

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **APAKSH BROADBAND LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of APAKSH BROADBAND LIMITED ("the company"), which comprises the Balance Sheet as at 31st March 2015, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matter's which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015; and
- b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

- c) The Balance Sheet, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 10 to the financial statements
 - ii The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For P.C. BINDAL & CO.
Chartered Accountants
Firm Registration No. 003824 N

Place : New Delhi
Date: 28th May 2015

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

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in Our Auditors' report on even date, the following statement is based on the comment in the Auditors report on financial statement.

- 1 (a) The company has not produced any proper records showing full particulars including quantitative details and situation of fixed assets.

The impact & quantum of this on the company's assets cannot be qualified.

- (b) The Company has not produced any documents confirming that fixed assets have been physically verified by the management during the year.

The impact & quantum of this on company's assets cannot be quantified.

- 2 The Company does not have any Inventory, Accordingly clause ii (a) to ii (c) of companies (Auditor's Report) Order 2015 is not applicable to the company for the current year.

- 3 The company has not granted any loans secured or unsecured to company covered in the register maintained under Section 189 of Companies Act, 2013. Accordingly clause iii (a) and iii (b) of Companies (Auditor's Report) Order 2015 is not applicable to the company for the current year.

- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.

- 5 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which the directives issued by Reserve Bank of India and provisions of sections 73 to 76 of the Companies Act, 2013, including rules framed there under, apply. Further, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other tribunal.

- 6 As per the information and explanations given to us, the Central Government has specified maintenance of cost records on the products of the company under sub-section (1) of Section 148 of the Companies Act, 2013 and the company has not yet made or maintained such accounts and records.

- 7 (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, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authority, as applicable to it except of the following arrears of outstanding statutory dues appearing as at year end for a period of more than six months from the date they became payable:-

Nature of Statutory Dues outstanding	Applicable recipient Authority	Arrears amount for period exceeding six months
TDS	Income Tax dept.	9,170,632/-

- (b) According to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except of the following amounts:-

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which Amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax Demand	25,815,217/-	2005-06	Hon'ble Supreme Court of India
Sales Tax Act	Sales Tax Demand	6,051,473/-	2006-07	Hon'ble Supreme Court of India

- (c) According to the information and explanations provided to us, there were no amounts which required to be transferred under investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under within the stipulated time.
- 8 Since the Company has not commenced revenue operation. So clause VIII of para 3 of Companies (Auditor's Report) order 2015 is not applicable to the company for the current year.
- 9 In our opinion and according to the information and explanations given to us, during the year under audit, the company did not have any borrowings from any financial institution, bank or debenture holders.
- 10 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.
- 11 According to the information and explanations given to us, the company has not availed any term loan during the year under audit.
- 12 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
Firm Registration No. 003824 N

Sd/-
CA .K.C. GUPTA
Partner

Place : New Delhi
Date: 28th May 2015

Membership No: 088638

APAKSH BROADBAND LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

	Notes	31-Mar-15 Rs.	31-Mar-14 Rs.
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,352,250,000	1,352,250,000
		1,352,250,000	1,352,250,000
Non-current liabilities			
Trade payables	4	154,320,149	153,186,750
		154,320,149	153,186,750
Current liabilities			
Short-term borrowings	5	54,792,559	54,792,559
Other Short-term liabilities	5.1	9,843,098	9,931,314
		64,635,657	64,723,873
TOTAL		1,571,205,806	1,570,160,623
Assets			
Non-current assets			
Fixed assets			
Tangible assets	6	1,224,411	1,466,080
Intangible assets	7	-	-
Capital work-in-progress	7.1	1,462,191,325	1,462,191,325
Project Development Expenditure	7.2	71,135,159	70,016,054
		1,534,550,895	1,533,673,459
Current assets			
Cash and bank balances	8	50,687	19,036
Short-term loans and advances	9	36,604,224	36,468,128
		36,654,911	36,487,164
TOTAL		1,571,205,806	1,570,160,623

Summary of significant accounting policies 2.1
The accompanying notes (1-22) are an integral part of the financial statements.

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

Chartered Accountants
Firm registration number: 003824N

Sd/-
CA. K.C. Gupta
Partner
Membership No. 088638

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

Place : New Delhi
Dated: 28th May 2015

APAKSH BROADBAND LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	31-Mar-15 Rs.	31-Mar-14 Rs.
A Cash flow from operating activities	-	-
Net cash flow from/ (used in) operating activities (A)	-	-
B Cash flows from investing activities		
Adjustment for change in current assets	(136,096)	19,953,997
Adjustment for change in current liabilities	(88,216)	(97,936)
Adjustment for change in Non current liabilities	1,133,399	(18,901,873)
Pre-operative Expenditure Pending allocation	(877,436)	(990,621)
Net cash flow from/ (used in) investing activities (B)	31,651	(36,433)
Cash flows from financing activities	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	31,651	(36,433)
Cash and cash equivalents at the beginning of the year	19,036	55,469
Cash and cash equivalents at the end of the year	50,687	19,036
Components of cash and cash equivalents		
With banks- on current account	50,687	19,036
- on deposit account	-	-
Total cash and cash equivalents (note 8)	50,687	19,036
Summary of significant accounting policies	2.1	
The accompanying notes (1-22) are an integral part of the financial statements.		

As per our report of even date attached

For P.C. Bindal & Co

Chartered Accountants

Firm registration number: 003824N

For and on behalf of the Board of Directors

Sd/-

CA. K.C. Gupta

Partner

Membership No. 088638

Sd/-

Director

Sd/-

Director

Place : New Delhi

Dated: 28th May 2015

APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

1	<p>CORPORATE INFORMATION</p> <p>APAksh Broadband Limited (the company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is a subsidiary of Aksh Optifibre Limited (AOL).</p>								
2	<p>BASIS OF PREPARATION</p> <p>The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standard (as amended) Rules 2006 and the relevant requirements of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis of accounting except in case of assets for which impairment is carried out. The accounting policies have been consistently applied by the Company.</p>								
2.1	<p>SIGNIFICANT ACCOUNTING POLICIES</p>								
	<p>a) Fixed Assets</p> <p>Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use.</p>								
	<p>b) Capital Work-in-Progress</p> <p>costs of assets not ready for use before the year-end and expenditure during construction period that is directly or indirectly related to construction, including borrowing costs are included under Capital Work-in-Progress.</p>								
	<p>c) Depreciation</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Useful life in years</th> </tr> </thead> <tbody> <tr> <td>Office equipment</td> <td style="text-align: center;">20</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: center;">15</td> </tr> <tr> <td>Data Processing System</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p>Intangible assets are amortized over their estimated useful life on straight line method.</p>	Particulars	Useful life in years	Office equipment	20	Furniture and fixtures	15	Data Processing System	5
Particulars	Useful life in years								
Office equipment	20								
Furniture and fixtures	15								
Data Processing System	5								
	<p>d) Project Development Expenditure</p> <p>Expenses incurred relating to project prior to commencement of commercial production / start of the project is classified as Project Development Expenditure net of income earned during the project development stage.</p>								
	<p>e) Revenue Recognition</p> <p>Expenses incurred relating to project prior to commencement of commercial production / start of the project is classified as Project Development Expenditure net of income earned during the project development stage.</p>								
	<p>f) Foreign Currency transactions</p> <p>Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on restatement of liabilities (at the rates prevailing at the year end) is included in the carrying amount of the related fixed assets. In the case of other foreign currency denominated monetary assets and liabilities, the loss or gain arising as above is charged or credited to profit and loss account of the year of restatement / settlement.</p>								
	<p>g) Gratuity and other retirement benefits are added to Project Development Expenditure through a provision for accruing liability based on assumption that such benefits are payable to the eligible employees at the time of retirement.</p>								

APAKSH BROADBAND LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015
3. Share capital

	31-Mar-15 Rs.	31-Mar-14 Rs.
Authorized shares (No.) 350,000,000 (31 March 2014:350,000,000) Equity Shares of Rs. 5/- each	1,750,000,000	1,750,000,000
Issued and subscribed (No.) 300,000,000(31 March 2014:300,000,000) equity shares of Rs. 5/- each	1,500,000,000	1,500,000,000
Total issued and subscribed share capital	1,500,000,000	1,500,000,000
Paid-up shares (No.) 226,125,000(31 March 2014: 226,125,000) equity shares of Rs. 5/- each fully paid up .	1,130,625,000	1,130,625,000
Forfeited Shares- 73,875,000 equity shares forfeited, paid up Rs. 3/- each (31 March 2014: - 73,875,000 equity shares forfeited , paid up Rs 3/- each)	221,625,000	221,625,000
Total Paid-up share capital	1,352,250,000	1,352,250,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	31-Mar-15		31-Mar-14	
	No.	Rs.	No.	Rs.
At the beginning of the year*	300,000,000	1,352,250,000	300,000,000	1,352,250,000
Issued during the year	-	-	-	-
Outstanding at the end of the year*	300,000,000	1,352,250,000	300,000,000	1,352,250,000

* including Forfeited Shares

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their

All nos.	31-Mar-15 Rs.	31-Mar-14 Rs.
Aksh Optifibre Limited, the holding Company 225,950,000 (31 March 2014: 225,950,000) equity shares of Rs. 5/- each fully paid	1,129,750,000	1,129,750,000

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2015		As at 31st March 2014	
	Rs.	% holding in the class	% holding in the class	% holding in the class
Equity shares of Rs. 5/- each fully paid Aksh Optifibre Limited, holding Company	1,129,750,000	99.92	1,129,750,000	99.92

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Non current liabilities

	31-Mar-15 Rs.	31-Mar-14 Rs.
Trade payables (including acceptances) (refer Note 18 for details of dues to micro and small enterprises)	154,320,149	153,186,750
	154,320,149	153,186,750

APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****5. Short-term borrowings**

	31-Mar-15 Rs.	31-Mar-14 Rs.
Secured From:-		
-Banks	-	-
-Others	49,792,559	49,792,559
Unsecured From:-		
-Banks	-	-
-Others	5,000,000	5,000,000
	54,792,559	54,792,559

Secured against first & exclusive charge on Plant and Machinery of the Company covered under loan agreement.

5.1. Short-term liabilities

	31-Mar-15 Rs.	31-Mar-14 Rs.
Other liabilities		
TDS payable	9,180,632	9,180,632
Interest accrued and due on borrowings	567,480	567,480
Others	94,986	183,202
	9,843,098	9,931,314

APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****6. Tangible assets**

	Office equipment Rs.	Data processing Rs.	Furniture and fixtures Rs.	Vehicles Rs.	Total Rs.
Cost or valuation					
At 1 April 2013	1,329,193	4,883,771	1,156,584	1,108,627	8,478,175
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2014	1,329,193	4,883,771	1,156,584	1,108,627	8,478,175
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	1,329,193	4,883,771	1,156,584	1,108,627	8,478,175
Depreciation					
At 1 April 2013	527,224	4,883,771	569,981	789,450	6,770,426
Charge for the year	63,137	-	73,212	105,320	241,669
Disposals	-	-	-	-	-
At 31 March 2014	590,361	4,883,771	643,193	894,770	7,012,095
Charge for the year	63,137	-	73,212	105,320	241,669
Disposals	-	-	-	-	-
At 31 March 2015	653,498	4,883,771	716,405	1,000,090	7,253,764
Net Block					
At 31 March 2014	738,832	-	513,391	213,857	1,466,080
At 31 March 2015	675,695	-	440,179	108,537	1,224,411

7. Intangible assets

	Computer software Rs.	Total Rs.
Gross block		
At 1 April 2013	6,420,562	6,420,562
Additions	-	-
Internal development	-	-
At 31 March 2014	6,420,562	6,420,562
Additions	-	-
At 31 March 2015	6,420,562	6,420,562
Amortization		
At 1 April 2013	6,420,562	6,420,562
Charge for the year	-	-
At 31 March 2014	6,420,562	6,420,562
Charge for the year	-	-
At 31 March 2015	6,420,562	6,420,562
Net block		
At 31 March 2014	-	-
At 31 March 2015	-	-

APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****7.1. Capital Work in progress**

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
Accessories- Aerial & Underground	32,346,923	32,346,923
Cable TV Equipment	31,845,719	31,845,719
Duct, Cables & Others	1,074,747,242	1,074,747,242
50 KVA Diesel Generator	520,000	520,000
Other Equipment	36,194,218	36,194,218
Cables Laying	94,650,474	94,650,474
Survey & Other Works	131,724,619	131,724,619
Switches	60,162,130	60,162,130
	1,462,191,325	1,462,191,325

7.2. Project Development Expenditure

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
Preliminary Expenses	26,800	26,800
Advertising Expenses	1,228,246	1,228,246
Appraisal Charges	3,080,431	3,080,431
Audit Fees	1,193,730	1,081,370
Bandwidth Expenses	21,431,912	21,431,912
Books & Periodicals	20,934	20,934
Business Promotion Charges	533,032	533,032
Certification Fees	25,000	25,000
Commission	361,419	361,419
Consultation Charges	1,919,055	1,919,055
Consumables (Comp & Elect)	91,796	91,796
Courier & Xerox Charges	16,900	16,900
Depreciation On Fixed Assets	13,674,325	13,432,656
Donations	70,000	70,000
Electricity Charges	1,057,494	1,057,494
Filing Fee	8,923,177	8,896,473
Financial Charges	1,242,275	1,241,426
Fuel Expenses	247,798	247,798
Insurance	4,004,633	3,771,242
Legal & Professional Charges	2,625,176	2,625,176
Misc. Expenses	30,167	30,167
Network Maintenance Charges	102,145	102,145
Office Maintenance	1,245,176	1,245,176
Printing & Stationary	196,262	195,762
Rates & Taxes	66,283	66,283
Rent	7,362,935	6,941,585
Sitting Fee	200,000	200,000
Staff Salary & Other Exp.	15,213,738	15,213,738
Telephone Charges	1,103,386	1,103,386
Travelling Expenses	2,603,219	2,520,937
Vehicle Maintenance	20,010	20,010
Fringe Benefit Tax	115,550	115,550
	90,033,004	88,913,899
Less Foreign Exchange Diff.	217,746	217,746
Less Insurance Claim Received	900,000	900,000
Less Int. On Fixed Deposits	3,875,424	3,875,424
Less Miscellaneous Income	244,481	244,481
Less Trial Sales	13,660,194	13,660,194
	71,135,159	70,016,054
	71,135,159	70,016,054

APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015****8. Cash and bank balances**

	Current	
	31-Mar-15 Rs.	31-Mar-14 Rs.
Cash and cash equivalents		
<i>Balances with banks:</i>		
– On current accounts	50,687	19,036
	50,687	19,036
	50,687	19,036

9. Loans and advances

	Current	
	31-Mar-15 Rs.	31-Mar-14 Rs.
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	2,047,202	2,044,952
	2,047,202	2,044,952
Advances recoverable in cash or kind		
Secured considered good	-	-
Unsecured considered good	28,668,875	28,668,875
	28,668,875	28,668,875
Provision for doubtful advances	-	-
	28,668,875	28,668,875
Other loans and advances		
Income-Tax Refund Due	378,096	378,096
Prepaid Expenses	208,659	202,862
Balances with statutory / government authorities	5,301,392	5,173,343
	5,888,147	5,754,301
	36,604,224	36,468,128

APAKSH BROADBAND LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10 Contingent Liabilities:

- a) Rs. 3,50,00,000 were demanded by M/s. Andhra Pradesh Technology Services Ltd towards liquidated damages, not acknowledged as debt.
- b) Sales Tax demands Rs 25,815,217 (P.Y. Rs.29,503,105) and Rs 6,051,473 (P.Y. Rs.6,915,969/-) for the year 2005-06 and 2006-07 is under consideration by Hon'ble Supreme Court of India.
- c) Rs 23,75,000 claimed by M/s Broadband Net Inc towards supply of equipments, which were not approved and returned to the supplier. Case is under sub judice.

11 The Company is setting up a Broadband Project in the state of Andhra Pradesh. No Statement of Profit and Loss has been prepared since the Company has not commenced revenue operations. The expenditure incurred during the period are classified as "Project Development Expenses" pending capitalization and will be apportioned to the assets on the completion of the Project.

12 Related Party Disclosures

Related party disclosures as required under Notified Accounting Standard (as amended) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31 March, 2015:

- a) Holding Company :
 - Aksh Optifibre Limited
- b) Key Management Personnel & their relatives
 - Dr. Kailash S. Choudhari
 - Mr. Chetan Choudhari

Related Party Transactions

		Current Year	Previous Year
a)	<u>Holding Company</u>		
	Aksh Optifibre Limited		
	Reimbursement of Expenses paid	1,043,399	5,544,275
	Outstanding balance due to / (from)	157,654,511	156,611,112

13 Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for – Rs. 3,02,63,38,000 (Previous Year Rs. 3,02,63,38,000)

14 Expenditure/ Income in Foreign Currency

Rs.NIL (Previous Year Rs. NIL)
Income-Nil

15 Bank Guarantee of Rs 15,000,000 (Previous Year Rs 15,000,000) was invoked by M/s.Andhra Pradesh Technology Services Ltd due to failure of implementation of project, debited to advance account and matter is being contested.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**16 Segment Reporting**

The company's activities during the year revolve around setting up of the Broadband Project. Considering the nature of company's business and operations, there are no separate reportable segments in accordance with the requirements of Accounting Standards 17-'Segment Reporting notified in the companies (Accounting standards) rules 2006.

17 Following provision of expenses were not accounted for in the books of account:-

- a) Interest payable of Rs. 20,996,760 (Previous Year- Rs. 18,726,840) on secured loan taken from Cisco Systems Capital India Private Limited was not provided in the books of accounts.
- b) Various provisions of expense e.g. rent, commission, bandwidth expenses etc. are not accounted for in the books of account, due to non- availability of information.

18 There are no Micro and Small Enterprises, to whom the Group owes, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

19 Amount Paid / payable to auditors

Particulars	Current Year	Previous Year
Audit Fees	112,360	112,360

20 The Company operations are suspended due to litigation filed by one of the shareholder which finally dismissed by the Hon'ble Supreme Court vide it's order dated 7th May 2010. Considering creation of spreading OFC network by all the orders in the county, the Management of the Company is in discussions on the revival of the project .

21 The company does not have any deferred tax assets or deferred tax liabilities.

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

As per our report of even date attached

For P.C. Bindal & Co

Chartered Accountants

Firm registration number: 003824N

Sd/-

CA. K.C. Gupta

Partner

Membership No. 088638

For and on behalf of the board of directors

Sd/-

Director

Sd/-

Director

Place : New Delhi

Dated : 28th May 2015