/Chairmanship of the Committees of the Board, as stipulated under Clause 49 of the listing Agreement are given in the section on Corporate Governance elsewhere in the Annual Report.

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. John Levack, Director, liable to retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for reappointment.

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 have confirmed their eligibility and willingness to accept the office, if reappointed. They are proposed to be appointed as Auditors of the Company for the financial year 2005-2006.

The Notes on Accounts appearing in Schedule "N" and referred to in the Auditors Report are self-explanatory, and therefore do not call for any further comments or explanations.

EMPLOYEE STOCK PURCHASE SCHEME

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

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year as per the provisions of Section 58-A of the Companies Act, 1956, and the rules made there under, and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

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

The particulars as prescribed 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, are set out in the Annexure 'A' and form an 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, (As Amended) names and other particulars of employees are set out in Annexure "B" and form integral part of this report.

REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing agreement, a report on the Corporate Governance is given in the Annexure 'C' and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
- b) selected such accounting policies and 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 your Company at the end of the financial year and of loss of your Company for that period;
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- d) prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGMENT

Your Directors place on record their appreciation of the contribution made by all the employees, through their competence, hard work, solidarity, cooperation and support.

Your Directors also thank all its customers, vendors, investors, financial institutions and bankers for their continued and valued support.

For & On behalf of the Board

Sd/-

Kailash S. Choudhari
Managing Director

Place: Gurgaon
Dated: 29.07.2005

**ANNEXURE 'A' TO DIRECTORS REPORT****Particulars Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information 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 year ended March 31, 2005 is as follows

A. Conservation of Energy**(a) Energy conservation measures taken**

The Company is engaged in the process of energy conservation by adopting improved efficient maintenance practices like:

- Optimization of lighting fixtures in lighting areas.
- Monitoring of fuel consumption on shift basis.
- Switching over to centralized air conditioning through VAM Process in place of Split Air Conditioners.

(b) Additional investments and proposals, if any, being implemented for reduction of energy.

None.

(c) Impact of measures of 'a' and 'b' above for reduction of energy consumption and consequent impact on the cost of production of goods.

Energy conservation measures has resulted in saving of around 3% percent in terms of costs.

(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.

B. Technology Absorption**Research and Development (R & D)****(a) Specific area in which R & D is carried by the Company.**

Company has carried out R & D in the area whereby bandwidth of the existing network area can be increased, a technology which finds great usage and applicability mainly in highly dense metropolitan area as usual digging is not required.

As a result of its R & D efforts the Company has developed a New Micro Cable upto 72 Fibre in maximum 6 mm cable diameter that can be blown in the Micro duct to increase the bandwidth of existing network. Micro Duct can be blown in existing duct thereby reducing the installation cost & time drastically.

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

This has helped Company to explore market possibilities whereby customers looking to increase bandwidth of their existing network capacities can be tapped.

(c) Future plan of action.

Product development to meet out market requirements for example ADSS Cable (high

strength & light weight), up gradation of technology, standardization of already existing operating parameters.

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

R & D activities are carried out along with the normal operations and its not possible to show separately capital expenses, hence it is 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. In case of imported technology, the following information may be furnished;**(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 therefore and future plans of action.

Not Applicable

C. Foreign Exchange Earnings and Outgo**(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans;**

For the year under review, Company initiated measures to identify potential customers and products requirements. Company is able to focus its R & D activities to develop products specifically to meet overseas market requirements. The efforts made by the Company is expected to yield results in form of increased exports.

(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

Sd/-

(KAILASH.S.CHOUDHARI)
MANAGING DIRECTOR

Place: Gurgaon
Date: 29.07.2005

ANNEXURE 'B' TO THE DIRECTORS' REPORT**INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975**

Sl. No.	Name	Designation/ Nature of Duties	Qualifications	Exp. (Yrs)	Date of Joining	Remuneration (Rs)	Age (Yrs)	Previous Employment/ Position Held
A.	EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING TO RS. 2,400,000 PER ANNUM OR MORE							
1.	Chetan Choudhari	COO	BE (Electronics)	11	1-10-2003	25,11,600/-	35	Aksh Broadband Ltd. President

ANNEXURE 'C' TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE
CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPERENCY AND ACCOUNTABILITY.
Company's Philosophy on Code of Corporate Governance

Your Company is committed towards achieving business excellence and enhancing shareholder value by following best disclosure practices and has over the years perpetuated high levels of accountability, transparency, responsiveness, fairness and responsibility. In order to safeguard the interest of all stakeholders, such as shareholders, creditors, suppliers, lenders, consumers etc, proper systems and processes have been established.

This has been manifested in the Company's vision. A report in line with the requirement of the Stock Exchange, practice followed by the Company and detailing mandatory and other voluntary compliances for the year ended March 31st, 2005 are given below:

I. BOARD OF DIRECTORS

Presently, the Company's Board comprises of one Promoter Director being the Managing Director, one Executive Director and three Non-Executive Directors, who are independent and are not responsible for the management of the company's business. All Directors are professionally competent and highly experienced in their respective fields.

Four Board Meetings were held during the financial year 2004-2005. Detailed agenda notes and the information required to be given in terms of business on the agenda were circulated in advance to the Directors. The Directors including Non-Executive Directors actively participated in the deliberations of the board.

The Composition of Board of Directors, their attendance at the Board Meetings held during the year and at the Last Annual General Meeting as also number of other directorships of each director held in various companies as at 31st March, 2005 is shown in table below:

Name	Date of Appointment	Date of Resignation/ Cessation	Designation	Status Whether Independent or not	No. of meetings held during the last financial year	No. of Meetings attended	Number of Memberships in Boards of other Companies	Whether attended the Last AGM
Dr. Kailash S. Choudhari	01-06-93	N.A.	Managing Director	Executive and Non Independent	4	4	3	YES
Sh. Popat Lal F. Sundesha	18-05-1996	N.A.	Director	Independent	4	3	3	NO
*Sh. Rudolf Meier	01-02-2000	21-01-2005	Director	Independent	4	4	—	NO
Sh. John W.E. Levack	01-10-1995	N.A.	Director	Independent	4	4	8	NO
Sh. B.R Rakhecha	29-07-2002	N.A.	Executive Director	Executive and Non Independent	4	4	2	YES
Sh. Sanjay Kalra	20-01-2004	N.A.	Director	Independent	4	4	2	NO

* Ceased to be on the Board from 21.1.2005 on account of resignation.

None of the Directors of your Company is a member of more than 10 Committees or act as the Chairman of more than five Committees across all the Companies in which they are directors.

Transaction of the non-executive Director viz-a-viz the Company.

During the year under review, the Company has not entered into any kind of pecuniary relationship/ transactions with any of the Non-Executive Director(s).

II. AUDIT COMMITTEE

The Audit Committee during the Financial Year 2004-2005 comprised of four Non-Executive Independent Directors. Viz. Mr. Popatlal F. Sundesha, Mr. Rudolf Meier (He tendered his resignation citing personal reasons on 21st January 2005), Mr. John Levack and Mr. Sanjay Kalra. The constitution of the Committee meets with the requirements of Section 292A of the Companies Act, 1956 as well as the Listing Agreements.

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.

The committee provides the overall direction on the risk management policies. The Committee has full access to financial data and the Company staff.



During the financial year 2004-05, 4 audit committee meetings were held and the attendance of the members at the meetings was as follows:

Name	Designation	No. of Meetings Held	No. of Meetings attended
Sh. Popatlal F. Sundesha	Chairman*	4	3
Sh. Sanjay Kalra	Member	4	4
Sh. John Levack	Member**	4	4
Sh. Rudolf Meier	Member	4	4

During the year Committee has met four times on April 30th 2004, July 29th 2004, October 27th 2004 and January 21st, 2005.

** Mr. John Levack chaired the meeting of the audit committee held on 30.04.2004 in the absence of Mr. Popatlal F. Sundesha

During the year, 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
- Accounting implications of the major transactions.
- Legal requirements including Stock Exchange requirements concerning the Financial Statements.
- Compliance with the Accounting Standards etc.

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

The minutes of the Audit Committee are put before the Board members for discussions and their consideration.

III SHAREHOLDER/ INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders' Grievance Committee comprising of Mr. Popatlal F Sundesha, Chairman, Dr. Kailash S. Choudhari and Mr. Rudolf Meier (After his resignation from the Board Mr. Rudolf is no longer in the Committee) as the co-members. 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.

Investors' Services - complaints received till 31-03-2005

Particulars	Received	Attended to	Pending
Revalidation/Correction/ NonReceipt of Dividend Warrant	7	7	0
Annual Reports	1	1	0
Demat / Remat Related	7	7	0
Change of Bank Details/ Address	2	2	0
Stop Transfer/Issuance of Duplicate Share Certificate	1	1	0

IV SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE.

The Board of Directors has delegated the power of approving transfer of securities to a share transfer committee constituting of Mr. Chetan Choudhari, Chief Operating Officer and Mr. Barinder Singh Maur, Company Secretary, which meets frequently. 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 and placed report for the consideration of Board of Directors.

V ESPS COMPENSATION COMMITTEE.

ESPS COMPENSATION COMMITTEE comprises of Mr. Kailash S. Choudhari, Chairman of the Committee, Mr. John Levack and Mr. Popatlal F Sundesha as other 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 2 meeting of ESPS Compensation Committee was held.

VI FINANCE COMMITTEE

Finance Committee comprises of Dr. Kailash S Choudhari, Chairman and Mr. Popatlal F Sundesha.

During the year two meetings were held. The decisions taken by the Finance Committee were ratified by the Board of Directors.

VII REMUNERATION 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 committee comprises of Mr. Popatlal F. Sundesha (Non- Executive and Independent Director), Mr. Rudolf Meier* (Non- Executive and Independent Director) Mr. John Levack (Non- Executive and Independent Director) and Mr. Sanjay Kalra (Non- Executive and Independent Director), Mr. Barinder Singh Maur, Company Secretary & Process Associate (CS & L) acts as the Secretary to the Committee.

*Mr. Rudolf Meier is no more member of remuneration committee due to his resignation from the Board.

During the year no meeting of Remuneration Committee was held.

VIII REMUNERATION OF DIRECTORS

Non-Executive Directors

Non-Executive Directors are paid only the sitting fees for attending the meetings of the Board of Directors within the limits as prescribed under the Companies Act, 1956.

Managing Director/Executive Director

- (1) The details of the remuneration paid to Dr. Kailash S. Choudhari, Managing Director (appointed as Managing Director w.e.f 1st April, 2003) during the Financial Year 2004-05 are as follows:

(Amt in Rs.)

Basic	Contribution to Provident and other Funds	Perquisites/Allowance *	Total
4,200,000	550,416.00	2,379,231.00	7,129,647.00

♦ Commission

1st Year -at the rate of 5% on the Net Profits after Tax exceeding Rs.15 Crores
2nd Year -at the rate of 5% on the Net Profits after Tax exceeding Rs.20 Crores
3rd Year - at the rate of 5% on the Net Profits after Tax exceeding Rs.25 Crores

♦ Conveyance and telephone expenses are reimbursed on actual basis.

* Perquisite includes provisions for Gratuity Rs. 519,231/-.

Since the company had no profits during the year under review, no commission was paid to the Managing Director of the Company.

- (2) The details of the remuneration paid to Mr. B.R. Rakhecha, Executive Director, during the Financial Year 2004-05 are as follows:

(Amt in Rs.)

Basic	Contribution to Provident and other Funds	Perquisites/Allowance *	Total
12,00,000	157,260.00	603077.00	1,960,337.00

♦ Conveyance and telephone expenses are reimbursed on actual basis.

Note: No Director of the Company including the Managing Director is entitled to the shares of the Company under the Employee Stock Purchase Scheme.

IX 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
2003-04	30.9.2004	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	9:00 A.M.
2002-03	22-07-2003	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	11:00 A.M.
2001-02	04-06-2002	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan).	11:00 A.M.

Attendance of Directors at AGMs during the last four financial years

02-06-2001	:	At this meeting six Directors were present out of seven Directors.
04-06-2002	:	At this meeting two Directors were present out of seven Directors.
22-07-2003	:	At this meeting four Directors were present out of six Directors.
30-09-2004	:	At this meeting two directors were present out of six Directors.

For the year ended March 31, 2005, no ordinary or special resolutions were passed by the shareholders through postal ballot.

**X DISCLOSURES****1. Related Party Transaction**

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. Transactions with related parties are being disclosed separately in the Annual Report.

2. Compliances by the Company

During the last three years, there were no penalties or strictures imposed on the Company either by the Stock Exchanges or SEBI, or any Statutory authority for non-compliance of any matter related to capital market.

XI APPOINTMENT/REAPPOINTMENT OF THE DIRECTORS**1. Mr. Sanjay Kalra**

Mr. Sanjay Kalra, Director, who was appointed in casual vacancy on 20.1.2004 due to the resignation of Mr. Davinder Kumar Jain, shall retire by rotation at the ensuing Annual General Meeting. Mr. Sanjay Kalra being eligible offers himself for re-appointment. The company has received a notice from a shareholder proposing his candidature for appointment as director in the forth coming Annual General meeting.

Mr. Sanjay Kalra, is a member of Institute of Chartered Accountants of India and having a work experience of more two decades in the areas of finance, accounts and administration. He is proprietor of M/s. Sanjay Kalra and Associates, a firm of Practicing Chartered Accountants and is also a Director with M/s Binary Semantics Ltd and M/s Veeshal & Co Pvt Ltd.

2. Mr. John Levack

Further, Mr. John Levack, Director, shall retire by rotation at the ensuing Annual General Meeting. Mr. John Levack being eligible, offers himself for re-appointment. The particulars as to his experience, expertise and directorship in other companies are given below:

Mr. John Levack has been on Company's Board since 1995. He is director with Electra Partner Asia Ltd, a private equity business which has office in HongKong. He was a founder member of this business when it was established as a joint venture between Jardine Fleming and Electra in 1995. In 2002 the Jardine Fleming interest was brought by Electra Partners Limited, the manager of Electra Investment Trust plc and Electra European Fund.

Prior to Electra Partner Mr. Levack worked for 12 years with 3i plc. The last 4 years of this period were spent running a joint venture in India. Before that he had a number of different jobs within the 3i European business.

XII MEANS OF COMMUNICATION**Quarterly Results**

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

Quarter	Date of Board Meeting	Date of Publication
April - June 2004	July 29, 2004	July 30, 2004
July - September 2004	October 27, 2004	October 29, 2004
October - December 2004	January 21, 2005	January 23, 2005
January - March 2005	April 26, 2005	April 28 2005*

*The result for the Quarter January-March 2005 was published in Dainik Lokmat, Jaipur edition.

XIII GENERAL SHAREHOLDER INFORMATION:

- Date, Time and Venue of the Annual General Meeting** 30th September 2005, at 9.00A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi - 301 019
- Financial Calendar** 1st April to 31st March
- Book Closure Dates** 29th and 30th September 2005
- Listing on Stock Exchanges** The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 013, India
Tel: 022-272 1233/272 1234, Fax: 022-2722082/2723132, 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, India
Tel: 022-6598100-8114, Fax: 022-6598237/6598238, Website: www.nse-india.com
- Stock Code** '532351' on the Stock Exchange, Mumbai.
'AKSHOPTFBR' at the National Stock Exchange of India Ltd., Mumbai

6. Share Transfer Agents**MCS Limited**

Sri Venkateshwara Bhawan, W-40, Okhla Indl. Area, Phase II, New Delhi - 110 020
Tel: 011 - 26384909-10, Fax: 011 - 26384907, E-mail: mcsdel@del6.vsnl.net.in

7. Investors' queries/requests**M/s. MCS Limited**

**for transfer, transmission,
issue of duplicate, share
certificates etc. to be sent to**

K/A: Mr. S.P. Gupta
Mr. Umesh Gupta

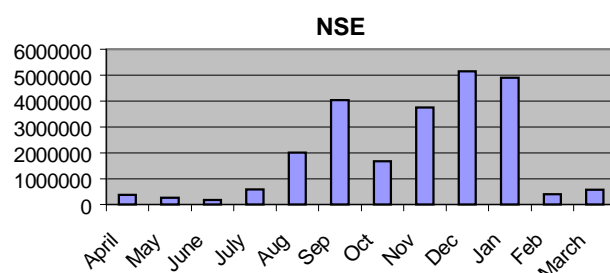
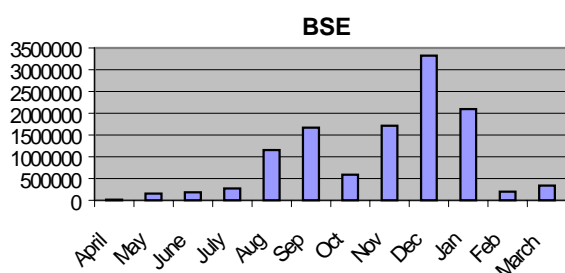
Members holding shares in electronic mode are requested to intimate the change in their address, bank details, etc. to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to the Share Transfer Agent of the Company, M/s MCS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

In accordance with the resolution passed by the shareholders of the company at the Annual General Meeting held on 22nd July 2003 the equity shares of the company have been delisted from The Jaipur Stock Exchange Association Ltd. The shares of the company continues to be listed at The Stock Exchange Mumbai and The National Stock Exchange Ltd.

8. Stock Market data relating to shares listed on BSE and NSE for the period 1st April 2004 - 31st March 2005.

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

Date	Mumbai Stock Exchange			National Stock Exchange Ltd		
	High (Rs.)	Low (Rs.)	Volume (No)	High (Rs.)	Low (Rs.)	Volume (No.)
April 2004	16.60	14.21	128882	16.85	14.05	378710
May 2004	14.89	10.05	151718	15	9.75	266175
June 2004	13.80	11.00	182547	14	10.6	178888
July 2004	14.50	11.50	271077	14.45	11.4	588254
August 2004	19.70	12.55	1154938	21	13.15	2010508
September 2004	24.90	15.05	1670318	25	15.5	4032130
October 2004	23.20	19.55	585415	23.25	19.7	1665306
November 2004	32.75	20.50	1715188	32.9	16.9	3749621
December 2004	43.45	28.00	3325518	43.9	27.7	5146947
January 2005	62.50	40.50	2092378	63.7	41	4895868
February 2005	50.95	40.05	198408	51.1	40.15	399627
March 2005	49.10	37.00	339619	48.5	37	568545

**9. Distribution of shareholding as on 31st March, 2005.**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	7891	93.03	1602154	7.27
5001-10000	247	2.91	384307	1.74
10001-20000	110	1.30	323521	1.47
20001- 30000	64	0.75	323476	1.47
30001-40000	33	0.39	233993	1.06
40001-50000	31	0.37	293406	1.33
50001-100000	48	0.57	716719	3.25
100000 and above	58	0.68	18160316	82.40
TOTAL	8482	100.00	22,037,892	100.00

**10. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2005**

Particulars	No. of Shares held	Percentage of Shareholding
Promoters	4839982	21.96%
FIs/Banks/MF/UTI	—	—
Corporate Bodies	1840190	8.35%
Directors and their relatives	2438307	11.06%
FII's/NRIs/OCBs	3038121	13.79%
ESPS Trust	413370	1.88%
Public	9467922	42.96%
TOTAL	22,037,892	100%

11. DEMATERIALISATION OF SHARES.

The Shares of the Company are in Compulsory Demat Mode. As on 31st March 2005, 94% of the shareholding is held in Demat Mode.

12. COMPLIANCE OFFICER AND CONTACT ADDRESS

Mr. Barinder Singh Maur,
Company Secretary
Aksh Optifibre Limited
Ground Floor, Enkay Towers, Udyog Vihar- Phase-V, Gurgaon - 122 016, Haryana
Telephone : 91-124 - 2397101-103, Extn. 316, Fax : 91-124-2450141
e- mail : bsingh@akshoptifibre.com, csl@akshoptifibre.com

13. MANAGEMENT RESPONSIBILITY STATEMENT

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

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

COMPLIANCE:

The certificate dated 27.04.2005 obtained from our Statutory Auditors M/S P.C. Bindal & Co. forms part of this Annual Report and the same is given herein below:

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE

To the members of Aksh Optifibre Limited

We have examined the compliance of conditions of Corporate Governance by Aksh Optifibre Limited, for the year ended on 31st March 2005 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the 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 the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We state that in respect of the investor grievances received during the year ended 31st March 2005, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders and Investor's 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/-

P. C. Bindal
(PARTNER)

Membership No. 82683

Place : New Delhi.
Dated : 27.04.2005

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 defer materially from those expressed or implied. Important factors, which could make a difference to the Company's operation include economics 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. The Company assumes no responsibility to publicly amend modify or revise any forward looking statements on the basis of any subsequent developments information and events.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Outlook

Telecom Industry needs to build high capacity networks as service providers drum up new forms of valuable traffic. Though wireless is easy to roll out, and is cost effective, but it has its own limitations as well. Wireline is optimized to provide high speed data applications and wireless has limitations in terms of bandwidth and spectrum, when it comes to high speed data.

The global trend clearly shows that to support high speed broadband networks, and to provide platform for network management services for large firms, and also for new offerings like Triple play, Ethernet leased lines, bandwidth-on-demand etc, new optical transmission networks are required.

Domestic Industry Overview and Demand Outlook

Telecom Industry plays a major role in building state economics and its development is a key parameter in the development of the country. India is now one of the fastest growing telecom market having achieved significant growth in teledensity predominantly in urban & semi urban segments. The thrust areas are now rural teledensity & broadband penetration. The requirement for both is long reach & high bandwidth.

The national e-governance initiative is a high priority sector & large sums have been earmarked for the same. Statewide networks like the under implementation AP Broadband Network address all the priorities and could be the precursor to other states wide network. Public as well as private sector companies are planning/rolling nationwide networks based on optical core. This translates into significant increase in demand for Optical Fibre Cables.

Opportunity and Threats

In past, a significant portion of optical Fibre cables has been installed in long-distance and metropolitan networks and demand mostly came from public sector enterprises. However, as a result of increase in awareness and several other factors like increasing demand for bandwidth by Government, commercial and residential end users, improvements in information transmission technologies and significant cost reductions in optical fibre cables, networking equipment and components, optical Fibre cables continues to move, closer to end users as Company believes that over the long term, the access and enterprise networks will experience growth.

This belief is further strengthened by the initiatives taken by various State Governments to connect rural with urban areas and public sector enterprises to network their various offices based upon Fibre optical core.

With fast changing technology, there is likelihood of current technology turning obsolete requiring continuous and substantial investments in R & D and newer technologies.

Our Expansion Plans and Their Status

Your Company has bagged major order to supply optical fibre cables for a network project-connecting whole state of Andhra Pradesh. With this, coupled with expected increase in demand for optical Fibre cables & frp rods, the Company has decided to stepup its efforts in developing new products to meet specific and future industry requirements thereby creating a niche segment for itself by investing in R & D to support and fulfill the growing demand.

Internal Control Systems and their Adequacy.

The Company has adequate internal control systems in place. The various internal controls, are continuously reviewed and strengthened. Information technology has completely changed the system of preparation of data and reporting system. Your Company is continuously upgrading the information technology infrastructure to meet its business needs. This has helped the Company to achieve the desired results in controlling, co-coordinating, data processing and managing the various processes.



FINANCIAL PERFORMANCE COUPLED WITH OPERATIONAL PERFORMANCE

Financial Performance

1) Turnover:

The Company has clocked a turnover of Rs. 3827 Lacs in the period ending 31st March 2005 that is an increase of 50.07% over last year's turnover of Rs. 2552 Lacs. This has been mainly due to picking up of demand during the last financial quarter ending 31st March 2005.

2) Expenditure:

a) Manufacturing Expenses:

The manufacturing expenses have increased to Rs. 2105 Lacs from Rs. 1617 Lacs as a result of the increase in the volume of business compared to previous year.

b) Administrative and Selling Expenses:

In terms of percentage, the administrative and selling expenses have decreased to 12.44% of the turnover from 20.69% for last year. In absolute terms, the same has come down to Rs. 476 Lacs from Rs. 528 Lacs in the previous year mainly on account of controlling cost and better planning.

c) Human Resource:

Total no. of employees as on 31st March, 2005 were 136 as compared to 148 as on 31st March, 2004. Despite increase in volume the Company has optimized the productivity of the existing manpower.

d) Depreciation:

The Company provided a sum of Rs. 524 Lacs towards depreciation for the year ended March 31, 2005 as against Rs. 437 Lacs in the previous year. The increase in depreciation was on account of running of more than one shift.

e) Profit/Loss Before Tax

The profit before tax of the Company amounted to Rs. (551) Lacs as against Rs. (708) Lacs for the previous year.

f) Net Profit/Loss After Tax

The net profit/ (loss) after tax of the Company amounted to Rs. (324) Lacs as against Rs. (484) Lacs for the previous year, which represents a Net Profit (Loss) / Turnover ratio of (8) % as against (19)% last year.

Quantitative Performance

1. Volume:

In quantitative terms, the Company has sold 9088 ckm of Optic Fibre Cables, as against 5537 ckm during the last financial year.

Current Liabilities And Provisions

Sundry Creditors amounts to Rs. 771 lacs as on March 31, 2005 as compared with Rs. 429 Lacs as on March 31, 2004. The sundry creditors as a percentage of total turnover is 20.14% for the year ended 31st March, 2005 as compared with 16.49% for the previous year. This is mainly because of increase in turnover during the last financial quarter, better credit facilities negotiated by the company.

Sundry Debtors

Sundry Debtors amounts to Rs. 899 lacs as on March 31, 2005 as compared with Rs. 1745 lacs as on March 31, 2004. The debtors as a percentage of total turnover is 23.5% for the year ended 31st March, 2004 as compared with 68.38% for the previous year. This is mainly due to better recovery practices adopted by the Company.

AUDITORS' REPORT

The Members,
Aksh Optifibre Limited
Bhiwadi (Rajasthan)

REPORT ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2005 IN COMPLIANCE WITH SECTION 227(2) OF THE COMPANIES ACT, 1956.

1. We have audited the attached balance sheet of Aksh Optifibre Limited as at 31st March, 2005 and the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 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, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of clause (g) of sub clause (1) of section 274 of the Companies Act, 1956 ;
 - vii) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts 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, 2005 ;
 - b) In the case of Profit & Loss Account, of the loss of the company for the year ended on that date; and
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

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

PLACE : Gurgaon
DATED : 26.4.2005

[P.C. BINDAL]
Partner
M. No. : 82683



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE
TO THE MEMBERS OF AKSH OPTIFIBRE LIMITED
FOR THE YEAR ENDED ON 31ST MARCH, 2005**

- (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 year. No material discrepancies were noticed on such verification.
- (c) During the year, 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 year 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, during the year company has not granted any loans, secured, unsecured to companies, firms or other parties company covered in the register maintained under section 301 of the Act. However there was outstanding balance of Rs. 16.16 lacs in respect of unsecured loans granted in earlier years. The maximum amount involved during the year was Rs. 16.16 lacs.
- (b) 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 granted to 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.
- (c) According to the information and explanations given to us, the receipt of the principal amount and interest are regular.
- (d) According to the information and explanations given to us, there is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the company had taken unsecured loan from two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 251.83 lacs.
- (f) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (g) According to the information and explanations given to us, the payment of the principal amount and interest are regular.
- (iv) In our opinion and according to the information and explanation given to us, there are 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 contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register maintained under section 301 of the Companies Act, 1956; 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, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March, 2005 for a period of more than six months from the date they become payable.

- (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.)	Period to which Amount Relates	Forum where dispute is pending
Central Excise Act	Excise Duty Demand	660136.00	1997-98	Commissioner (Appeals)
Central Excise Act	Excise Duty Demand	143558.00	2002-03	Commissioner (Appeals)
Central Excise Act	Excise Duty Demand	19893.00	1996-97	Hon'ble Supreme Court
Central Excise Act	Excise Duty Demand	3754330.00	1999-00	Commissioner (Appeals)
Central Excise Act	Excise Duty Demand	146297.00	2001-02	Commissioner (Appeals)
Central Excise Act	Service Tax Demand	1501650.00	2001-02	Appeal yet to be filed
Rajasthan Sales Tax Act	Sales Tax Demand	11022.00	1996-97	Asstt. Commissioner, Bhiwadi

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash loss during the financial year covered by our audit. However the Company has incurred cash loss during the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders except as given below :
- Working capital facilities from China Trust Commercial Bank amounting to Rs 116.36 lacs recalled on 9th February, 2004 have been paid in installments during the period up to 31st March, 2005.
 - During the year, 29 Letters of credits aggregating to Rs 620.24 lacs were not paid on due dates. Average delay per letter of credit was 9 days. As on 31st March, 2005, no letter of credit was overdue for payment.
 - Repayment of short term loan to UTI Bank Ltd amounting to Rs. 6392500/- (due on 30th June, 2004) and Rs. 6392500/- (due on 30th September, 2004) has been paid on 17th August, 2004 and 1st December, 2004 respectively.
 - In respect of short term loan from Union Bank of India, the company has paid Rs.47.97 lacs in April, 2004 as against Rs.50 lacs due in April, 2004, Rs. 34.96 lacs paid in May, 2004 as against Rs.50 lacs due in May, 2004, Rs.31.32 lacs in June, 2004 as against Rs.46.88 lacs due in June, 2004 & balance Rs.32.62 lacs paid in July, 2004.
 - Repayment of installment of working capital term loan to Union Bank of India amounting to Rs 34.66 lacs payable during January 2005 has been paid during February, 2005.
 - Payment on redemption of Non Convertible Debentures to UTI Bank Ltd amounting to Rs.500 lacs due on 17th December, 2004 has been paid in four installments of Rs.100 lacs, 150 lacs Rs.50 lacs & Rs.200 lacs on 5th March, 2005, 17th March, 2005, 31st March, 2005 & 20th April, 2005 respectively.
 - Repayment of term loan from ICICI Bank Ltd amounting to Rs.2.53 lacs due on 15th January, 2004 has been paid on 14th April, 2004.
- (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 in 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 guarantee for loans taken by others from banks and financial institutions.
- (xvi) According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the company had not issued any debentures during the year.
- (xx) According to the information and explanations given to us, the company had not raised any money by public issue during the year.
- (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

[P.C. BINDAL]
Partner
M. No. : 82683

PLACE : Gurgaon
DATED : 26.4.2005

**BALANCE SHEET AS AT 31ST MARCH,2005****(Amount in Rs.)**

PARTICULARS	SCHEDULE	As at March 31,2005	As at March 31,2004
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	"A"	110,189,460	110,189,460
Reserves & Surplus	"B"	487,452,201	519,717,076
		<u>597,641,661</u>	<u>629,906,536</u>
Borrowed Funds			
Secured Loans	"C"	332,251,565	409,505,402
Unsecured Loans	"D"	5,000,000	12,682,959
		<u>337,251,565</u>	<u>422,188,361</u>
Deferred Tax Liabilities		467,328	23,221,919
Total Funds Employed		<u>935,360,554</u>	<u>1,075,316,816</u>
APPLICATION OF FUNDS			
Fixed Assets	"E"		
Gross Block		922,317,263	923,468,792
Less : Depreciation		269,308,204	216,999,377
Net Block		<u>653,009,059</u>	<u>706,469,415</u>
Capital Work in Progress		3,109,269	3,109,269
Investments	"F"	<u>106,282,045</u>	<u>106,379,675</u>
Current Assets,Loans & Advances	"G"		
Inventories		152,673,826	110,666,195
Sundry Debtors		89,936,189	174,506,852
Cash & Bank Balances		10,942,857	8,628,125
Other Current Assets		175,785	281,474
Loans & Advances		19,079,381	23,477,144
		<u>272,808,038</u>	<u>317,559,790</u>
Less : Current Liabilities & Provisions	"H"	<u>104,173,674</u>	<u>65,508,690</u>
Net Current Assets		<u>168,634,364</u>	<u>252,051,100</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	"I"	3,982,942	7,307,357
Profit & Loss Account		<u>342,875</u>	<u>—</u>
Significant Accounting Policies and Notes to Accounts	"N"	<u>935,360,554</u>	<u>1,075,316,816</u>

As per our report of even date

For & on behalf of the Board of Directors

For P.C. BINDAL & CO.
Chartered Accountants

(P.C.Bindal)
Partner
M.No.82683

Kailash S. Choudhari
Managing Director

B. R. Rakhecha
Executive Director

Place : Gurgaon
Dated : 26.04.2005

B. S. Maur
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH,2005

(Amount in Rs)

PARTICULARS	SCHEDULE	Year ended March 31,2005	Year ended March 31, 2004
A INCOME			
Sales		382,746,330	255,068,966
Less : Excise Duty		46,638,481	20,128,220
		336,107,849	234,940,746
Other Business Income		20,315	212,212
Miscellaneous Income	"J"	4,526,132	6,729,635
TOTAL (A)		340,654,296	241,882,593
B EXPENDITURE			
Manufacturing Expenses	"K"	210,575,041	161,742,686
Administrative & Selling Expenses	"L"	47,644,251	52,774,094
Financial Expenses	"M"	44,992,622	47,373,370
Provision for Doubtful Debts		36,904,588	—
Miscellaneous Expenditure written off		3,324,415	7,116,698
Depreciation	"E"	52,355,268	43,667,309
TOTAL (B)		395,796,185	312,674,157
NET PROFIT/(LOSS) BEFORE TAX	(A-B)	(55,141,889)	(70,791,564)
Provision for Taxation			
-Deferred Tax Assets		22,754,591	22,322,313
NET PROFIT/(LOSS) AFTER TAX		(32,387,298)	(48,469,251)
Balance brought forward from Previous Years		32,264,875	81,166,115
PROFIT AVAILABLE FOR APPROPRIATION		(122,423)	32,696,864
APPROPRIATION			
Income Tax (Earlier Year)		220,452	431,989
Surplus/(Deficit) carried to Balance Sheet		(342,875)	32,264,875
		(122,423)	32,696,864
Basic and Diluted Earning Per Share (In Rs.) (Face value of Rs.5/- each)		(1.47)	(2.20)
No. of shares used in computing earning per share			
Basic and Diluted		22,037,892	22,037,892
Significant Accounting Policies and Notes to Accounts	"N"		

As per our report of even date

For & on behalf of the Board of Directors

For P.C. BINDAL & CO.
Chartered Accountants

(P.C.Bindal)
Partner
M.No.82683

Kailash S. Choudhari
Managing Director

B. R. Rakhecha
Executive Director

Place : Gurgaon
Dated : 26.04.2005

B. S. Maur
Company Secretary



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2005

(Amount in Rs)

PARTICULARS	As at March 31, 2005	As at March 31, 2004
SCHEDULE - "A"		
SHARE CAPITAL		
AUTHORISED		
28,000,000 Equity Shares of Rs.5/- each (P.Y. 28,000,000 Equity Shares of Rs.5/- each)	140,000,000	140,000,000
100,000 Preference Shares of Rs. 100/- each (P.Y. 100,000 Preference Shares of Rs. 100/- each)	10,000,000	10,000,000
	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP		
22,037,892 Equity Shares of Rs.5/- each (P.Y. 22,037,892 Equity Shares of Rs.5/- each)	110,189,460	110,189,460
	110,189,460	110,189,460

(Issued & Subscribed Capital includes 9,505,860 Equity Shares of Rs. 5/- each issued as fully paid Bonus Shares).

(Issued & Subscribed Capital includes 1,660,942 Equity Shares of Rs. 5/- each issued to Shareholders of Telecords India Pvt Ltd pursuant to scheme of arrangement).

SCHEDULE - "B"
RESERVES & SURPLUS

a) Share Premium Account As per last Balance Sheet	475,902,201	475,902,201
Sub Total (a)	475,902,201	475,902,201
b) General Reserve As per last Balance Sheet	—	46,229,126
Less : Impairment loss	—	46,229,126
Sub Total (b)	—	—
c) Profit & Loss Account	—	32,264,875
Sub Total (c)	—	32,264,875
d) State Capital Subsidy	1,500,000	1,500,000
Sub Total (d)	1,500,000	1,500,000
e) Debenture Redemption Reserve As per last Balance Sheet	10,050,000	10,050,000
Sub Total (e)	10,050,000	10,050,000
Total (a+b+c+d+e)	487,452,201	519,717,076

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2005

(Amount in Rs)

PARTICULARS	As at March 31,2005	As at March 31,2004
SCHEDULE - "C"		
SECURED LOANS		
a) Working Capital Limits with Banks		
Cash Credit Facilities	88,779,881	98,579,110
b) Working Capital Term Loan	73,471,684	83,200,000
c) Short Term Loan from UBI	—	14,687,630
d) ICICI Bank Ltd.		
Rupee Term Loan	—	253,662
e) 9.50% Secured Non Convertible Debentures with UTI Bank Ltd.	170,000,000	200,000,000
f) Short Term Loan from UTI Bank Ltd.	—	12,785,000
Total	<u>332,251,565</u>	<u>409,505,402</u>

NOTE:

- Various fund based & non-fund based credit facilities from Union Bank of India are secured by way of first pari-passu charge on Raw Materials, Stock-in-progress, Finished Goods, Consumable Stores & spares, Book debts (herein after mentioned as Current Assets) both present and future. These facilities are further secured by way of second pari passu charge on the Fixed Assets of the Company.
- The various fund based & non-fund based credit facilities from ICICI Bank Ltd. are secured by way of first pari-passu charge on the current assets. These Facilities are further secured by way of second pari - passu charge on the fixed assets of the company to an extent of Rs. 2,645 Lacs. Non-Fund based facility (Revolving Letter of Credit facility of Rs.8.64 crores per month) with effective exposure of nine months aggregating to Rs.77.76 crores is also secured by way of first pari passu charge on the immovable assets of the Company.
- Rupee Term Loan from ICICI Bank Ltd. (since repaid in full) is secured by way of first pari-passu charge by Equitable Mortgage on all the immovable properties of the Company, both present & future and hypothecation of movables (save & except book debts & stocks exclusively hypothecated to banks for their Working Capital facilities) including movable Plant & Machinery, Tools & Accessories, both present & future.
- 9.50% Non Convertible Debentures issued to UTI Bank Limited are secured by way of first pari-passu charge on the fixed assets of the Company. These are further secured by way of English Mortgage on all that piece or parcel of land, herditaments and premises situated at village Budasan, Taluka Kadi, District Mehsana in the State of Gujarat.

SCHEDULE - "D"

UNSECURED LOANS

Inter-Corporate Deposits	<u>5,000,000</u>	12,682,959
	<u>5,000,000</u>	<u>12,682,959</u>

SCHEDULE OF FIXED ASSETS FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2005

SCHEDULE - "E"

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	COST ASON 01.04.2004	ADDITION DURING THE YEAR	SOLD/ ADJUST- MENTS	TOTAL ASON 31.03.2005	UPTO 31.03.2004	FOR THE YEAR	SOLD/ ADJUST- MENTS	TOTAL ASON 31.03.2005	W.D.V. ASON 31.03.2005	W.D.V. ASON 31.03.2004
Freehold Land	184,250	—	—	184,250	—	—	—	—	184,250	184,250
Leasehold Land	31,699,244	48,116	—	31,747,360	1,620,351	324,359	—	1,944,710	29,802,650	30,078,893
Factory Buildings	79,417,081	—	—	79,417,081	11,231,689	2,652,971	—	13,884,660	65,532,421	68,185,392
Residential Building	1,017,296	—	476,896	540,400	87,024	10,611	46,441	51,194	489,206	930,272
Plant & Machinery	639,672,025	—	722,749	638,949,276	153,168,042	37,634,764	—	190,802,806	448,146,470	486,503,983
Testing Instruments	85,749,907	—	—	85,749,907	24,509,590	4,122,249	—	28,631,839	57,118,068	61,240,317
Air Conditioners	25,513,972	—	—	25,513,972	5,760,214	1,619,579	—	7,379,793	18,134,179	19,753,758
Furniture & Fixtures	6,266,901	—	—	6,266,901	2,839,541	340,209	—	3,179,750	3,087,151	3,427,360
Office Equipments	5,972,942	—	—	5,972,942	1,058,450	280,586	—	1,339,036	4,633,906	4,914,492
Data Processing System	12,345,994	—	—	12,345,994	7,648,857	1,724,568	—	9,373,425	2,972,569	4,697,137
Electric Fittings	28,805,419	—	—	28,805,419	6,548,686	1,709,128	—	8,257,814	20,547,605	22,256,733
Vehicles	8,056	—	—	8,056	7,503	60	—	7,563	493	553
Fork Lift	1,278,275	—	—	1,278,275	511,796	90,374	—	602,170	676,105	766,479
Intangible Assets	5,537,430	—	—	5,537,430	2,007,634	1,845,810	—	3,853,444	1,683,986	3,529,796
Total	923,468,792	48,116	1,199,645	922,317,263	216,999,377	52,355,268	46,441	269,308,204	653,009,059	706,469,415
Previous Year	848,408,574	77,896,519	2,836,301	923,468,792	173,995,817	43,667,309	663,749	216,999,377	706,469,415	674,412,757



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2005
(Amount in Rs)

PARTICULARS	As at March 31,2005	As at March 31,2004
SCHEDULE - "F"		
INVESTMENTS- LONG TERM		
a) QUOTED		
22,300(P.Y. 22,300) Equity Shares of CMI Limited	44,600	44,600
Nil (P.Y. 9,300) Equity Shares of Prism Cement Ltd.	—	35,805
Sub Total (a)	44,600	80,405
b) UNQUOTED		
OTHERS		
Aksh Networks Limited	500,000	500,000
100,000 (P.Y. 100,000) Equity Shares of Rs.5/- each		
Aksh Broadband Limited	105,700,000	105,700,000
2,204,000 (P.Y. 2,204,000) Equity Shares of Rs.5/-each		
Sub Total (b)	106,200,000	106,200,000
c) GOVERNMENT SECURITIES		
National Saving Certificates	32,045	32,045
(Lodged with Government Department as Security Deposit)		
Kisan Vikas Patra	50,000	50,000
Sub Total (c)	82,045	82,045
Total (a+b+c)	106,326,645	106,362,450
Less: Provision for Diminution/Revaluation in value of quoted Investments	44,600	(17,225)
	106,282,045	106,379,675
SCHEDULE - "G"		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
a) INVENTORIES		
(As taken, valued & Certified by Management)		
i) Finished Goods	57,642,309	39,892,049
ii) Raw Material	48,625,886	44,431,502
iii) Semi Finished Goods	21,880,596	8,042,299
iv) Scrap	16,556	18,901
v) Packing Material & Others	1,748,409	1,253,362
vi) Spare Parts	7,563,178	7,619,029
vii) Consumable Stores	9,496,078	8,351,057
viii) Trading Stocks	433,007	707,639
ix) Goods in Transit	5,267,807	350,357
Sub Total (a)	152,673,826	110,666,195
b) SUNDRY DEBTORS(UNSECURED)		
i) Debts outstanding for a period exceeding six months		
a) Considerd Good	63,706,287	150,884,455
b) Considerd Doubtful	36,904,588	
Total	100,610,875	
Less: Provision for Doubtful Debts	36,904,588	
ii) Others(Considered Good)	26,229,902	23,622,397
Sub Total (b)	89,936,189	174,506,852



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2005

(Amount in Rs)

PARTICULARS	As at March 31, 2005	As at March 31, 2004
c) CASH & BANK BALANCES		
i) Cash in hand	42,216	63,137
ii) Cheques in hand	142,015	1,517,172
iii) Foreign currency in hand	10,245	1,035
iv) FDRs with Scheduled Banks *	9,603,689	5,412,129
v) In Current Account with Scheduled Banks	1,144,692	1,634,652
Sub Total (c)	10,942,857	8,628,125
*Pledged against Margin Money		
d) OTHER CURRENT ASSETS		
i) Interest Accrued on FDRs & others	144,561	97,921
ii) Insurance Claim Recoverable	31,224	183,553
Sub Total (d)	175,785	281,474
Total "A"(a+b+c+d)	253,728,657	294,082,646
B. LOANS & ADVANCES		
(Unsecured, Considered Good)		
a) Advances Recoverable in cash or in kind for value to be received	18,428,277	14,660,405
b) Loan (Aksh Networks Ltd)	153,343	1,615,695
c) Loan (Aksh Employees Welfare Trust)	—	4,455,542
d) Prepaid Taxes	497,761	2,745,502
Total "B"	19,079,381	23,477,144
Total (A+B)	272,808,038	317,559,790
SCHEDULE - "H"		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
a) Sundry Creditors		
i) Outstanding dues of SSI Undertakings	—	294,622
ii) Others	77,172,745	42,697,267
b) Other Liabilities	18,475,246	18,036,581
c) Advance From Customers	1,992,862	613,085
d) Retention Money & Security Deposit	2,207,339	627,339
Total (A)	99,848,192	62,268,894
B. PROVISIONS		
Provision for Retirement Benefits :		
Balance b/f	3,239,796	1,905,204
Add : Provisions during the year	1,478,478	1,517,881
Less : Paid during the year	392,792	183,289
Total (B)	4,325,482	3,239,796
Total (A+B)	104,173,674	65,508,690
SCHEDULE - "I"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a) CAPITAL ISSUE EXPENSES		
As per last Balance Sheet	589,193	1,118,429
Less: Written off during the year	529,193	529,236
Sub Total (a)	60,000	589,193
b) DEFERRED REVENUE EXPENDITURE		
As per last Balance Sheet	6,718,164	13,305,626
Less: Written off during the year	2,795,222	6,587,462
Sub Total (b)	3,922,942	6,718,164
Total (a+b)	3,982,942	7,307,357

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2005

(Amount in Rs)

PARTICULARS	Year ended March 31,2005	Year ended March 31,2004
SCHEDULE - "J"		
MISCELLANEOUS INCOME		
Interest on Fixed Deposits & others (Tax Deducted at Source Rs.120,803/- (P.Y.Rs.302,167/-)	819,895	1,563,692
Foreign Exchange Fluctuations	1,332,301	137,549
Profit on Sale of Assets	163,065	—
Rebate & Credit	58,905	780,343
Profit on sale of Investment	131,971	—
Prior Period Income	206,302	(354,259)
Other Income	1,813,693	4,602,310
	4,526,132	6,729,635
SCHEDULE - "K"		
MANUFACTURING EXPENSES		
Raw Material Consumed	193,079,662	103,588,039
Trading Purchases	468,152	20,751,683
(Increase)/Decrease in stock	(31,311,580)	(8,642,738)
Store & Hardware Consumed	5,725,475	2,485,146
Job Charges	217,592	687,790
Wages, Salaries & Bonus	10,841,730	12,503,183
Contribution to Provident & Other Funds	1,117,995	1,056,740
Employees Welfare	756,263	917,974
Excise Duty	2,582,508	1,884,831
Freight & Cartage	3,798,098	5,477,386
Insurance	2,419,595	3,404,847
Packing Material Consumed	7,377,813	5,379,951
Power & Fuel	11,304,389	7,777,617
Rental Charges	—	11,055
Repair & Maintenance -Plant & Machinery	1,010,875	3,418,196
Testing Charges	1,186,474	1,040,986
	210,575,041	161,742,686



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2005

(Amount in Rs)

PARTICULARS	Year ended March 31,2005	Year ended March 31,2004
SCHEDULE - "L"		
ADMINISTRATIVE & SELLING EXPENSES		
Salaries & Bonus	7,285,846	8,919,682
Contribution to Provident & Other Funds	622,238	694,443
Employees Welfare	473,547	669,126
Directors' Remuneration	9,089,984	7,796,428
Travelling & Conveyance	2,438,756	1,933,923
Postage & Telephone	1,203,001	1,682,563
Insurance	118,010	202,197
Loss on Sale of Assets	—	605,348
Provision for Diminution in value of Investments	44,600	(17,225)
Lease Rentals	—	74,345
Rent, Rates & Taxes	1,337,313	1,443,027
Professional & Legal Expenses	1,653,517	3,195,485
Repair & Maintenance		
— Buildings	835,115	1,454,993
— Others	455,602	933,019
Marketing & Service Charges	8,351,480	5,031,289
Discount & Rebate	6,562,702	39,018
Freight & Cartage (Outward)	3,224,307	3,469,018
Bad Debts	—	10,077,532
Auditors' Remuneration	428,412	315,024
Other Expenses	3,519,821	4,254,859
	47,644,251	52,774,094
SCHEDULE - "M"		
FINANCIAL EXPENSES		
Bank Charges	4,747,346	4,405,908
Interest on Fixed Loans	7,677,161	13,875,732
Interest on Debentures	19,383,635	11,527,619
Interest Others	13,184,480	17,564,111
	44,992,622	47,373,370

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

SCHEDULE "N"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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 presentational requirements of the Companies Act, 1956. A summary of important accounting policies applied, are set out below :

a) Convention

The Accounts are prepared under historical cost convention and on the basis of going concern.

b) Revenue Recognition

- i. Sale of goods is recognized 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. Other Incomes are accounted for on accrual basis except where the receipt of income is uncertain.

c) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost includes expenditure during construction period and the borrowing costs attributable to the acquisition/ construction of relevant assets and bringing the assets to its working condition for its intended use.
- ii) Exchange difference (at the rates prevailing at the year end) arising on account of liabilities incurred for acquisition of Fixed Assets is adjusted to the carrying amount of related Fixed Assets.

d) Capital Work-in-Progress

Advances paid towards the acquisition of fixed assets, costs of assets not put to use before the year-end and expenditure during construction period including borrowing costs are disclosed under Capital Work-in-Progress.

e) Depreciation

Depreciation on Building, Plant and Machinery and other Fixed Assets 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 less than Rs.5,000/- are depreciated in full in the year of purchase. Extra shifts depreciation is charged on the basis of actual extra shifts. Cost of leasehold land is amortized over lease period. Intangible assets are depreciated over useful life of respective assets.

f) Investments

Investments are classified into Current Investments and Long Term Investments. Current Investments are carried at the lower of the cost and the fair value and provisions are made to recognize the decline in the carrying value. Long Term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such decline is other than temporary, in the opinion of the management.

g) Inventories

- i) Raw materials, stores and spare parts, work in process and finished goods are valued at the lower of the historic cost and the net realizable value. Scrap and slow moving / unserviceable stocks are valued at net realizable value.
- ii) Cost of inventories of items those 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 respect of work in process and finished goods, cost of conversion is included on absorption costing basis.

h) Custom Duty

Custom duty payable on raw materials, stores, spare parts and machinery are accounted for on clearing of goods from Custom Warehouse.

i) Retirement Benefits

- a) Contribution to Provident Fund is accounted for on accrual basis. The Company continues to make contributions to provident fund plan administered by the Government of India.

**SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005**

- b) In accordance with prevalent laws, the company provides for gratuity, a defined retirement benefit plan covering eligible employees. Liabilities with regard to gratuity are determined by actuarial valuation. The liability with regard to gratuity in respect of employees 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 time of the transaction. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rates prevailing at the year end) is included in the carrying amount of the related fixed assets. In the case of current assets and current liabilities, the net result of conversion at the rates prevailing at the year-end is charged/ credited to the profit and loss account. In the case of forward contract, difference between forward rates and spot rates on the date of transaction is recognized as income or expense over the life of the contract.

k) Income Tax

Taxes on income 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 as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing difference, namely differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only if there is reasonable/ virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

In case of matters under appeal, if any, due to disallowances or otherwise, full provision is made when the said liabilities are accepted by the company.

l) Miscellaneous Expenditure

- i) Expenses on issue of shares up to the year ending 31.03.2000 are amortized over the period as prescribed under section 35D of the Income Tax Act, 1961. Expenses on issue of shares incurred after 31.03.2000 are written off by applying Share Premium account.
- ii) Expenses on issue of debentures and other ancillary cost of borrowings are amortized over period of loan.
- iii) Expenditure incurred against which benefit is expected to flow into future periods, is treated as deferred revenue expenditure and charged to revenue account over the expected duration of benefit.

2. NOTES TO ACCOUNTS**2.1 Contingent Liabilities not provided for :**

- a. In respect of guarantees and letters of credit issued by bank and outstanding as at 31st March, 2005 Rs. 491.92 Lacs net of margin (P.Y. Rs. 693.52 Lacs).
- b. In respect of bills discounted by bank and outstanding as at 31st March, 2005 Rs. 27.13 Lacs (P.Y. Rs. Nil.).
- c. In respect of Excise Duty Cenvat on Capital Goods of Rs. 19,893/- (P.Y. Rs. 100,656/-) disputed by Central Excise Authorities. appeal is pending before Hon'ble Supreme Court.
- d. In respect of excise duty on freight collected by the Company relating to previous periods amounting to Rs. 201,297/- (P.Y. Rs. 201,297/-), Company has filed appeal with appropriate authority.
- e. In respect of excise duty of Rs.690,136/-(P.Y. Rs. 753,084/-) on account of goods issued for captive consumption in R & D division in the same factory, Company has filed necessary appeal with appropriate authority.
- f. In respect of excise duty of Rs. 143,558/- (P.Y. Rs. 143,558/-) on account of supplementary invoices raised to BSNL, Company has filed appeal with appropriate authority.
- g. In respect of excise duty of Rs. 9,775/- (P.Y. Rs. 9,775/-) on account of supplementary invoices raised to BSNL, Company has filed representation with the concerned authority.
- h. In respect of service tax levied by Deputy Commissioner, Central Excise Division -Bhiwadi of Rs. 1,501,650/- (P.Y. Rs. Nil) on account of Technical Know How transfer, appeal being filed with appropriate authority.
- i. In respect of sales tax levied by Commercial Tax Officer (Rajasthan) of Rs. 71,11,596/- (P.Y. Rs. Nil) for the financial year 2001-2002, Company has filed representation with appropriate authority.

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

- j. In respect of penalty levied by Commercial Tax Officer (Rajasthan) Rs. 211,734/- (P.Y. Rs.211,734/-), representation has been filed with the concerned department.
 - k. In respect of additional liability of sales tax Rs. 12,247/- (P.Y. Rs.12,247/-) pertaining to plant II , Company has filed appeal with appropriate authority.
 - l. In respect of development and service charges claimed by RIICO for Rs. 745,757/- (P.Y. Rs. 411,562/-), representation has been filed with the concerned department.
 - m. In respect of excise duty of Rs. 3,754,330/- (P.Y. Rs. Nil) on account of difference of duty on goods sold/ transferred by M/s Telecord (India) Private Limited to the Company, appeal has been filed with appropriate authority.
- 2.2 Driven by prevailing circumstances, the Company had signed a long term contract for import of a key raw material with a foreign supplier for 198 mn JPY per month for a period of five years. The terms of the contract have been totally one sided and saddled with unduly onerous contractual obligations rendering it incapable and inoperative. The company has decided to treat the contract as null and void based on legal opinions of the eminent lawyers and accordingly is being pursued. However, contingent liability, if any, on account of claims made by foreign supplier is estimated at JPY 4,267.66 mn as on balance sheet date.

2.3 Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred Tax Assets	March 31, 2005	March 31,2004
a. Fixed Assets	—	—
b. Others	111,651,539	89,901,805
Deferred Tax Liabilities	March 31, 2005	March 31,2004
a. Fixed Assets	112,118,867	113,123,724
b. Others	—	—

2.4 Related Party Disclosures

(As identified & certified by the management)

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 2005:

- a) Subsidiary Company - Nil
- b) Joint Ventures & Associates
 - Aksh Broadband Ltd.
 - Aksh Networks Ltd.
- c) Individual exercising significant influence
 - Dr. Kailash S. Choudhari
- d) Key Management personnel & their relatives:
 - Dr. Kailash S. Choudhari
 - Mrs. Seema Choudhari
 - Mr. B.R.Rakhecha
- e) Enterprises over which personnel referred in c & d aforementioned exercise significant influence -Nil



SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

Related Party Transactions

(Rs. in Lacs)

Particulars	Related Parties as defined above				Total
	a	b	c & d	e	
Sale transactions		18.82			18.82
Purchases transactions		0.57			0.57
Interest received		1.94			1.94
Rent paid			22.80		22.80
Directors' remuneration			68.10		68.10
Sales Return		466.13			466.13
Total		487.46	90.90		578.36
Balance as on 31.03.2005					
Due from		889.30			889.30
Due to			2.31		2.31
Previous Year					
Sale transactions		31.22			31.22
Loan given		15.50			15.50
Processing charges paid				4.02	4.02
Purchase of raw material/packing				0.28	0.28
Interest received		0.83			0.83
Rent paid			18.00		18.00
Director Remuneration			59.96		59.96
Sales Return		273.70			273.70
Return of capital goods		9.96			9.96
Total		331.21	77.96	4.30	413.47
Balance as on 31.03.2004					
Due from		1,413.15			1,413.15
Due to			1.76		1.76

2.5 The Company operates in only one segment i.e. telecom cables, hence segment reporting as defined in Accounting Standard 17 issued by The Institute of Chartered Accountants of India is not applicable.

2.6 Basic and diluted earning per share (Pursuant to Accounting Standard-20):

31st March, 2005 31st March, 2004

a) Calculation of Weighted Average		
Number of Equity Shares of Rs. 5/- each		
Number of shares at the beginning of the year	22,037,892	22,037,892
Shares issued during the year	—	—
Total Equity Shares outstanding at the end of the year	22,037,892	22,037,892
Weighted Average No. of Equity outstanding at the end of the year	22,037,892	22,037,892

(Amount in Rs.)

b) Net Profit /(Net Loss) after tax available for Equity shareholders	(32,387,298)	(48,469,251)
c) Earning per Share (Basic & Diluted)	(1.47)	(2.20)

2.7 The managerial remuneration amounting to Rs.69.25 lacs paid by the Company in financial year 2002-2003 to its Managing Director as per the terms of his appointment is not within the limits prescribed under Sec.198 read with Schedule XIII of the Companies Act, 1956 due to losses in the financial year 2002-2003. The Company is yet to receive the approval from the Central Government for the same.

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

2.8 Disclosure pursuant to clause 32 of listing agreement:

The company has not made any loans or advances in the nature of loans to subsidiary, associates or others (P.Y.Rs.60.06 Lacs). At the year end a sum of Rs. 1.53 lacs is outstanding due from Aksh Networks Ltd on account of interest accrued.

2.9 Profit/(Loss) for the year has been arrived after adjusting prior year debits of Rs. 342,531/- (P.Y. Rs. 366,121/-) and prior year credits of Rs.548,833/- (P.Y. Rs. 11,862/-).

2.10 Fixed assets have been decreased during the year by a sum of Rs.722,749/- as against increase of Rs. 1,460,664/- in previous year on account of foreign exchange rate fluctuations.

2.11 Maximum amounts due from Directors at any time during the year Rs. Nil (P.Y. Rs.Nil).

2.12 Maximum amount due at any time during the year from Concerns/ Companies in which Directors and/ or their relatives are interested

a) Aksh Broadband Ltd.	Rs. 1,414.47 Lacs	(P.Y. Rs.1,633.77 Lacs)
b) Aksh Networks Ltd.	Rs 21.16 Lacs	(P.Y. Rs.21.16 Lacs)

2.13 Estimated amounts of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. Nil (P.Y.Rs. Nil) .

2.14 Managerial remuneration paid to the managing director/ whole-time director/ non- whole-time director.

	(Amount in Rs.)	
	Current Year	Previous Year
Salary	5,400,000	4,555,839
Contribution to Provident and other funds	707,676	885,177
Perquisites*	2,982,308	2,355,412
Sitting fee	15,000	11,000
* Including provision for retirement benefits	Rs. 642,308/-	(P.Y.Rs.173,077/-).

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

2.16 Amount paid/ payable to Auditors

	(Amount in Rs.)	
	Current Year	Previous Year
a) Audit Fee	350,000	270,000
b) Tax Matters	41,500	27,000
c) Out of Pocket Expenses	31,735	15,944
d) Certification Fee/Other Services	5,177	2,080

2.17 In the opinion of Board of Directors, all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.

2.18 In the opinion of Board of Directors, none of the assets/cash generating units of the Company are impaired.

2.19 Due to loss in the current financial year, no Debenture Redemption Reserve has been created (P.Y. Rs. NIL).

2.20 There are no outstanding dues to small scale industries at the Balance Sheet date.

2.21 The company has not provided for diminution in the value of long term investments made in Aksh Broadband Ltd & Aksh Networks Ltd, since in the opinion of the management such diminution is temporary in nature, considering the inherent value of their assets and strategic value of investments.

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



SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

		Current Year		Previous Year	
(A) Capacity & Production					
(a) Licenced Capacity		Not Applicable		Not Applicable	
(b) Installed Capacity					
(i) Metal free Optical Fibre Cable (Kms)		79,896		79,896	
---Duct Type, Armoured and Aerial					
(ii) Proof Cable (Kms)		75,000		75,000	
(iii) Optical Fibre (Kms)		800,000		800,000	
(iv) Fibre Reinforced Plastic Rod (Kms)		500,000		500,000	
(c) Production					
(i) Optical Fibre Cables (Kms)		10,578		6,553	
(ii) Optical Fibres (Kms)		—		5,807	
(iii)Fibre Reinforced Plastic Rod (Kms)		143,251		116,744	
(B) Sales	Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)	
(i) Optical Fibre Cables* (Kms)	9,088	2,239.09	5,537	1,264.59	
(ii) Optical Fibres* (Kms)	—	—	1,084	7.14	
(iii) Fibre Reinforced Plastic Rod* (Kms)	125,068	1,486.11	106,518	1,025.15	
(iv) Others (including cable accessories)		102.26		253.81	
* Excludes captive consumption		3,827.46		2,550.69	
(C) Trading Purchases					
Accessories & Tools (Nos.)	1,295	4.68	6,171	207.52	
(D) Raw Material Consumed					
(i) Optical Fibres (Kms)	94,338	485.84	57,223	379.57	
(ii) PVC, HDPE, Nylone, MB, LSZH(MTs)	415	502.75	254	200.02	
(iii) Glass Rovings(Kgs)	654,421	389.10	234,413	170.58	
(iv) Others		553.11		285.71	
		1,930.80		1,035.88	
(E) Closing Stock of Finished Goods/Products					
(i) Optical Fibre Cables (Kms)	3,364	548.66	1,969	387.20	
(ii) Fibre Rein forced Plastic Rod (Kms)	9,115	27.76	1,161	11.72	
(iii) Cable Accessories (Nos)	1,694	4.33	5,086	7.08	
(F) Opening Stock of Finished Goods/products					
(i) Optical Fibre Cables (Kms)	1,969	387.20	953	191.19	
(ii) Optical Fibres (Kms)	—	—	3,323	24.87	
(iii) Fibre Reinforced Plastic Rod (Kms)	1,161	11.72	7,341	46.25	
(iv) Cable Accessories (Nos)	5,086	7.08	2,012	6.90	
	Value	%	Value	%	
	(Rs. Lacs)		(Rs. Lacs)		
(G) Value and Percentage of Imported/ Indigenous Raw-Material Consumed					
Imported	1,016.81	52.66	613.35	59.21	
Indigenous	913.99	47.34	422.53	40.79	

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

	Value (Rs. Lacs)	% (Rs. Lacs)	Value (Rs. Lacs)	%
(H) Spare Parts & Components				
Imported	0.98	17.13	3.26	28.35
Indigenous	4.74	82.87	8.24	71.65
(I) Value of Imports on CIF Basis				
Raw Materials	1,020.44		608.29	
Spares, Components & others	6.70		21.58	
(J) Earnings in Foreign Exchange on FOB Basis				
Exports of Goods	414.45		803.96	
(K) Expenditure in Foreign Currency				
Travelling	1.97		1.08	
Sale Commission	3.27		0.50	
Others	—		0.82	

2.23 Previous year's figures have been regrouped and/or rearranged to conform to those of current year's figures wherever necessary.

2.24 All the figures stated in rupees are rounded off to nearest rupee.

As per our report of even date

For & on behalf of the Board of Directors

For P.C. BINDAL & CO.
Chartered Accountants

(P.C.Bindal)
Partner
M.No.82683

Kailash S. Choudhari
Managing Director

B. R. Rakhecha
Executive Director

Place : Gurgaon
Dated : 26.04.2005

B. S. Maur
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005****(Rs in Lacs)**

	2004-2005	2003-2004
Net profit/(Loss) before taxation & extraordinary item	(551.42)	(707.92)
Adjustment for:		
Add		
Depreciation	523.55	436.67
Miscellaneous exp written off	33.24	71.17
Provision for doubtful debt	369.05	—
Interest Expenses	402.45	429.67
Less		
Interest Income	(8.20)	(15.64)
Dividend Income	—	—
(Profit)\Loss on sale of Fixed Assets	(1.63)	6.05
(Profit)\Loss on sale of Investment	(1.32)	—
Deminution of Investment	0.45	(0.17)
Operating profit before working capital changes	766.17	219.83
Decrease(Increase) in Sundry Debtors	476.66	1,272.11
Decrease(Increase) in Other Assets	46.24	104.75
Decrease(Increase) in Inventories	(420.08)	91.68
(Decrease)Increase in Sundry Creditors	386.65	(1,407.64)
Cash generated from operations	1,255.65	280.73
Income Tax Paid	(2.20)	(4.31)
Cash Flow from Operating activities(A)	1,253.45	276.42
Cash Flow from Investing activities		
Purchase of Fixed Assets	(0.48)	(778.97)
Proceeds from Sale of Assets	13.16	15.67
Proceeds from Sale of Investment	1.85	—
TDS on Interest income	(1.21)	(3.27)
Interest Income	8.20	15.64
Capital Work in progress	—	697.71
Net Cash from Investing activities(B)	21.52	(53.22)
Cash Flow from Financing activities		
Proceeds from short term borrowing	—	274.73
Repayment of long Term Borrowing	(399.82)	—
Repayment of short term borrowing	(372.72)	(739.96)
Interest paid	(402.45)	(429.67)
Proceeds from Inter Corporate Deposit	(76.83)	126.83
Net Cash Flow from Financing activities(C)	(1,251.82)	(768.07)
Net Increase in cash & cash equivalents(A+B+C)	23.15	(544.87)
Cash & Cash equivalents at beginning of period	86.28	631.15
Cash & Cash equivalents at end of period	109.43	86.28

For & on behalf of the Board of Directors

Kailash S. Choudhari**B.R Rakhecha****B.S. Maur**

Managing Director

Executive Director

Company Secretary

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Aksh Optifibre Limited for the year ended 31st March, 2005. The Statement has been prepared by the company in accordance with the requirements of clause - 32 of the listing agreement with the stock exchanges and is based on and in agreement with corresponding profit and loss account and balance sheet of the company covered by our Report of 26th April, 2005 to the members of the Company.

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

[P.C. BINDAL]

Partner

M. No. : 82683

PLACE : Gurgaon
DATED : 26.4.2005

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**I Registration Details**

State Code:

1	7
---	---

 Registration No.

0	0	0	1	6	1	3	2
---	---	---	---	---	---	---	---

Balance Sheet Date:

3	1	0	3	2	0	0	5
---	---	---	---	---	---	---	---

Date Month Year

II Capital Raised During the Year (Amount in Rs. Thousand)

Public Issue :

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

 Rights Issue:

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

Bonus Issue:

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

 Private Placement

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liability

0	0	9	3	5	3	6	0
---	---	---	---	---	---	---	---

 Total Assets

0	0	9	3	5	3	6	0
---	---	---	---	---	---	---	---

SOURCES OF FUNDS

PaidUp Capital:

0	0	1	1	0	1	8	9
---	---	---	---	---	---	---	---

 Reserve & Surplus

0	0	4	8	7	4	5	2
---	---	---	---	---	---	---	---

Secured Loans:

0	0	3	3	2	2	5	2
---	---	---	---	---	---	---	---

 Unsecured Loans

0	0	0	0	5	0	0	0
---	---	---	---	---	---	---	---

Deferred Tax Liabilities

0	0	0	0	0	4	6	7
---	---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets:

0	0	6	5	6	1	1	8
---	---	---	---	---	---	---	---

 Investments:

0	0	1	0	6	2	8	2
---	---	---	---	---	---	---	---

Net Current Assets:

0	0	1	6	8	6	3	4
---	---	---	---	---	---	---	---

 Misc. Expenditure:

0	0	0	0	3	9	8	3
---	---	---	---	---	---	---	---

Accumulated Losses:

0	0	0	0	0	3	4	3
---	---	---	---	---	---	---	---

--	--	--	--	--	--	--	--

IV Performance of Company (Amount in Rs. Thousnd)

Turnover (including other Income)

0	0	3	4	0	6	5	4
---	---	---	---	---	---	---	---

 Total Expenditure :

0	0	3	9	5	7	9	6
---	---	---	---	---	---	---	---

Profit/(Loss) before tax:

	(5	5	1	4	2)
--	---	---	---	---	---	---	---

 Profit/(Loss) after tax:

	(3	2	3	8	7)
--	---	---	---	---	---	---	---

Earning Per Share in Rs.

	(1	.	4	7)
--	---	---	---	---	---	---

 Dividend rate (%)

						0	0
--	--	--	--	--	--	---	---

V Generic Names of the Three Principal Products of Company

Item Code No (ITC Code)	0	8	5	4	4	7	0	0	0								
Product Description	O	P	T	I	C	A	L	F	I	B	R	E	C	A	B	L	E
Item Code No(ITC Code)	0	0	0	9	0	0	1	1	0	0	0						
Product Description	O	P	T	I	C	A	L	F	I	B	R	E					
Item Code No. (ITC Code)	0	0	0	0	0	3	9	1	6	9	0						
Product Description	F	I	B	R	E	R	E	I	N	F	O	R	C	E	D		
	P	L	A	S	T	I	C	R	O	D	S						

As per our report of even date

For & on behalf of the Board of Directors

For P.C. BINDAL & CO.
Chartered Accountants

(P. C. Bindal)
Partner
M.No.82683

Kailash S. Choudhari
Managing Director

B. R. Rakhecha
Executive Director

Place : Gurgaon
Dated : 26.04.2005

B. S. Maur
Company Secretary



AKSH OPTIFIBRE LIMITED

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

PROXY FORM

(To be filled by the Shareholder)

DP. Id. _____

Folio No. _____

Client Id. _____

No. of shares held _____

I/We _____ (Name) of _____
(Address) being the Member/ Members of AKSH OPTIFIBRE LIMITED hereby appoint Miss/ Mrs./
Mr. _____ of _____ in the district of _____
or failing him/ her _____ of _____ in the
district of _____ as my/ our proxy to vote for me/ us, on my/ our behalf at the 19th Annual General
Meeting of the Company to be held on Friday 30th September, 2005 at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi-
301 019 (Rajasthan) at 9:00 A.M and at any adjournment thereof.

As witness my/our hand this ____ day of _____, 2005

Affix Re. 1
Revenue
Stamp

Signature _____

Note :

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



AKSH OPTIFIBRE LIMITED

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

ANNUAL GENERAL MEETING

ATTENDANCE SLIP

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

DP. Id. _____

Folio No. _____

Client Id. _____

No. of shares held _____

I hereby record my presence at the 19th Annual General Meeting of the Company, held on Friday 30th September, 2005, at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi-301 019 (Rajasthan) at 9: 00 A.M.

Member's / Proxy's Name in Block Letters

(Member's/ Proxy's Signature)

1. Please sign this attendance slip and hand it over at the Attendance Counter at the entrance of the meeting venue.
2. This attendance slip is valid only in case shares are held on the date of the meeting.