



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 2016, 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 matters 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, 2016; 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, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) 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.

Place : New Delhi

Date: 28 MAY 2016

For P.C. Bindal & Co.
Chartered Accountants
Firm Registration No. 003824N
New Delhi
CA. K.C. Bindal
Partner
Membership No: 088638

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of APAKSH BROADBAND LIMITED ("the Company") for the year ended March 31, 2016:

- i. (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 quantified.*
(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.*
(c) Since the company does not have any immovable properties during the financial year, hence this clause of the order is not applicable.
- ii. The Company does not have any Inventory, Accordingly this clause of companies (Auditor's Report) Order 2016 is not applicable to the company for the current year.
- iii. According to the Information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 Companies Act 2013. Accordingly, Clauses (a), (b) and (c) of sub Para iii of paragraph 3 of the order are not applicable.
- iv. According to the information & Explanation given to us, the company has not given any loans and guarantees, to parties covered under section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- v. 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.
- vi. To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under clause of sub section (1) of section 148 of the Companies Act, 2013 for the company.
- vii. (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31-Mar-2016 for a period of more than six months from the date they became payable.
(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

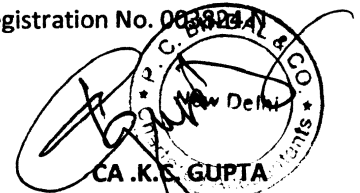


- viii. Based on our audit procedures and on the basis of the information and explanations given to us, company did not have any borrowing from any financial institutions or banks or government or debenture holders during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and the term loans have been applied for the purposes for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the books of accounts and records of the company, No Managerial remuneration has been paid or provided.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. Based on our audit procedure and according to the information and explanation given to us, all transaction with the related parties are in compliance with section 177 & section 188 of Companies Act-2013 and details of the same is disclosed in the financial statement as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi

Date: 28 MAY 2016

For P.C. Bindal & Co.
Chartered Accountants
Firm Registration No. 003824



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

"Annexure B" to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of APAKSH BROADBAND LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance



regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified that the company did not have an appropriate inter control system regarding quantitative details, situation of fixed assets and physical verification system of fixed assets. The impact & quantum of this on company's assets cannot be quantified.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi

Date: 28 MAY 2016

For P.C. Bindal & Co.
Chartered Accountants
Firm Registration No. 003824 N
New Delhi
CA .K.C. GUPTA
Partner
Membership No: 088638

APAKSH BROADBAND LIMITED
BALANCE SHEET AS AT 31 MARCH 2016

| | Notes | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in 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 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 153,909,957 | 154,320,149 |
| | | 153,909,957 | 154,320,149 |
| Current liabilities | | | |
| Short-term borrowings | 5 | 54,792,559 | 54,792,559 |
| Other Short-term liabilities | 5.1 | 667,480 | 9,843,098 |
| | | 55,460,039 | 64,635,657 |
| TOTAL | | 1,561,619,996 | 1,571,205,806 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, Plant and Equipment | 6 | 982,081 | 1,224,411 |
| Intangible assets | 7 | - | - |
| Capital work-in-progress | 7.1 | 1,462,191,325 | 1,462,191,325 |
| Project Development Expenditure | 7.2 | 98,259,987 | 71,135,159 |
| | | 1,561,433,393 | 1,534,550,895 |
| Current assets | | | |
| Cash and bank balances | 8 | 90,925 | 50,687 |
| Short-term loans and advances | 9 | 95,678 | 36,604,224 |
| | | 186,603 | 36,654,911 |
| TOTAL | | 1,561,619,996 | 1,571,205,806 |

Summary of significant accounting policies 2.1
The accompanying notes (1-20) are an integral part of the financial statements.

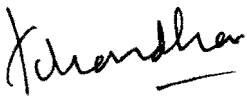
As per our report of even date attached
For P.C. Bindal & Co

Chartered Accountants
Firm registration number: 008824N

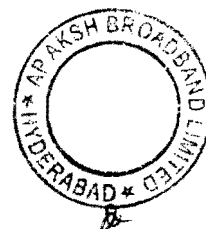
CA. K.C. Gupta
Partner
Membership No. 088638

Place : New Delhi
Dated: 28th May 2016

For and on behalf of the Board of Directors


Dr. Kailash S. Choudhari
Director
DIN 00023824


Chetan Choudhari
Managing Director
DIN 00872366



APAKSH BROADBAND LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in 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 & Pre-operative Expenditure | 9,626,048 | (1,013,532) |
| Adjustment for change in current liabilities | (9,175,618) | (88,216) |
| Adjustment for change in Non current liabilities | (410,192) | 1,133,399 |
| Net cash flow from/ (used in) investing activities (B) | 40,238 | 31,651 |
| C) 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) | 40,238 | 31,651 |
| Cash and cash equivalents at the beginning of the year | 50,687 | 19,036 |
| Cash and cash equivalents at the end of the year | 90,925 | 50,687 |
| Components of cash and cash equivalents | | |
| With banks- on current account | 90,925 | 50,687 |
| - on deposit account | - | - |
| Total cash and cash equivalents (note 8) | 90,925 | 50,687 |
| Summary of significant accounting policies | 2.1 | |
| The accompanying notes (1-20) 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: 008824N

CA. K.C. Gupta
 Partner
 Membership No. 088848

Place : New Delhi

Dated: 28th May 2016

For and on behalf of the Board of Directors

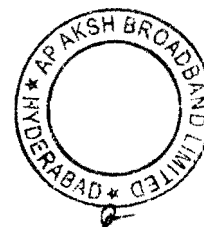
Dr. Kailash S. Choudhari
 Director
 DIN 00023824

Chetan Choudhari
 Managing Director
 DIN 00872366



APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

| 1 | CORPORATE INFORMATION 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). | | | | | | | | |
|------------------------|---|-------------|----------------------|------------------|----|------------------------|----|------------------------|---|
| 2 | BASIS OF PREPARATION 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. | | | | | | | | |
| 2.1 | SIGNIFICANT ACCOUNTING POLICIES | | | | | | | | |
| a) | Fixed Assets Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use. | | | | | | | | |
| b) | Capital Work-in-Progress 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. | | | | | | | | |
| c) | Depreciation Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. 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.: <table border="1"> <thead> <tr> <th>Particulars</th><th>Useful life in years</th></tr> </thead> <tbody> <tr> <td>Office equipment</td><td>20</td></tr> <tr> <td>Furniture and fixtures</td><td>15</td></tr> <tr> <td>Data Processing System</td><td>5</td></tr> </tbody> </table> Intangible assets are amortized over their estimated useful life on straight line method. | 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 | | | | | | | | |
| d) | Project Development Expenditure Expenses incurred relating to project prior to commencement of commercial production / start of the project is classified as Project Development Expenditure net of income earned during the project development stage. | | | | | | | | |
| e) | Revenue Recognition 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. | | | | | | | | |
| f) | Foreign Currency transactions Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on restatement of liabilities (at the rates prevailing at the year end) is included in the carrying amount of the related fixed assets. In the case of other foreign currency denominated monetary assets and liabilities, the loss or gain arising as above is charged or credited to profit and loss account of the year of restatement / settlement. | | | | | | | | |
| 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. | | | | | | | | |



APAKSH BROADBAND LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
3. Share capital

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
|---|--------------------------------|--------------------------------|
| Authorized shares (No.) | | |
| 350,000,000 (31 March 2015: 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 2015: 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 2015: 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 2015: - 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 March 2016 | | 31 March 2015 | |
|-------------------------------------|--------------------|----------------------|--------------------|----------------------|
| | No. | Amount in Rs. | No. | Amount in 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 subsidiaries/ associates are as below:

| Name of the shareholder | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
|---|--------------------------------|--------------------------------|
| Aksh Optifibre Limited, the holding Company 225,950,000 (31 March 2015: 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 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|------------------------|---------------------|------------------------|
| | Amount in Rs. | % holding in the class | Amount in Rs. | % 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 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
|--|--------------------------------|--------------------------------|
| Trade payables (including acceptances) (refer Note 15 for details of dues to micro and small enterprises) | 153,909,957 | 154,320,149 |
| | 153,909,957 | 154,320,149 |



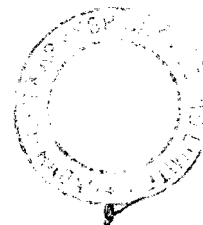
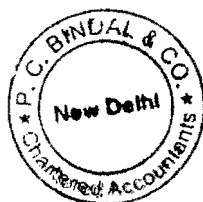
APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****5. Short-term borrowings**

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in 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 and exclusive charge on Plant and Machinery of the Company covered under loan agreement. Further, this loan secured by Corporate Guarantee of Aksh Optifibre Limited and personal guarantee of Dr Kailash S. Choudhari.

5.1. Short-term liabilities

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
|----------------------------------|--------------------------------|--------------------------------|
| Other Current liabilities | | |
| Expense Payable | 667,480 | 9,843,098 |
| | 667,480 | 9,843,098 |

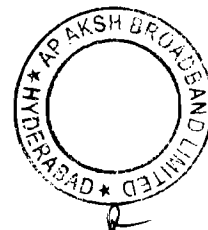


APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****6. Property, Plant and Equipment****(Amount in Rs.)**

| | Office equipment | Data processing | Furniture and fixtures | Vehicles | Total |
|--------------------------|-----------------------------|----------------------------|-----------------------------------|------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 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 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 March 2016 | 1,329,193 | 4,883,771 | 1,156,584 | 1,108,627 | 8,478,175 |
| Depreciation | | | | | |
| At 1 April 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 |
| Charge for the year | 63,310 | - | 73,412 | 105,608 | 242,330 |
| Disposals | - | - | - | - | - |
| At 31 March 2016 | 716,808 | 4,883,771 | 789,817 | 1,105,698 | 7,496,094 |
| Net Block | | | | | |
| At 31 March 2015 | 675,695 | - | 440,179 | 108,537 | 1,224,411 |
| At 31 March 2016 | 612,385 | - | 366,767 | 2,929 | 982,081 |

7. Intangible assets

| | Computer software | Total |
|-------------------------|------------------------------|------------------|
| Gross block | | |
| At 1 April 2014 | 6,420,562 | 6,420,562 |
| Additions | - | - |
| Internal development | - | - |
| At 31 March 2015 | 6,420,562 | 6,420,562 |
| Additions | - | - |
| At 31 March 2016 | 6,420,562 | 6,420,562 |
| Amortization | | |
| At 1 April 2014 | 6,420,562 | 6,420,562 |
| Charge for the year | - | - |
| At 31 March 2015 | 6,420,562 | 6,420,562 |
| Charge for the year | - | - |
| At 31 March 2016 | 6,420,562 | 6,420,562 |
| Net block | | |
| At 31 March 2015 | - | - |
| At 31 March 2016 | - | - |

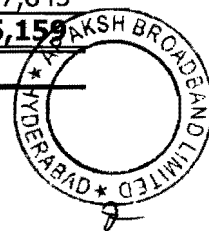
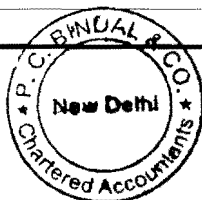


APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****7.1. Capital Work in progress**

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in 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

| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in 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 | 1,306,090 | 1,193,730 |
| 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 | 13,916,655 | 13,674,325 |
| Donations | 70,000 | 70,000 |
| Electricity Charges | 1,057,494 | 1,057,494 |
| Filing Fee | 8,937,234 | 8,923,177 |
| Financial Charges | 1,244,101 | 1,242,275 |
| Fuel Expenses | 247,798 | 247,798 |
| Insurance | 4,219,571 | 4,004,633 |
| Legal & Professional Charges | 2,641,426 | 2,625,176 |
| Misc. Expenses | 30,167 | 30,167 |
| Misc Balance W/off Assets | 25,863,007 | - |
| Network Maintenance Charges | 102,145 | 102,145 |
| Office Maintenance | 1,245,176 | 1,245,176 |
| Printing & Stationary | 196,762 | 196,262 |
| Rates & Taxes | 309,882 | 181,833 |
| Rent | 7,811,159 | 7,362,935 |
| 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 | 2,686,506 | 2,603,219 |
| Vehicle Maintenance | 20,010 | 20,010 |
| | 117,157,832 | 90,033,004 |
| Less Miscellaneous Income | 18,897,845 | 18,897,845 |
| | 98,259,987 | 71,135,159 |



APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****8. Cash and bank balances**

| | Current | |
|----------------------------------|--------------------------------|--------------------------------|
| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
| Cash and cash equivalents | | |
| <i>Balances with banks:</i> | | |
| - On current accounts | 90,925 | 50,687 |
| | 90,925 | 50,687 |

9. Loans and advances

| | Current | |
|--|--------------------------------|--------------------------------|
| | 31 March 2016 Amount in Rs. | 31 March 2015 Amount in Rs. |
| Security deposit | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 26,606 | 2,047,202 |
| | 26,606 | 2,047,202 |
| Advances recoverable in cash or kind | | |
| Secured considered good | - | - |
| Unsecured considered good | - | 28,668,875 |
| | - | 28,668,875 |
| Other loans and advances | | |
| Income-Tax Refund Due | - | 378,096 |
| Prepaid Expenses | 69,072 | 208,659 |
| Balances with statutory / government authorities | - | 5,301,392 |
| | 69,072 | 5,888,147 |
| | 95,678 | 36,604,224 |



APAKSH BROADBAND LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****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 Nil (P.Y. Rs.25,815,217) and Rs Nil (P.Y. Rs.6,051,473/-) for the year 2005-06 and 2006-07 has been decided in favour of the Company.
- 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, 2016:

- 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) | Holding Company | | |
| | Aksh Optifibre Limited | | |
| | Reimbursement of Expenses | 725,446 | 1,043,399 |
| | Outstanding balance due to / (from) | 153,909,957 | 157,654,511 |

13 Expenditure/ Income in Foreign Currency
Rs.NIL (Previous Year Rs. NIL)**14 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.

- 15** There are no Micro and Small Enterprises, to whom the Group owes, which are outstanding for more than 45 days as at 31st March, 2016. 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.

16 Amount Paid / payable to auditors

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

- 17** 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.

- 18** The board of director has approved the merger of Company with its holding Aksh optifibre limited subject to necessary statutory approvals and process to be finalised in due course with requisite agencies.

- 19** The company does not have any deferred tax assets or deferred tax liabilities.

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

As per our report of even date attached

For P.C. Bindal & Co
Chartered Accountants
Firm registration number: 003824N
New Delhi
Ch. K. C. Gupta
Partner
Membership No. 088658

Place : New Delhi
Dated: 28th May 2016

For and on behalf of the board of directors

Kailash S. Choudhari *Chetan Choudhari*
Dr. Kailash S. Choudhari **Chetan Choudhari**
Director Managing Director
DIN 00023824 DIN 00872366

