



AKSH OPTIFIBRE LIMITED

26th ANNUAL REPORT
2012-2013

2013

F R O S T & S U L L I V A N

India ICT Awards

OFC Vendor of the Year

Presented to:

Aksh Optifibre

In recognition to the astounding team work and the relentless efforts in delivering exceptional business performance for the year 2012, Frost & Sullivan conferred upon Aksh, the 2013 Frost & Sullivan India ICT Award for

“OFC Vendor of the Year”

A proud moment indeed for Aksh family.!

Chairman

Dr. Kailash S. Choudhari

Managing Director

Mr. Chetan Choudhari

Directors

Mr. P.F. Sundesha

Mr. B.R. Rakhecha

Mr. Narendra Kumbhat

Mr. Arun Sood

Mr. Amrit Nath

Mr. D. K. Mathur

Company Secretary

Mr. Gaurav Mehta

Auditors

P.C. Bindal & Co.

Bankers

Union Bank of India

Punjab National Bank

Registrar and Transfer Agents

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

Registered Office

F-1080, RIICO Industrial Area, Phase –III
Bhiwadi, Rajasthan-301019.

Corporate Office

J-1/1, B-1 Extension, MCIE, Mathura Road,
New Delhi-110044.

Network Operating Centers
Delhi

A-16, MCIE, Mathura Road, New Delhi-44.

Chandigarh

SCO-186 Sector-38 C&D, Chandigarh-36.

Jaipur

M-18, Flatted Software Complex, EPIP, Jaipur -22.

Mumbai

702, Corporate Arena, Kamla Nagar Road, Behind
Mahindra Gardens off S.V. Road, Goregaon (W)
Mumbai-400 062.

Plant Locations:
Fibre & Cable Division, Bhiwadi

F-1075-1081, RIICO Industrial Area, Phase-III
Bhiwadi, Rajasthan – 301 019

FRP & Cable Division, Reengus

SP-47, Shree KhatuShyamJi Industrial Complex,
Reengus, District Sikar (Rajasthan).

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DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended March 31, 2013 is summarized below:

Particulars	(Rs. in Lacs)	
	F.Y. ended 2012-2013	F.Y. ended 2011-2012
Revenue from Operations	23,925.53	18,888.60
Earnings before Depreciation, Amortization, Interest, Exceptional Items & Tax	4,011.30	2259.17
Depreciation and Amortization Expenses	1,663.21	1,330.10
Finance Cost	373.38	534.81
Profit before Exceptional items & Tax	1,974.71	394.26
Exceptional Items	619.02	784.61
Profit before Tax	2,593.73	1,178.87
Income Tax	64.54	-
Deferred tax	-	109.91
MAT Credit Entitlement	64.54	-
Net Profit after Tax	2,593.73	1,068.96

OPERATIONAL REVIEW

Financial year 2012- 13 closed with revenue of Rs 23,925.53 lacs , with EBITDA of Rs 4,011.31 lacs and PAT of Rs 2,593.73 lacs. The manufacturing business earned revenues of Rs. 21,615.50 lacs at an EBITDA margin of 19.29%.

During the year, the Company introduced certain new products and added new markets in the manufacturing business. Your Company continues to be recognized globally for high quality FRP (Fibre Reinforced Plastic) Rods, and Optical Fibre Cables.

The detailed analysis of Company's operations and segment wise performance is covered under Management Discussion & Analysis Report.

FUTURE OUTLOOK

With the world accepting and acknowledging the importance of FTTH as the new emerging business opportunity and the South East Asian countries gearing up to make themselves FTTH compliant, there is an ample opportunity for the increase of Optical fibre cable business across the globe. In Indian perspective, the National Optical Fibre Network (NOFN) project envisaged by the Government and the laying of optical fibre cables by the Indian defense and railways will also fillup the demand of optical fibre cables in Indian markets. Further, increase in data bandwidth demand and data consumption with the emerging 4G technology, increase use of smart

phones and data convergence will stress the telcos to upgrade themselves to meet the increased demand and would in turn fuel the demand of optical fibre cables.

Globally FRP demand is expected to increase by about 20% in FY 2013-14. Currently, Aksh has approximately 16-18% share in global demand of FRP which is set to surge ahead. The domestic FRP demand is expected to grow by 70% in FY 2013-14 with NOFN and other government tenders.

IPTV in India has a better future given the availability of integrated services such as broadband internet, TV and telephone services under a single package or scheme that too at a reasonable price or a price which is comparatively less than the cost involved in subscribing for internet, broadcast TV and telephone services individually. With the increased demand of residential dwellings and more high rise towers coming up to cater the increased demand of homes, FTTH infrastructure is set to expand, so as to meet the broadband and IPTV needs of the consumers.

DIVIDEND

In the absence of the divisible profits during the current year, your Directors are unable to recommend any dividend for the year under review.

AWARD

In recognition to the astounding team work and the relentless efforts in delivering exceptional business performance for the

year 2012, Frost & Sullivan conferred upon Aksh, the 2013 Frost & Sullivan India ICT Award for “**OFC Vendor of the Year**”.

SUBSIDIARY COMPANIES

As on date the Company has one Indian Subsidiary, viz., APAKSH Broadband Limited and one Wholly Owned Overseas Subsidiary namely ‘AOL-FZE’, incorporated in SAIF Zone, Sharjah, Dubai (U.A.E) with one step down Wholly Owned Overseas subsidiary namely ‘AOL PROJECTS-JLT’.

The Statement pursuant to Section 212 of the Companies Act, 1956, is annexed herewith. The Audited Statements of Accounts along with the Report of the Board of Directors and Auditors’ Report thereon on the Subsidiary Companies have not been annexed in terms of general exemption granted by the Ministry of Company Affairs vide its circular no. 2/2011 dated February 8, 2011. The relevant documents of the Subsidiary Companies will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will be available for inspection during business hours at the Registered Office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

As provided in the Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India (ICAI) on consolidated financial statements, the consolidated financial statements are attached which form part of the Annual Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the financial year under review.

LISTING

The Equity Shares of the Company continue to be listed at The Bombay Stock Exchange Ltd and The National Stock Exchange Ltd. GDRs & FCCBs are listed at the Luxembourg Stock Exchange. The Listing Fee has been paid to all the stock exchanges.

DIRECTOR’S RESPONSIBILITY STATEMENT

It is hereby affirmed that:

1. in preparation of annual accounts, all applicable accounting standards have been followed,
2. the accounting policies of the Company have been consistently followed. Wherever circumstances demanded, estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the

financial year and of the profit or loss of the Company for that period,

3. proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and proper internal controls are in place for preventing and detecting frauds and other irregularities, and annual accounts have been prepared on a going concern basis.

RECOGNITION

The Company’s manufacturing facilities continue to remain certified by independent and reputed external agency as being compliant as well as aligned with the external standards for Quality Management System & Environmental Management System ISO 9001:2008 and 14001:2004.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincerity and hard work, loyalty, dedicated efforts and contribution of all the employees in most difficult and challenging business environment during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing process at the Company’s plants.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Narendra Kumbhat and Mr. Arun Sood, Directors will retire by rotation, and being eligible, have offered themselves for re-appointment.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with the Certificate from the Statutory Auditors certifying the compliance of Corporate Governance enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion and Analysis has been attached and forms part of the Annual report.

INFORMATION PURSUANT TO SECTION 217 (2A)

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and amendments thereto, the names and other particulars of the employees are required to be set

out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1) (b)(iv) of the Act, the report and accounts are being sent to all the Members excluding the aforesaid particulars. The complete Annual Report including this statement shall be made available for inspection by any Member during working hours for a period of 21 days before the date of the Annual General Meeting. Any Member interested in obtaining a copy of the said statement may write to the Company.

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

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure to this report.

AUDITORS' REPORT

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

AUDITORS

M/s P. C. Bindal & Co., Chartered Accountants, holds the office as Auditors of your company till the conclusion of the 26th Annual General Meeting and has expressed their willingness to be re-appointed. Their appointment, if made, would be

within the limits specified under Section 224 (1) (B) of the Companies Act, 1956.

COST AUDITORS

The Company has appointed M/s. K.G. Goyal & Associates, as Cost Auditors for the financial year 2013-14 to audit the cost accounts related to the Company.

EMPLOYEES STOCK PURCHASE SCHEME

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation to the contribution made by the employees to the working of the company.

Your Directors also express gratitude to the Customers, Suppliers, Shareholders, Banks, Trade Partners, Service Partners and Investors for the confidence reposed in your Company and for their continued co-operation during the year under Report.

For & on behalf of the Board of Directors

Dr. Kailash S. Choudhari
Chairman

Place: New Delhi
Date : 17th May, 2013

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

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

Particulars Regarding Conservation of Energy, Technology Absorption, Foreign Exchange, Earnings and Outgo

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the financial year ended 31st March, 2013 is as follows:

1.	CONSERVATION OF ENERGY	
a	Energy conservation measures taken	<ol style="list-style-type: none"> 1. Changed the Manual Tap Changer Transformer with OLTC Transformer. 2. A window with Air Filter has been installed for Fresh Air System in UPS Room. 3. DC Motors has been replaced with AC Motors on sheathing line & other machines as well. 4. Increased the insulation on heaters of Flex & FRP Machines. 5. Based on energy audit, compressor based A.C's are replaced by chilled water based system. 6. Light weight high efficiency fans are used in cooling towers. 7. Variable frequency drives installed in heavy motors.
b	Additional investments & proposals, if any, being implemented.	<ol style="list-style-type: none"> 1. Review of total power consumption to identify and implement improvement of various energy saving measures. 2. Energy efficient devices installed resulting in power saving.
c	Impact of measures of a & b above for reduction of energy consumption & consequent impact on cost of production	15% saving in energy & reduction in production cost by 1%.
d	Total energy consumption and energy consumption per unit of production as perform 'A' of the Annexure in respect of Industries specified in the schedule thereto	Not Applicable, as the Company does not fall in the categories of industries required to give such detail.
2.	TECHNOLOGY ABSORPTION Research & Development (R&D)	
1.	Specific area in which R & D is carried by the Company	<ol style="list-style-type: none"> 1. Developed the FRP process with new technologies of UV Curing System. 2. Developed new products: <ol style="list-style-type: none"> a. NZDS G655 fibre as per NFS specs. b. 288F duct cable with ring marked fibres. c. 96F armoured cable in dry tube & core construction d. 432F duct cable. e. 24F ADSS cable for 500m span length
2.	Benefits derived as a result of the above R&D	<ol style="list-style-type: none"> 1. Increased productivity by 10 times in comparison of thermal heating. 2. Tap new business opportunities in domestic & global markets in the field of 4G applications, FTTH application & security applications.

3.	Future Plan	<ol style="list-style-type: none"> 1. To start regular production with UV Curing technologies 2. To start two new ARP machines of 40 heads in each machine. 3. To develop new application of FRP Rods. 4. To develop product that would serve the needs of customers product deployment and application.
4.	Expenditure on R & D	
i)	Capital	-
ii)	Recurring Total	-
iii)	Total	-
iv)	Total R & D Expenditure as a percentage of total turnover	-
TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION		
1	Efforts in brief, made through towards technology absorption, adaptation and innovation.	<ol style="list-style-type: none"> 1. FRP with UV technologies 2. Flex with new Bonding Materials
2	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	<ol style="list-style-type: none"> 1. Increased productivity of FRP 2. Increased the productivity of Flex
3	Information regarding Imported Technology: <ol style="list-style-type: none"> a. Technology imported b. Year of Import c. Has the technology been fully absorbed d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. 	N.A.
3. FOREIGN EXCHANGE EARNINGS AND OUTGO		
a.	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products, services and export plans.	Increased the FRP exports from the previous years.
b.	Total foreign exchange used and earned	The information of foreign exchange earnings and outflow is furnished in notes to accounts.

CORPORATE GOVERNANCE REPORT

CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPERENCY AND ACCOUNTABILITY

Your Company believes in conducting its affairs with the highest levels of integrity, proper authorisations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement entered into with Stock Exchanges are as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

AKSH is committed to attain the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, government, lenders and the society at large. The underlying goal of the Company is to enhance its overall enterprise value and retain the trust and faith of all its valuable stakeholders, over a sustainable tenure.

Good Governance is an essential and integral part of corporate success and sustainable economic growth encouraging the efficient use of resources and equally to require accountability for the stewardship of those resources.

In addition to the adherence to its philosophy and values, the Company has also complied with the provisions of Clause 49 of the Listing Agreement of Stock Exchange, which deals with the compliance of Corporate Governance requirements. A detail in line with the same is as follows.

2. THE BOARD OF DIRECTORS

Composition

The Board currently comprises of **Eight Directors**. The Company has 1 Promoter Non-Executive Chairman, 1 Promoter Non Executive Director, 1 Managing Director, 4 Independent Directors, and 1 Non-Independent Non-Executive Director.

As per the statutory requirements of Clause 49 of the listing agreement as entered with the Stock Exchanges, none of the Directors on the Board of your Company are holding directorships in more than 15 Public Companies and

memberships of more than 10 Committees alongwith the Chairmanships of not more than 5 Committees across all the companies in which they are Directors. All the Non- Executive Directors on the Board of your Company are liable to retire by rotation unless otherwise specifically approved by the shareholders.

As per the statutory requirements of the listing agreement all the Independent Directors on the board of your Company are experienced and renowned persons from their respective fields. They take active part in the Board and Committee meetings which add value in the decision making process of the Board of Directors.

Board Functioning & Procedure

The Company believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. The Company believes that composition of Board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. The Chairman of the Board and the Company Secretary discuss the items to be included in the agenda and the agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year ended on 31st March, 2013 the Board of Directors had **6 meetings** with not more than four months gap between any two meetings. The date of Board Meetings held during the year is as follows:

(i) 05th May, 2012 (ii) 10th August, 2012 (iii) 09th November, 2012 (iv) 26th November, 2012 (v) 21st December, 2012 (vi) 02nd February, 2013.

The Board of Directors granted leave of absence to the absentee Directors in the respective Board Meetings.

The category of the Board of Directors, their shareholding, attendance in Board Meeting and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2013 are given below:

Name	Category	Shares Held	No. of other Directorships*	No of other Committee positions held**		No. of Board Meetings attended during 2012-2013	Attendance at the 25 th Annual General Meeting held on 31 st Dec, 2012.
				Chairman	Member		
Dr. Kailash S. Choudhari	C-P-NE	1,95,92,700	2	Nil	1	6	Yes
Mr. Popat Lal F. Sundesha	P-NENI	52,80,060	3	Nil	1	2	No
Mr. Chetan Choudhari	MD	10,17,287	2	Nil	Nil	6	Yes
Mr. D.K. Mathur	I	67,500	Nil	Nil	Nil	4	No
Mr. B.R. Rakhecha	NENI	Nil	2	Nil	1	6	Yes
Mr. Narendra Kumbhat	I	Nil	3	Nil	1	5	Yes
Mr. Arun Sood	I	Nil	1	Nil	Nil	4	No
Mr. Amrit Nath	I	Nil	Nil	Nil	Nil	5	No

C- Chairman, P- Promoter, NENI – Non -Executive Non -Independent, I – Independent, MD- Managing Director.

***Directorships in Private Companies, Foreign Companies, Associations & Section 25 Companies are excluded.**

**** Only Audit and Shareholder's/ Investor's Grievance cum Share Transfer Committee of other Companies are considered.**

Mr. Amrit Nath and Mr. Arun Sood, Directors of the Company are related to each other in terms of the definition of "Relative" given under the Companies Act, 1956. No other Director is related to other in terms of the definition of "Relative" given under the Companies Act, 1956.

Code of Conduct

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website www.akshoptifibre.com

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Whole Time Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2013 all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

Chetan Choudhari
Whole Time Director

Date: 01.04.2013

Insider Trading Code

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at senior management level and other employees who could have

access to the unpublished price sensitive information of the company are governed by this code. The Company has appointed Mr. Gaurav Mehta as Compliance Officer who is responsible for setting forth procedures and implementation of the code of conduct for trading in company's securities and during the under review there has been due compliance with the said code.

3. COMMITTEES OF DIRECTORS

A. AUDIT COMMITTEE

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning. The terms of reference of the Audit Committee and the powers vested in this committee as mentioned in the Corporate Governance Report for 2012-2013 are wide in scope and allow it the necessary latitude to discharge its duties efficiently and independently.

The Audit Committee is responsible for the effective supervision of the financial reporting process, reviewing with the management the financial statements and ensuring their compliance with accounting standards, listing agreement and other legal requirements, reviewing with the external auditors the internal control system, assessing their adequacy and ensuring compliance with internal controls; reviewing finding of internal audit and ensuring follow up action on significant findings and reviewing quarterly, half yearly and annual accounts.

ROLE OF AUDIT COMMITTEE

The broad terms of reference of Audit Committee include inter-alia the following:-

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;
- Investigate on any matter referred by the Board;

Sl. No.	Name	Category	No. of Meetings attended
1.	Mr. Narendra Kumbhat	Member	5
2.	Mr. Popat Lal F Sundesha	Member	2
3.	Mr. D.K. Mathur	Member	4
4.	Mr. Amrit Nath	Member	5

All the members of the Audit Committee are Independent and Non-Executive Directors, except Mr. Popatlal Fulchand Sundesha, who is Non Independent and Non Executive Director. All the members have sound knowledge of accounts, audit, finance, internal controls etc.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Chief Financial Officer attends the meetings. The Statutory Auditors are also invited to the meetings. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same.

The Company Secretary acts as the Secretary of the Committee.

B. REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee comprising of 3 Non-Executive Directors of the Company viz Mr. Amrit Nath, Mr. Narendra Kumbhat and Mr. D.K. Mathur, all being Independent Directors of the Company. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same. The Company Secretary acts as the Secretary of the Committee.

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

- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

MEETING OF AUDIT COMMITTEE

During the period under review, **5 meetings** of the Audit Committee were held on the following dates:

- (i) 05th May, 2012 (ii) 10th August, 2012 (iii) 09th November, 2012 (iv) 26th November, 2012 (v) 02nd February, 2013.

The composition and attendance of each of the member of Audit Committee as on 31st March, 2013 was as under:

are required to be paid by the Company to the Directors.

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

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

Details of Director's Remuneration

During the period under review, the Non-Executive Directors of the Company were paid sitting fees @ Rs. 10,000/- only per meeting for attending meetings of the Board of Directors and Audit Committee.

Executive Directors

During the period under review Mr. Chetan Choudhari, the Whole Time Director of the Company was paid remuneration of Rs.33,19,680/- for a period w.e.f. 25th November, 2012 to March 31, 2013.

C. SHAREHOLDER'S/ INVESTOR'S GRIEVANCE COMMITTEE

We at Aksh are conscious towards addressing Investors' Grievances and make sure that the same are redressed promptly.

The Board has constituted a Shareholder's Grievance Committee comprising of Mr. Popatlal F Sundesha, as Chairman and Dr. Kailash S. Choudhari, as member. This Committee reviews the matters concerning the redressal of shareholders grievances like transfer of shares, non-receipt of dividend warrants etc. Company Secretary is the compliance officer in this regard. No meeting of the Shareholders' Grievance Committee was held during the period under review.

Particulars	Received	Attended to	Pending
Revalidation/Correction/ Non-Receipt of Dividend Warrant	01	01	NIL
Annual Reports	08	08	NIL

During the year under review no investor grievance was received or was pending in the SCORES account of the Company.

D. SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE

The Share Allotment -cum- Transfer Committee comprises of Dr. Kailash S. Choudhari, Mr. Satyendra Gupta and the Company Secretary, as its members. The Share Allotment cum Transfer Committee looks after approval of share transfers, transposition, issue of duplicate share certificates, approval of demat/ remat of share certificates etc.

The Company complies with the various requirements of the listing agreements and the depositories with respect to transfer of shares and the requisite reports are sent to them within the prescribed time.

During the period under review, No meeting of the Share Allotment-Cum- Transfer Committee were held.

E. ESPS COMPENSATION COMMITTEE.

The ESPS Compensation Committee comprises of Dr. Kailash S. Choudhari, as Chairman and Mr. Popatlal F Sundesha as Member. The 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.

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 processed and confirmations thereof are communicated to the investors within the prescribed time.

Investor's Services – complaints received till 31st March, 2013.

During the year ended 31.03.2013, no meeting of ESPS Compensation Committee was held.

F. FINANCE COMMITTEE

The Finance Committee comprises of Dr. Kailash S. Choudhari, Mr. Popatlal F Sundesha, Mr. D. K. Mathur and Mr. Narendra Kumbhat as its members. There being no permanent Chairman of the Committee, the members elect one amongst themselves as Chairman of the meeting to preside over the same.

During the year ended 31.03.2013, no meeting of the Finance Committee was held.

G. FCCB COMMITTEE

During the year under review FCCB Committee was constituted by your Directors vide resolution passed in their meeting held on 05th May, 2012. The idea behind constituting the new committee was to look after the issuance of new FCCBs as and when it is required and to convert the existing FCCBs into the Equity Shares of the Company as and when the conversion request is received by the Company.

During the period under review, **3 meetings** of the FCCB Committee were held on the following dates:

(i) 01st June, 2012 (ii) 05th July, 2012 (iii) 01st December, 2012

The composition and attendance of each of the member of the FCCB Committee as on 31st March, 2013 was as under:

Sl. No.	Name	Category	No. of Meetings attended
1.	Mr. Chetan Choudhari	Member	3
2.	Mr. B.R.Rakhecha	Member	3

The Company Secretary acts as the Secretary of the Committee.

4. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings held by the Company are as under: -

Year	Date of AGM	Venue	Time	Special Resolutions passed
2011-12	31.12.2012	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan)	11.00 A.M	TWO
2010-11	15.07.2011	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan)	11.00 A.M	ONE
2009-10	03.07.2010	F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 19 (Rajasthan)	11.00 A.M.	ONE

Special Business in the AGM held on 31st December, 2012:

Item no.1

Appointment of Mr. Chetan Choudhari as a Whole Time Director of the Company on such remuneration as mutually agreed to between Mr. Chetan Choudhari and the Management of the Company.

Item no.2

Issue of Convertible Bonds/ECBs/FCCBs/ADRs/GDRs

No resolution through postal ballot was passed during the financial year.

5. DISCLOSURES

- During the financial year under review the Company has not entered into any transaction of the material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- During the financial year under review there was no instance of non-compliance by the Company of any formalities of Stock Exchange, SEBI or any Statutory Authority, nor any penalty imposed on the Company from the Stock Exchange, SEBI or any Statutory Authority.
- All Mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- The Company has in place a risk management mechanism to inform the Board members about the risk assessment & minimization procedures, the Board reviews the same from time to time.

- Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the period, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and /or relatives.
- In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- As regards the other Non-Mandatory requirements, the Board has taken cognizance of the same and shall adopt the same as and when necessary.

6. MEANS OF COMMUNICATION

The information like quarterly/half yearly/annual financial results, notices of board meetings are promptly submitted to the stock exchanges to enable them to put them on their websites and for the information of the members and investors. The financial results of the company, in the prescribed format, as per Clause 41 of the Listing Agreements are also posted on the Company's website www.akshoptifibre.com.

The Company has also published its quarterly financial results in "The Financial Express" (all editions) and "Dainik Lokmat" (Hindi - Jaipur Edition) as per details given below: -

Quarter	Date of Board Meeting	Date of Publication
Annual Accounts as on March 31,2012	26 th November, 2012	27 th November, 2012
Unaudited Annual Accounts as on March 31,2012	05 th May, 2012	06 th May, 2012
April - June, 2012	10 th August, 2012	12 th August, 2012
July - September, 2012	09 th November, 2012	10 th November, 2012
October - December, 2012	02 nd February, 2013	04 th February, 2013

Further in line with relevant circular, the Company has started uploading its quarterly Corporate Governance Report, quarterly Shareholding Patterns, its FCCBs conversion details etc. through NSE Electronic Application System ("NEAPS") & through BSE Corporate Compliance & Listing Centre (a web based initiative taken by the Stock Exchanges for Listed Entities, in order to achieve the paperless documentation and to mitigate the time and cost factors involved in physical fillings to the exchanges).

7. SUBSIDIARY COMPANIES

As on 31st March, 2013 the Company has one Indian unlisted Subsidiary i.e. M/s. APAKSH Broadband Limited, one wholly Owned Overseas Subsidiary Company i.e. M/s. AOL- FZE and one step-down wholly owned overseas subsidiary Company i.e. M/s. AOL Projects – JLT.

As per the requirements of the Listing Agreement, the financial Statements of the Subsidiary Companies are reviewed by the Audit Committee of the Company. The Minutes of all the unlisted subsidiary companies are placed in the Board Meetings of the Company. The other requirements of the listing agreement with regard to subsidiary companies have been complied with. The Company has no material subsidiary as on 31st March, 2013.

8. DIRECTOR'S INFORMATION

As per the requirements of Clause 49(IV)(G)(i) of the Listing Agreements of both the exchanges, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting are given hereunder:-

Profile of Directors seeking re-appointment:-

(i) Mr. Narendra Kumbhat

Mr. Narendra Kumbhat is an Independent Director on the Board of your Company. Mr. Kumbhat holds an MBA degree, and having a very vast knowledge of Accounts, Finance and Taxation. He was inducted as a Director on the Board of your company on 24th November, 2007. Mr. Kumbhat is a member of Audit Committee, Remuneration Committee as well as Finance Committee of your Company. Mr. Kumbhat being an Independent Director does not hold any shares of your Company. Currently Mr. Kumbhat is also a Director on the

Board of the Companies as given below:-

S. No.	Names of the Companies
1.	Shyam Telecom Limited
2.	Shyam IT Services Limited
3.	Globus Constructors & Developers Limited
4.	Virtual CFO Partners Private Limited

(ii) Mr. Arun Sood

Mr. Arun Sood is an Independent Director on the Board of your Company. Mr. Sood is B.Com (Hons) by qualification. He was inducted as a Director on the Board of your Company on 17th May, 2010. Mr. Sood being an Independent Director does not hold any shares of your Company. Mr. Sood is also a Director on the Board of the Companies as given below:-

S. No.	Names of the Companies
1.	Arun Industries
2.	Shantanu Investments Private Limited
3.	Arun Infrastructure India Private Limited
4.	New Generation Networks Limited
5.	AOL – FZE (Overseas Subsidiary of Aksh Optifibre Limited)
6.	Bharat Telecom Limited

9. GENERAL SHAREHOLDERS INFORMATION

Registered Office

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

Address of Correspondence

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

Compliance Officer and Contact Address:

Mr. Gaurav Mehta
Company Secretary
Aksh Optifibre Limited

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

Telephone : 91-11 – 26991508/1509, Fax : 91-11-26991510.

e-mail : gaurav@akshoptifibre.com

9.1 Annual General Meeting

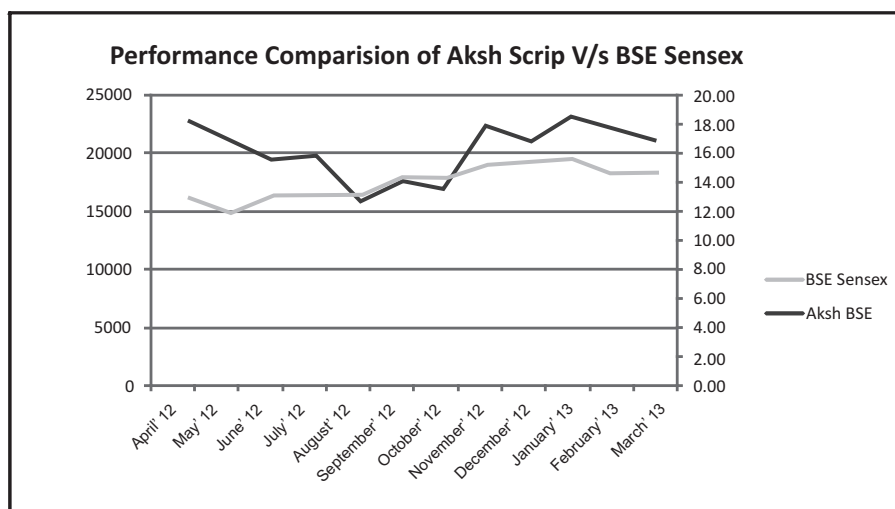
1.	Date, Time and Venue of the Annual General Meeting	3 rd August, 2013 at 11.30 A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi – 301 019 (Rajasthan)
2.	Financial Calendar	1 st April, 2012 to 31 st March, 2013
3.	Book Closure Dates	29 th July, 2013 to 3 rd August, 2013 (both days Inclusive)
4.	Dividend Payment Date	Not Applicable
5.	Listing on Stock Exchanges	
(A)	Equity Shares	Stock Code/Symbol
	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 01. Website: www.bseindia.com .	'532351'
	The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, "G Block" Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Website: www.nseindia.com .	'AKSHOPTFBR'
(B)	GDRs & FCCBs	The GDRs & FCCBs of the Company are Listed under the EURO MTF Platform of Luxembourg Stock Exchange, Societe de la Bourse de Luxembourg, Avenue, Luxembourg.
6.	ISIN Code for the Company's Equity Shares	INE523B01011
7.	Corporate Identification Number(CIN)	L24305RJ1986PLC016132
8.	Listing Fees	The Company has paid listing fees to The Bombay Stock Exchange (BSE) and to The National Stock Exchange of India Ltd (NSE), where the Shares of the Company are Listed.
9.	Share Transfer Agents	MCS Limited F-65, First Floor, Okhla Indl. Area, Phase I, New Delhi - 110020 Tel: 011 - 26384909-10 Fax: 011 - 26384907 E-mail: mcsdel@del6.vsnl.net.in
10.	Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent	M/s. MCS Limited

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

9.2 Market Price Data

Monthly high/ low/ close prices of the shares of the Company as traded at The Bombay Stock Exchange, Limited, Mumbai (BSE) and monthly high/ low/ close prices of the BSE SENSEX during the financial year under review.

Date	AKSH BSE PRICE(Rs.)			BSE SENSEX (Rs.)		
	High	Low	Month Close	High	Low	Month Close
April, 2012	18.00	13.31	17.92	17,664.10	17,010.16	17,318.81
May, 2012	18.00	15.15	16.85	17,432.33	15,809.71	16,218.53
June, 2012	17.70	15.50	15.85	17,448.48	15,748.98	17,429.98
July, 2012	17.05	15.10	16.00	17,631.19	16,598.48	17,236.18
August, 2012	16.45	12.50	13.65	17,972.54	17,026.97	17,429.56
September, 2012	16.30	13.56	14.71	18,869.94	17,250.80	18,762.74
October, 2012	15.50	13.41	14.34	19,137.29	18,393.42	18,505.38
November, 2012	19.50	13.69	17.67	19,372.70	18,255.69	19,339.90
December, 2012	18.00	15.50	17.00	19,612.18	19,149.03	19,426.71
January, 2013	20.25	16.35	18.20	20,203.66	19,508.93	19,894.98
February, 2013	19.00	16.55	17.70	19,966.69	18,793.97	18,861.54
March, 2013	18.00	16.10	16.95	19,754.66	18,568.43	18,835.77



9.3 Distribution of Shareholding as on 31.03.2013

No. of Equity Shares held	No. of Shareholders	% to Total shareholders	No. of Shares held	% to Total shares
1-500	10,555	73.59	19,93,469	1.34
501-1000	1,739	12.12	15,43,486	1.04
1001-2000	887	6.18	14,33,583	0.97
2001-3000	347	2.42	9,12,987	0.61
3001-4000	142	0.99	5,16,092	0.35
4001-5000	156	1.09	7,58,999	0.51
5001-10000	207	1.44	15,50,847	1.04
10000-50000	196	1.37	46,63,155	3.14
50001-100000	34	0.24	23,53,891	1.58
100001-And Above	81	0.56	13,28,38,480	89.42
TOTAL	14,344	100.00	14,85,64,989	100.00

9.4 Shareholding Pattern:

The Shareholding of different categories of the Shareholders as on 31st March, 2013 is given below:

Category	No. of Shares	% Age
Promoters	4,94,25,049	33.27
Corporate Bodies	4,58,88,628	30.89
FII's/NRIs/OCBs	30,68,967	2.06
Trusts	4,63,120	0.31
Custodian for GDRs	1,41,73,692	9.54
Public	35,545,533	23.93
TOTAL	14,85,64,989	100.00

9.5 Dematerialisation of Shares.

The Shares of the Company are in Compulsory Demat Mode. The breakup of Equity Share Capital held with the depositories and in physical form as on 31st March, 2013 is as follows:

Category	No. of Shareholders	No. of Equity Shares Held	% Age of Capital
NSDL	9,023	10,28,18,731	69.21
CDSL	5,165	4,51,29,187	30.38
Physical	156	6,17,071	0.41
Total	14,344	14,85,64,989	100.00

9.6 Reconciliation of the Share Capital Audit Report

As stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of the Share Capital Audit is required to be carried out by a qualified Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out at the end of each Quarter and the report thereon is submitted to the Stock Exchanges and also placed before the Board of Directors.

9.7 Outstanding GDRs / ADRs/ Warrants or any Convertible instruments:

- i. **FCCBs US\$ 20 Mn on 8th January, 2008:** Out of the said issue, FCCBs aggregating to US\$ 7.00 Mn were converted into equity shares and FCCBs aggregating to US\$ 13.00 Mn. become due for redemption in January, 2013. The Company is in process of repayment of matured FCCBs.
- ii. **FCCBs US\$ 6.328 Mn on 5th February, 2010:** Out of the said issue, FCCBs aggregating to US\$ 5.328 Mn were converted into equity shares and FCCBs aggregating to US\$ 1.00 Mn become due for redemption in February, 2013. The Company is in process of repayment of matured FCCBs.
- iii. **GDRs US\$ 20.00 Mn in January, 2008:** Comprising of 6,535,948 GDRs, one GDR equivalent to two Equity Shares. 2,553,921 GDRs remain outstanding as on 31st March, 2013.
- iv. **GDRs US\$ 25.00 Mn in September, 2010:** Comprising of 1,165,750 GDRs, one GDR equivalent to 50 Equity Shares. 306317 GDRs remain outstanding as on 31st March, 2013.

10. MANAGEMENT RESPONSIBILITY STATEMENT

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

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

COMPLIANCE

The certificate dated 17th May, 2013 obtained from our Statutory Auditors M/s P.C. Bindal & Co. forms part of this Annual Report and the same is given herein below:

AUDITOR'S CERTIFICATE

ON CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Aksh Optifibre Limited,

We have examined the compliance of conditions of Corporate Governance by Aksh Optifibre Limited, for the financial year ended 31st March, 2013 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchange(s).

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

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

We state that in respect of the investor grievance received during the year ended 31st March, 2013 no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P.C. Bindal & Co.
Chartered Accountants
FRN No. 003824N

Sd/
K.C.Gupta
(PARTNER)
Membership No. 088638

Place : New Delhi
Dated : 17th May, 2013

MD & CFO CERTIFICATE

The Board of Directors
Aksh Optifibre Limited

We, Chetan Choudhari, Managing Director and Satyendra Gupta, Chief Financial Officer, have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:-

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :-
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours sincerely,

Satyendra Gupta
Chief Financial Officer

Chetan Choudhari
Managing Director

Place: New Delhi
Date: 17th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS AND OPERATIONAL RESULTS

CAUTIONARY STATEMENT

Statement in the management's discussions and analysis describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes and economic developments within the country and abroad and such other factors.

Industry Structure and Developments

I Global Industry Scenario

Optical Fibre Cable

The Demand for optical fibre cable during the year 2012 has increased to 232 Mn FKM from 215 Mn for the year 2011. During the year, Asia Pacific region manufactured 40% of the global demand of single mode and multimode optical fibre cables. The demand is lead by China, which is hugely deploying optical fibre cables and FTTH networks across the length and breadth of the Chinese mainland. It is estimated that Chinese optical fibre demand would grow at 5.4% to 122Mn FKM; and the same would be hugely contributed by 4G deployments. There have been overall increase in demand of optical fibre cable across the globe with Brazil, Argentina, Colombia bolstering growth, Saudi Arabia is the strongest market in Middle East and there is a likely stronger demand in Nigeria, Kenya and South Africa.

Australia has already started working on National Broadband Network in the year 2011. Australian Government has decided to provide direct fibre connection to 93% of Australian subscribers. AUD 43 billions capex has been planned during the period 2011-2019.

Fibre to the Antenna (FTTA) would be key driver for optical fibre demand in the next 2-3 years. FTTA is required for rolling out 4G and Long Term Evolution Deployment. According to IHS iSuppli Research, there will 1000 Mn subscriber of LTE at the end of 2016.

Optical Fibre

The world's fibre production in Q1 2013 was 67 million fibre-km, which was 6% greater than the amount produced in Q1 2012. This level of quarterly production is the highest to date. China's optical cable demand increased 15% in 2012, and the market's growth is expected to be at least as strong in 2013,

contributing to expectations for double digit growth in the world market this year. In Q1, China used 32.7 million fiber-km, 19% more than in Q1 2012.

Indian Industry Scenario

India finally gets on track in deploying nationwide broadband network, with the government announcing its ambitious national optical fibre network to provide connectivity to all the 2,50,000 Gram Panchayats (GPs) to ensure broadband connectivity with adequate bandwidth.

Furthermore, the Indian railways and Indian defence is also deploying their own optical fibre cable network, deployment of 4G network and increase in FTTH deployments has given a boost to the increased demand of the optical fibre cable in India.

Domestic Market

The Indian domestic Optical fibre market, during the past fiscal has grown tremendously and it is expected to be a \$ 290.8 Mn by 2018, registering a growth at a CAGR of 12.5 %. The demand for optical fibre cables is poised to ride an upward growth curve with the emergence of next generation technologies, and government initiatives under the National Telecom Policy 2012. High speed high bandwidth backhaul is required for increasing data usage on the 3G platform and introduction of 4G services. The demand for Telecom Cables will gain a filip as service providers upgrade this backhaul in their networks to accommodate and cater increasing smartphone and tablet penetration and thereby increase in demand of bandwidth to handle the increase in data traffic.

Data growth in the Indian telecom market has reduced the prominence of traditional wireline broadband technologies such as digital subscriber line and cable modem. These technologies are not efficient enough to meet the customers' demand for high-bandwidth applications such as high speed internet access, video-on-demand, high definition TV, IPTV and online gaming. In this scenario, fibre-to-the-home (FTTH) technology, which offers advantages like high bandwidth capacity and the delivery of high speed, high quality and multi-play services (data, voice and video) through a single channel, presents a strong business opportunity for telecom operators.

FTTH network's ability to deliver high bandwidth has made investments in this infrastructure very important for operators. They are increasingly deploying FTTH technology to complement their wireless networks. Spectrum crunch is another major factor that has led operators to look for viable alternative mediums. Also, to achieve the broadband targets set by the government under the National Telecom Policy, it

will be important to drive FTTH growth along with other technologies.

IPTV Services Scenario

Internet Protocol Television (IPTV) is widely adopted and accepted as a viable solution to deliver HDTV, Video on Demand (VoD) and time-shifted TV, making the entire experience more interactive and personalized. IPTV services can be delivered by telecom service providers or Internet service providers.

The major benefit of IPTV is to enjoy non –linear TV viewing

and with Video on Demand (VoD) or even Time Shifted TV (TSTV), –the next gen way of consuming video entertainment/edutainment/infotainment at one's own leisure. The user is also allowed to pause, fast forward or reverse at his/her convenience. This type of instant joy is available only through IPTV and this service has benefits for all – from consumers to service providers to content producers.

FTTH has now emerged as a mainstream business preposition with tremendous growth potential as users are increasingly looking for high-speed broadband, high-definition videos, unlimited anywhere telephony and real-time surveillance.

Strategic Positioning

Future scenario

- ▣ Telecom sector expects a large capital expenditure for providing network infrastructures for growing numbers of users of internet and increasing focus on broadband services

Our strengths

- ▣ Innovations in cable and fibre products and development of new products
- ▣ Focus on cost reduction and competition by implementing new cable designs
- ▣ Assurance of highest quality and service

Niche Products Forte

- ▣ Fibre optic is the major single component cost of optical cables
- ▣ Fibre optic production is hard to start as there are some constraints:
 - Long time to develop know how
 - Main technology and licenses are difficult to obtain
 - Capital intensity
- ▣ Strong competitive advantage as vertically integrated cable manufacturer (specially in the period of short supply)
- ▣ FRP, being central strength member must for almost every optical fibre cable

Way forward

- ▣ Emergence of new clients in emerging regions and maintain & reinforce position with key clients
- ▣ Further actions for utilization of low cost manufacturing unit
- ▣ Improve supply chain in domestic and international market
- ▣ Integration of production and sales
- ▣ Increase level and effectiveness of agents and refocus on exports

Risk Management Framework

The Company has a Risk Management framework in place, which comprises the identification of potential risk areas, evaluation of intensity, mitigation plans and procedures for the risk management and policies formulated both at the enterprise and at the Operating level. The framework seeks to facilitate building a common understanding of the exposure to the various risks and uncertainties at an early stage, for timely response and their effective mitigation.

Internal Control

The Company has proper and adequate internal control procedures commensurate with the size and nature of its

business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The Company has a defined organization structure, authority levels delegated powers, internal procedures, rules and guidelines for conducting the Company's business. These business control procedures ensure efficient use and protection of the resources and also compliance with the policies, procedures and statutory requirements. The Company also carries out internal audit through an external agency. The prime objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

Human Resources

The success of any organization depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals. In the ever changing business scenario, we recognize the need for training and retaining the talent pool of the Company. Employees after being inducted in the Company are required to undergo technical trainings to enhance/polish their existing skills as well as developing their industry specific skills. The management believes in maintaining cordial and harmonious relations with its employees. The Company works with a Key Responsibility Area based review and recognition strategy that aligns efforts, while rewarding results.

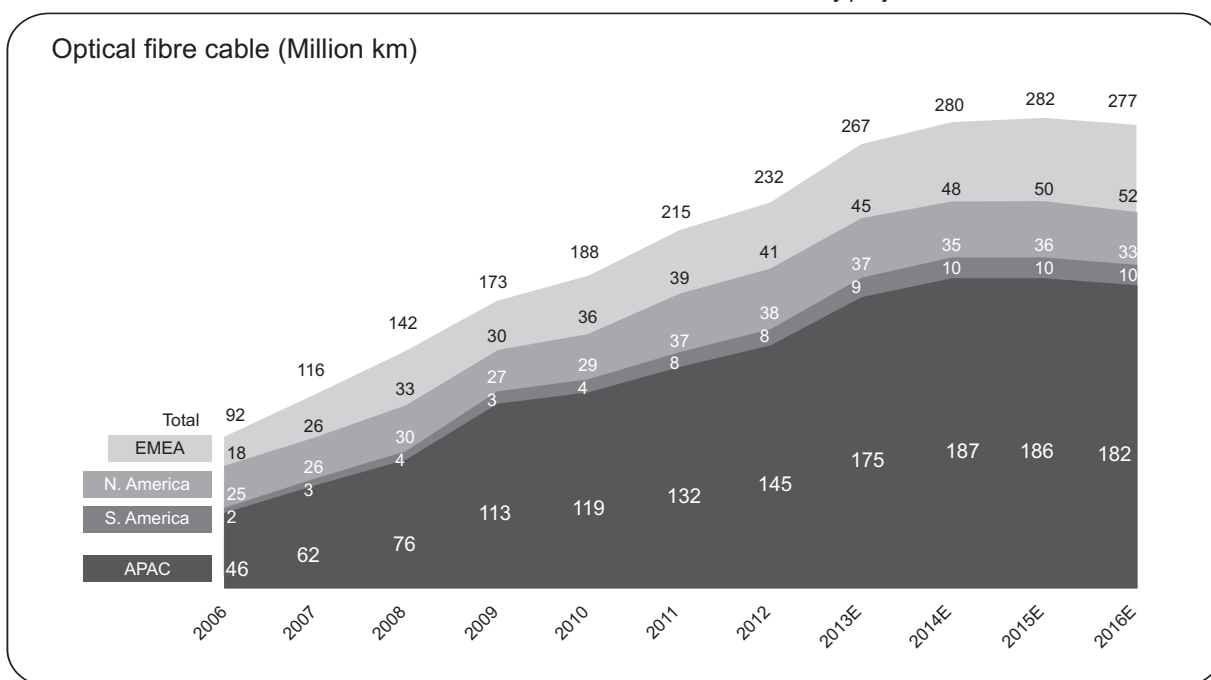
Future Outlook

The OFC market is set to grow with the implementation of National Optical Fibre Network (NOFN), which aims to increase internet usage and improve connectivity in sub-urban

and rural areas. Continuing expansion of existing networks by Railways and Defence will also help fuel the demand, apart from private players who want to build project with OFC as key component. Also the cable digitalization policy plans to have a complete analog sunset by the end of 2014 in India, this will further boost the optical fibre cable growth in the country.

The Indian FTTH market will be more successful than its global counterparts due to large population density of the country. The rapid pace with which the landscape of the country is changing, with increased demand of houses, the builders while building new housing complexes are making a conscious effort to lay fibre instead of copper for providing television and telephone services connectivity to each apartment. They are providing optical network terminals and optical line termination devices within the complex.

Aksh is today a global name and to broaden, it is planned to increase the exports and domestic sales, to establish manufacturing facilities outside India and to execute large numbers of turnkey projects both domestic and internationally.



II Financial Performance

Sources of Funds

1. Share Capital

At present, we have only one class of shares – equity shares of par value Rs. 5/- each. Our authorized share capital is Rs.8,505.00 lacs, divided into 1,701 lacs equity shares of Rs.5/-each. The issued, subscribed and paid up capital stood at Rs. 7,428.25 lacs as at March 31, 2013 as compared to previous year Rs.7,146.24 lacs.

During the year, FCCBs holder converted the FCCBs having a carrying amount of US \$ 2.43Mn for 56.40 lacs equity shares.

Consequently, the issued, subscribed and outstanding shares increased by 56.40 lacs.

2. Reserves and Surplus

Capital Reserve

The balance as at March 31, 2013 amounted to Rs.15 lacs, same as at March 31, 2012.

Securities Premium

The addition to the securities premium account of Rs.849.40 lacs during the year is on account of premium received on the issue of 56.40 lacs equity shares, upon conversion of FCCBs.

Statement of Profit and Loss

There is a net deficit amounted to Rs.5,366.36 lacs in the statement of Profit and Loss as at March 31, 2013 as compared to Rs.7,960.09 lacs as at March 31, 2012. The Company has earned a net profit after tax of Rs.2,593.73 lacs during the year ended March 31, 2013, as compared to Rs.1,068.96 lacs during the previous year ended March 31, 2012.

Shareholder funds

The total shareholder funds increased to Rs.35,907.58 lacs as at March 31, 2013 from Rs.32,182.44 lacs as at March 31, 2012.

The book value per share increased to Rs.24.17 as at March 31, 2013 compared to Rs.22.52 as at March 31, 2012.

Application of funds

3. Fixed assets

Addition to gross block

During the year, we have incurred Rs.343.59 lacs to add to our gross block, as compared to Rs.156.84 lacs during the previous year ended March 31, 2012.

Deductions to gross block

During the year, we deducted Rs.1,477.75 lacs from the gross block, as compared to Rs.144.59 lacs during the previous year ended March 31, 2012.

Capital expenditure commitments

We have a capital expenditure commitment (net of advances) of Rs.106.79 lacs as at March 31, 2013 as compared to Rs.607.33 lacs as at March 31, 2012.

4. Investments

Wholly-owned Subsidiary

AOL FZE

Established as a Limited Liability Company, incorporated & licensed at Sharjah International Free Zone (SAIF Zone) for the purpose of trading of telecom equipments and other products & making telecom initiative in the continent of Africa.

AOL Projects JLT (wholly owned subsidiary of AOL FZE)

Established as a Limited Liability Company, incorporated & licensed at Jumeirah Lakes Towers. Engaged in consultancy services in the field of telecommunication and project management, which includes the services like concept framing, designing, specification and sizing.

Majority-owned subsidiary

APAKSH Broadband Limited

Incorporated as a Public Limited Company under the provisions of the Companies Act, 1956. The Company is setting up Broadband project in the State of Andhra Pradesh.

Please refer statement pursuant to Section 212 of the Companies Act, 1956 for the summary financial performance of our subsidiaries.

5. Loans and Advances (current and non-current)

Loans and advances amounted to Rs.18,772.56 lacs as at March 31, 2013 as compared to Rs.15,715.24 lacs as at March 31, 2012 includes capital advances and long term security deposits amounted to Rs.6.98 lacs and 83.21 lacs as at March 31, 2013 as compared to Rs.123.07 lacs and 67.30 lacs respectively as at March 31, 2012.

6. Trade Receivables (current and non-current)

Trade receivables amounted to Rs.6,200.56 lacs as at March 31, 2013 compared to Rs.5,996.04 lacs as at March 31, 2012. These debts are considered good and realizable. Debtors are at 25.91% of gross revenues for the year ended for the year ended March 31, 2013 compared to 31.74% for the year ended March 31, 2012 representing a days sales outstanding of 95 days compared to 116 days in the previous year ended March 31, 2012.

7. Other Non-current Assets

Margin money deposits are pledged with banks and others as security for various facilities, are having a carrying amount of Rs.1,206.22 lacs as at March 31, 2013 as compared to Rs.1,251.22 lacs as at March 31, 2012.

Interest accrued includes Rs.84.67 lacs on fixed deposits and Rs.Nil on other deposits as at March 31, 2013 as compared to Rs.61.37 lacs and 60.56 lacs respectively as at March 31, 2012.

8. Inventories

Inventories amounted to Rs.1,507.87 lacs as at March 31, 2013 as compared to Rs.1,199.33 lacs as at March 31, 2012. Inventories are valued at lower of cost or net realizable value.

9. Cash and cash Equivalents

The bank balances in India include both rupee accounts and foreign currency accounts amounted to Rs.184.50 lacs as at March 31, 2013 as compared to Rs.64.96 lacs as at March 31, 2012.

The cash equivalents also include balance in unpaid dividend account amounted to Rs.4.06 lacs in as at March 31, 2013 same as at March 31, 2012.

Cash on hand amounted to Rs.4.50 lacs at March 31, 2013 as compared to Rs.6.45 lacs as at March 31, 2012.

Liabilities

10. Trade Payables (current and non-current)

Trade payables amounted to Rs.3,811.04 lacs as at March 31, 2013 as compared to Rs.3,315.90 lacs as at March 31, 2012.

11. Provisions (current & non-current)

Long term and short term provisions amounted to Rs.220.85 lacs (including Rs.188.81 lacs for employee benefits and Rs.32.04 lacs for provision for taxes on income) as at March 31, 2013 as compared to Rs.128.46 lacs (including Rs.128.46 lacs for employee benefits and Rs.Nil for provision for taxes on income respectively) as at March 31, 2012.

12. Short Term Borrowings

Short term borrowings amounted to Rs.1,174.91 lacs (including secured borrowings of Rs.147.38 lacs) as at March 31, 2013 as compared to Rs.2,697.22 lacs (including secured borrowings of Rs.1,244.82 lacs) as at March 31, 2012.

13. Other Current Liabilities

Other current liabilities amounted to Rs.9,192.83 lacs (including Rs.7,603.40 lacs relating to FCCBs) as at March 31, 2013 as compared to Rs.10,467.33 lacs (including Rs.8,255.28 lacs relating to FCCBs) as at March 31, 2012.

III Results of Operations

The Company has reported a profit after tax amounted to Rs.2,593.73 lacs during the year ended March 31, 2013 as compared to Rs.1,068.96 lacs during the previous year ended March 31, 2012 in Statement of Profit and Loss. Profit after tax is 10.84% of gross revenue of Rs.23,925.53 lacs as compared to 5.66% of gross revenue of Rs.18,888.60 lacs.

1. Revenue from Operations

Our revenues are mainly generated from sale of finished goods, traded goods and services. During the year ended March 31, 2013 the Company has made a gross revenue of Rs.23,925.53 lacs as compared to Rs.18,888.60 lacs during the previous year ended March 31, 2012. This gross revenue includes excise duty of Rs.625.04 lacs (previous year 364.24 lacs) balancing to a net revenue of Rs.23,300.49 lacs during the year ended March 31, 2013 and Rs.18,524.36 lacs during the previous year ended March 31, 2012.

2. Other Income

Other income amounted to Rs.720.34 lacs for the year ended March 31, 2013 as compared to Rs.581.73 lacs

during the previous year ended March 31, 2012.

3. Cost of goods sold

Cost of goods sold amounted Rs.14,137.59 lacs (59.09% of gross revenue) during the year ended March 31, 2013, as compared to Rs.11,669.43 lacs (61.78% of gross revenue) during the previous year ended March 31, 2012. It includes Rs.13,744.11 lacs (previous year Rs.10,613.29 lacs) relating to raw material consumed, Rs.395.82 lacs (previous year Rs.717.32 lacs) relating to purchase of traded goods and Rs.2.34 lacs (previous year 338.82 lacs relating to decrease in inventories) relating to increase in inventories.

4. Employee benefit expense

Employee benefit expense amounted to Rs.1,386.03 lacs during the year ended March 31, 2013 as compared to Rs.1,252.12 lacs during the previous year ended March 31, 2012.

5. Other expenses

Other expenses amounted to Rs.4,485.91 lacs during the year ended March 31, 2013 as compared to Rs.3,925.37 lacs during the previous year ended March 31, 2012.

6. Depreciation

Depreciation and amortization amounted to Rs.1,663.21 lacs during the year ended March 31, 2013 as compared to Rs.1,330.10 lacs during the previous year ended March 31, 2012.

7. Finance cost

Finance Cost amounted to Rs.373.38 lacs during the year ended March 31, 2013 as compared to 534.81 lacs during the previous year ended March 31, 2012. Finance cost includes Rs.82.06 lacs on interest on Cash credit facility, as compared to Rs.219.97 lacs during previous year ended March 31, 2012.

8. Exceptional items

Exceptional income amounted to Rs.619.02 lacs during the year ended March 31, 2013 as compared to Rs.784.61 lacs during the previous year ended March 31, 2012.

9. Tax expenses

Income Tax

During the year ended March 31, 2013 the Company has made a provision for tax amounting Rs.64.54 lacs, as compared to Rs.Nil during the previous year ended March 31, 2012 under the provision of Minimum Alternative Tax. The Company has taken credit of the tax amount of Rs.64.54 lacs, thus no tax impact is booked during the year ended March 31, 2013.

Deferred Tax

During the year ended March 31, 2013 the Company has not made any provision for deferred tax. The Company has reversed the deferred tax assets amounting Rs.109.91 lacs during the previous year ended March 31, 2012.

10. Net Profit after tax and exceptional items

Our net profit increased to 10.84% of the gross revenue amounted to Rs.2,593.73 lacs for the year ended March 31, 2013 from 5.66% of the gross revenue amounted to Rs.1,068.96 lacs in the previous year ended March 31, 2012.

11. Earnings Per Share (EPS) after exceptional items

Basic EPS

Our basic EPS after exceptional items increased to Rs.1.77 for the year ended March 31, 2013 from Rs.0.75 per share for the previous year ended March 31, 2012. The outstanding shares used in computing basic EPS increased to 146,518,185 for the year ended March 31, 2013 from 142,924,871 for the year ended March 31, 2012.

Diluted EPS

Our diluted EPS after exceptional items increased to Rs.1.77 for the year ended March 31, 2013 from Rs.0.69 per share for the previous year ended March 31, 2012. The outstanding shares used in computing diluted EPS is 146,518,185 for the year ended March 31, 2013 as compared to 156,626,134 for the year ended March 31, 2012.

12. Segmental Profitability

Our operations predominantly relate to production and sales of Optical fibre, Optical fibre cable, Fibre Reinforced Plastic Rods and Impregnated Glass Roving Reinforcement. The Company also provides services relating to Internet Protocol Television (IPTV) & Voice over Internet Protocol (VoIP), Network erection, installation and commissioning and some other related services. The Company also trades in telecom and electronic items. The

details of segment as per the business are as follows:

(Rs. in lacs)

Segment Results	Year Ended Mar 13	Year Ended Mar 12	%age Increase
Manufacturing			
Revenues	21,615.50	16,347.08	32.23%
EBIT	3,648.82	2,035.29	79.28%
EBIT (%)	16.88%	12.45%	
Trading			
Revenues	593.49	795.87	-25.43%
EBIT	185.93	109.20	70.26%
EBIT (%)	31.33%	13.72%	
Services			
Revenues	1,123.03	1,458.46	-23.00%
EBIT	(1,742.46)	(1,433.99)	21.51%
EBIT (%)	-	-	

IV Consolidated Financial Performance

Our gross revenue amounted to Rs.26,302.34 lacs during the year ended March 31, 2013 as compared to Rs.27,709.43 lacs in the previous year ended March 31, 2012. Our manufacturing revenue is being increased to Rs.21,615.50 lacs during the year ended March 31, 2013 from Rs.16,347.07 lacs during the previous year ended March 31, 2012, a growth of 32.23%.

The Profit before interest, depreciation, taxes, amortization and exceptional items amounted to Rs.3,998.64 lacs (15.20% of revenue) during the year ended March 31, 2013 as against Rs.3,152.04 lacs (11.38% of revenue) in the previous year ended March 31, 2012.

Our profit before tax and exceptional items amounted to Rs.1,959.18 lacs (7.45% of revenue) during the year ended March 31, 2013 as against Rs.1,286.16 lacs (4.64% of revenue) in the previous year ended March 31, 2012.

The net profit after tax and exceptional items is Rs.2,578.21 lacs (9.80% of revenue) during the year ended March 31, 2013 as against Rs.1,960.86 lacs (7.08% of revenue) in the previous year ended March 31, 2012.

Financial Statements 2012-2013

INDEPENDENT AUDITORS' REPORT

To the Members of

AKSH OPTIFIBRE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of AKSH OPTIFIBRE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility of financial statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P. C. Bindal & Co.

Firm Registration No. : 003824N
Chartered Accountants

CA. K. C. Gupta

Partner

Place of Signature: New Delhi

Date: 17th May, 2013

Membership Number: 088638

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per information & explanation given to us fixed assets except the assets installed at customer premises have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable.
- (c) During the year, the company has disposed off some portion of Land and Building. According to the information and explanation given to us, we are of the opinion that the sale of the said part of Land & Building has not affected the going concern status of the company.
- (ii) (a) During the year, the inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has granted unsecured loan to one of its wholly owned subsidiary. The maximum amount involved during the year was Rs.13,758.89 Lacs and the closing balance of loan given to such party was Rs.13,758.89 Lacs.
- (b) According to the information and explanations given to us, in our opinion, the other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (c) As per the information made available to us, the aforesaid advance granted by the company is repayable on demand.
- (d) In respect of the aforesaid advances, there is no overdue amount as at year-end.
- (e) According to the information and explanations given to us, the Company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 927.55 Lacs and the closing balance of loan taken from such parties was Rs 311.75 Lacs.
- (f) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (g) According to the information and explanations given to us, the payments of the principal amount and interest of the aforesaid loan are regular.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets, sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by

the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (ix) (a) According to the information and explanations given to us and according to the books and records examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March, 2013 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 Dues/ Name of the Statute	Disputed Amount (Rs. in Lacs)	Period to Which Amount Relates	Forum Where Dispute is Pending
Sales Tax			
AP VAT Demand	179.99	2005-06	The Commercial Tax Officer, Hyderabad
AP VAT Demand	2.46	2006-07	The Commercial Tax Officer, Hyderabad
Delhi VAT	0.54	2007-08	Commissioner (Appeals), Delhi
Rajasthan Sales Tax Demand	71.12	1996-97, 1998-99, 2000-01 & 2001-02	Hon'ble High Court Jaipur
MVAT Demand	7.85	2007-08	Joint Commissioner of Sales Tax (Appeals), Mumbai
Customs/ Excise Duty			
Customs Act, 1962	360.91	2005-06	CESTAT
Customs Act, 1962	48.06	2008-09	CESTAT
Central Excise Act, 1944	92.14	2003-05	CESTAT
Central Excise Act, 1944	3.37	2000-01	CESTAT
Central Excise Act, 1944	32.79	2011-12	Additional Commissioner
Central Excise Act, 1944	0.31	2011-12	Commissioner (Appeals)
Service Tax			
Finance Act, 1994	7.50	2004-05	Hon'ble High Court, Jaipur
Finance Act, 1994	5.54	2004-05	Commissioner of Central Excise (Appeals), Jaipur
Finance Act, 1994	0.64	2004-06	CESTAT
Finance Act, 1994	75.53	2006-08	Assistant Commissioner, Bhiwadi
Finance Act, 1994	31.20	2009-10	CESTAT
Finance Act, 1994	201.33	2011-12	CESTAT
Finance Act, 1994	0.42	2005-06	Deputy Commissioner
Provident Fund			
Provident Fund Act	7.60	2004-05	Hon'ble High Court, Jaipur

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the current year and in the immediately preceding financial year.

- (xi) Bonds of \$ 13 mn and \$ 1mn were due for redemption on 8th January 2013 and 5th February, 2013 respectively having maturity value of equivalent to Rs. 7,603.40 Lacs. Pursuant to RBI approval for extension in due dates for repayment of FCCB's, the Company is in process of redemption of FCCB's.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has 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 share to parties covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued 1% Unsecured Foreign Currency Convertible Bonds of \$ 1000 each aggregating to \$ 1.205 Million equivalent to Rs. 613.10 Lacs and accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xx) According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

CA. K. C. Gupta
Partner
Place of Signature: New Delhi
Date: 17th May, 2013 Membership Number: 088638

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Equity and liabilities			
Shareholders' funds			
Share capital	3	7,428.25	7,146.24
Reserves and surplus	4	28,479.33	25,036.20
		35,907.58	32,182.44
Non-current liabilities			
Long-term borrowings	5	-	-
Trade payables	6	-	31.75
Long-term provisions	7	183.44	124.58
		183.44	156.33
Current liabilities			
Short-term borrowings	8	1,174.91	2,697.22
Trade payables	9	3,811.04	3,284.15
Other current liabilities	9	9,192.83	10,467.33
Short-term provisions	7	37.41	3.88
		14,216.19	16,452.58
TOTAL		50,307.21	48,791.35
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	9,744.97	11,593.73
Intangible assets	11	948.25	1,108.54
Capital work-in-progress including intangible assets		331.43	412.23
Non-current investments	12	11,317.52	11,317.52
Long-term loans and advances	13	90.19	190.37
Trade receivables	14.1	47.41	77.60
Other non-current assets	14.2	1,206.32	1,251.32
		23,686.09	25,951.31
Current assets			
Inventories	15	1,507.87	1,199.33
Trade receivables	14.1	6,153.15	5,918.44
Cash and bank balances	16	193.06	75.47
Short-term loans and advances	13	18,682.37	15,524.87
Other current assets	14.2	84.67	121.93
		26,621.12	22,840.04
TOTAL		50,307.21	48,791.35
Summary of significant accounting policies	2.1		
The accompanying notes (1-42) are an integral part of the financial statements.			

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.

Firm Registration Number : 003824N

Chartered Accountants

KAILASH S. CHOUDHARI

Chairman

CA K. C. Gupta

Partner

Membership no.: 088638

CHETAN CHOUDHARI

Managing Director

B.R. RAKHECHA

Director

Place: New Delhi

Date : 17th May, 2013

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Income			
Revenue from operations (gross)	17	23,925.53	18,888.60
Less: excise duty		625.04	364.24
Revenue from operations (net)		23,300.49	18,524.36
Other income	18	720.34	581.73
Total revenue (I)		24,020.83	19,106.09
Expenses			
Cost of raw material and components consumed	19	13,744.11	10,613.29
Purchase of traded goods	20	395.82	717.32
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	21	(2.34)	338.82
Employee benefits expense	22	1,386.03	1,252.12
Other expense	23	4,485.91	3,925.37
Total expense (II)		20,009.53	16,846.92
Earnings before interest, tax, depreciation, exceptional items and amortization (EBITDA) (I) – (II)		4,011.30	2,259.17
Depreciation and amortization expense	24	1,663.21	1,330.10
Finance costs	25	373.38	534.81
Profit before exceptional items and tax		1,974.71	394.26
Exceptional Items	31	619.02	784.61
Profit before tax		2,593.73	1,178.87
Tax expenses			
Income Tax		64.54	-
Deferred tax		-	109.91
MAT Credit Entitlement		64.54	-
Total tax expense		-	109.91
Profit for the year		2,593.73	1,068.96
Earnings per equity share [nominal value of share Rs 5/- (31 March 2012: Rs 5/-)]			
Basic		1.77	0.75
Diluted		1.77	0.69
Summary of significant accounting policies	2.1		

The accompanying notes (1-42) are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.
Firm Registration Number : 003824N
Chartered Accountants

KAILASH S. CHOUDHARI
Chairman

CA K. C. Gupta
Partner
Membership no.: 088638

CHETAN CHOUDHARI
Managing Director

B.R. RAKHECHA
Director

Place: New Delhi
Date : 17th May, 2013

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
A. Cash flow from operating activities		
Profit before tax	2,593.73	1,178.87
Profit before tax	2,593.73	1,178.87
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	1,663.21	1,330.10
Loss/ (profit) on sale of fixed assets	(915.14)	0.99
Finance costs	373.38	534.81
Interest (income)	(615.36)	(548.70)
Operating profit before working capital changes	3,099.82	2,496.07
Movements in working capital :		
Increase/ (decrease) in trade and other payables	(622.43)	10,837.08
Decrease / (increase) in trade receivables	(204.52)	(3,913.62)
Decrease / (increase) in inventories	(308.54)	(1,089.12)
Decrease / (increase) in other receivables	(3,104.14)	(2,801.01)
Cash generated from / (used in) operations	(1,139.81)	5,529.40
Direct taxes paid (net of refunds)	64.54	145.48
Net cash flow from/ (used in) operating activities (A)	(1,075.27)	5,674.88
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(343.59)	(4,051.83)
Proceeds from sale of fixed assets	1,685.37	27.57
Proceeds of non-current investments	-	4,005.00
Purchase of non-current investments	-	(1.12)
Interest received	615.36	548.70
Net cash flow from / (used in) investing activities (B)	1,957.14	528.32
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	1,131.41	-
Repayment of long-term borrowings	-	(6,790.37)
Repayment of short-term borrowings	(1,522.31)	1,390.04
Balance of Profit & loss vested in the company	-	(211.99)
Finance costs	(373.38)	(534.81)
Net cash flow from/ (used in) in financing activities (C)	(764.28)	(6,147.13)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	117.59	56.07
Cash and cash equivalents at the beginning of the year	75.47	19.40
Cash and cash equivalents at the end of the year	193.06	75.47
Components of cash and cash equivalents		
Cash on hand	4.50	6.45
With banks- on current account	184.50	63.16
Deposits with original maturity of less than three months	-	1.80
Unpaid dividend accounts	4.06	4.06
Total cash and cash equivalents (note 16)	193.06	75.47
Summary of significant accounting policies	2.1	
The accompanying notes (1-42) are an integral part of the financial statements.		

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.

Firm Registration Number : 003824N

Chartered Accountants

KAILASH S. CHOUDHARI

Chairman

CA K. C. Gupta

Partner

Membership no.: 088638

CHETAN CHOUDHARI

Managing Director

B.R. RAKHECHA

Director

Place: New Delhi

Date : 17th May, 2013

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1 CORPORATE INFORMATION

Aksh Optifibre Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at The Bombay Stock Exchange Ltd., The National Stock Exchange Ltd. in India and GDRs are listed at Luxembourg Stock Exchange. The Company is engaged in the manufacturing and selling of Optical Fibre, Optical Fibre Cable, Fibre Reinforced Plastic Rods and Impregnated Glass Roving Reinforcement, The Company caters to both domestic and international markets. The Company also provides the Internet Protocol Television (IPTV) services in association with MTNL in the cities of Delhi and Mumbai and IPTV services with BSNL in 20 cities of North India. The Company is the pioneer in the FTTH (Fibre to the Home) space and has further consolidated its place by starting FTTH services in Delhi, Jaipur, Ajmer & Faridabad.

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 Rules 2006 (as amended) and the relevant requirements of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on an accrual basis of accounting except in case of assets for which impairment is carried out. The accounting policies have been consistently applied by the Company.

2.1 SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates

The preparation of the financial statements is in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/ materialized.

b) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use.
- ii) Exchange difference arising on account of liabilities incurred for acquisition or construction of Fixed Assets is adjusted in the carrying amount of related Fixed Assets.

c) 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.

d) Depreciation

- i) Depreciation on Fixed Assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956 and based on the estimated useful life of assets. Depreciation is charged on pro-rata basis for assets purchased/ sold during the year. Individual assets costing up to Rs. 5,000/- are depreciated in full in the year of purchase.

Depreciation on equipments installed at customer premises is being provided at 20% on useful life estimated by the management.

License fee is amortised over the licensed period.
- ii) Cost of leasehold land is amortized over lease period on a straight-line basis.
- iii) Cost of software is amortised over its useful life on a straight-line basis.
- iv) Extra shift depreciation is charged on the basis of actual extra shifts worked as required by Schedule XIV to the Companies Act, 1956.

e) Impairment of Assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at their present value at the weighted average cost of capital.

- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long Term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such diminution is other than temporary. Current Investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

g) Inventories

- i) Raw materials, work-in-process, finished goods, trading stock, packing material and stores and spares parts are valued at the lower of cost and net realizable value except scrap which is valued at net realizable value.
- ii) Cost of inventories of items that are not ordinarily interchangeable or are meant for specific projects is assigned by specific identification of their individual cost. Cost of other inventories is ascertained on the FIFO basis. In determining the cost of work-in-process and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities.
- iii) The comparison of cost and realizable value is made on an item-by-item basis.
- iv) Net realizable value of work-in- process is determined on the basis of selling prices of related finished products.
- v) Raw Material and other supplies held for use in production of inventories are not written down below cost unless their prices have declined and it is estimated that the cost of related finished goods will exceed their net realizable value.

h) Foreign Currency Transactions

- i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.
- ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- iii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
- iv) The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be readily measured.

Sales of Goods & Services

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer (usually at the point of dispatch to customers). Sales include excise duty, sale of scrap and net of sale tax and quantity discount.

Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.

Income from Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Incomes

Other Incomes are accrued as earned except where the receipt of income is uncertain.

k) Retirement and other Employee Benefits

i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. The Company has no other obligation other than the contribution payable.

ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method calculated at the end of each financial year. The liability with regard to gratuity in respect of any employee not covered under group gratuity scheme is provided on the basis of amount payable to such employees as if they were to retire on the last day of financial year.

iii) Leave Encashment liability is provided for based on actuarial valuation done as per Projected Unit Credit Method calculated at the end of each financial year.

iv) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

l) Export Incentives

Export Incentive in the form of advance licenses / credit earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realisable value / actual credit earned on exports made during the year.

m) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is determined as the amount of tax payable in respect of taxable income for the year based on provisions of Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if legally and enforceable right exist to set off current tax asset against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of unabsorbed depreciation and carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

n) Operating Leases

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit and Loss.

o) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Notified AS 20 under the Companies (Accounting Standards) Rules, 2006 issued by The Institute of Chartered Accountants of India on 'Earnings Per Share'. Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Both profit for the year and weighted average numbers of shares are adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

p) Provisions, Contingent Liabilities and Contingent Assets

As per Notified AS 29 under the Companies (Accounting Standards) Rules, 2006, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions (without discounting to its present value) only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

q) Miscellaneous Expenditure

Expenditure on issue of shares / foreign currency convertible bonds (FCCBs) / Global Depository Receipts (GDRs) / shares under Qualified Institutional Placements (QIP) and premium on redemption of FCCBs are adjusted against Securities Premium account.

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
3. Share capital

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs.in lacs
Authorized share (No.)		
170,100,000 (31 March 2012: 170,100,000) Equity Shares of Rs.5/- each	8,505.00	8,505.00
Issued, subscribed and fully paid-up share (No.)		
148,564,989 (31 March 2012: 142,924,871) Equity Shares of Rs.5/- each fully paid up	7428.25	7146.24
Total issued, subscribed and fully paid-up share capital	7,428.25	7,146.24

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

	31-Mar-13		31-Mar-12	
	No.	Rs. in lacs	No.	Rs. in lacs
At the beginning of the year	142,924,871	7,146.24	142,924,871	7,146.24
Add:				
Issued pursuant to conversion of FCCBs	5,640,118	282.01	-	-
Outstanding at the end of the year	148,564,989	7,428.25	142,924,871	7,146.24

(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 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) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31-Mar-13 No.	31-Mar-12 No.
<u>Shares issued for consideration other than cash during the period 2007-09</u>		
Equity shares of Rs 5/- per share issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation	20,210,400	20,210,400

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

Name of the shareholder	31-Mar-13		31-Mar-12	
	No.	% holding	No.	% holding
Dr K S Choudhari	25,842,700	17.39%	19,592,700	13.71%
Davinder Kumar Jain	15,356,251	10.34%	16,480,743	11.53%
The Bank of New York, Mellon	9,065,850	6.10%	15,315,850	10.72%
Religare Finvest Limited	14,816,807	9.97%	9,358,208	6.55%
Seema Choudhari	7,809,341	5.26%	7,809,341	5.46%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
4. Reserves and surplus

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Capital reserve	15.00	15.00
Securities premium account		
Balance as per the last financial statements	32,981.29	32,981.29
Add :		
-Issue of 5,640,118 equity shares upon conversion of FCCBs	849.40	-
Closing Balance	33,830.69	32,981.29
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(7,960.09)	(8,817.06)
Vested in Company pursuant to Amalgamation	-	(211.99)
Profit for the year	2,593.73	1,068.96
Net Deficit in the statement of profit and loss	(5,366.36)	(7,960.09)
Total reserves and surplus	28,479.33	25,036.20

5. Long-term borrowings (refer note 30)

	Non-current portion		Current maturities	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Foreign Currency Convertible Bonds (FCCBs)				
Nil (31 March 2012: 100) 1% FCCBs due on Jan-2010 of \$ 10,000 each (unsecured)	-	-	-	508.80
Nil (31 March 2012: 130) 0% FCCBs due on Jan-2013 of \$ 100,000 each (unsecured)	-	-	-	6,614.40
Nil (31 March 2012: 2,225) 1% FCCBs due on Feb-2013 of \$ 1,000 each (unsecured)	-	-	-	1,132.08
	-	-	-	8,255.28
The above amount includes				
Secured borrowings	-	-	-	-
Unsecured borrowings	-	-	-	8,255.28
Amount disclosed under the head "other current liabilities" (note 9)	-	-	-	(8,255.28)
Net amount	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
6. Other long-term liabilities

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade payables (including acceptances)	-	31.75
	-	31.75

7. Provisions

	Long-term		Short-term	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Provision for Gratuity & Leave Encashment	183.44	124.58	5.37	3.88
Provision for income tax (net of Prepaid Taxes)	-	-	32.04	-
	183.44	124.58	37.41	3.88

8. Short-term borrowings

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Secured Loans		
-Cash Credit /Packing Credit Facilities	147.38	1,244.82
Unsecured Loans		
Deposits (unsecured)		
0% loan from Chairman repayable on demand	47.75	199.75
15% Inter Corporate Deposit from related parties repayable on demand	34.00	359.00
15% Inter Corporate Deposit from others repayable on demand	230.00	355.00
12% Inter Corporate Deposit from others repayable on demand	-	13.80
9% Security Deposits	9.92	21.70
0 %Security Deposits	415.70	380.06
Buyers Credit from Banks	290.16	123.09
	1,174.91	2,697.22
The above amount includes		
Secured borrowings	147.38	1,244.82
Unsecured borrowings	1,027.53	1,452.40

- Cash credit from banks are secured by way of first pari-passu charge on Current Assets both present and future and second pari-passu charge on the fixed assets of the Company. These facilities are further secured by way of first pari-passu charge on the immovable properties of the Company and personal guarantee of Dr. Kailash S. Choudhari. The cash credit is repayable on demand. The interest payable on cash credit ranges between 16.00% to 16.25% and on packing credit 6.15%.
- Non fund based limits are secured by first pari-passu charge on immovable properties of the Company and personal guarantee of Dr. Kailash S. Choudhari.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
9. Other current liabilities

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade payables (including acceptances)	3,811.04	3,284.15
Other liabilities		
Foreign currency convertible bonds (refer note 5 & 30)	7,603.40	8,255.28
Interest accrued but not due on borrowings	12.19	210.04
Advance from Customers	168.14	228.91
Unearned revenue	6.08	5.50
Unclaimed Dividend #		
Dividend 2005-06	3.05	3.05
Dividend 2006-07	1.01	1.01
Other current liabilities @	1,397.16	1,761.74
Retention Money & Security Deposit	1.80	1.80
	9,192.83	10,467.33
	13,003.87	13,751.48

Unclaimed dividend will be deposited in Investor Education and Protection Fund as and when due.

@ Includes Rs.Nil (31.03.2012: Rs. 104.46 lacs) being Premium on FCCB Redemption.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. Tangible assets

	Freehold Land	Lease hold Land	Factory Buildings	Plant and equipment	Telecom Networking	Testing Instruments	Air Conditioners	Furniture and fixtures	Office Equipments	Data Processing System	Electric Fittings	Vehicles	Fork Lift	Total
(Rs. in lacs)														
Cost or valuation														
At 1 April 2011	1.84	310.46	1,263.42	7,015.32	3,151.02	-	29.21	103.27	10.27	44.16	36.80	11.60	-	11,977.37
Additions	-	-	-	95.18	-	-	-	2.38	0.40	4.58	16.61	-	-	119.15
Vested in Co. pursuant to Amalgamation	-	-	-	7,300.39	-	939.45	263.31	64.43	63.23	146.87	502.48	0.08	20.66	9,300.90
Disposals / adjustments	-	-	-	(136.59)	-	-	(0.42)	-	-	(0.17)	(7.23)	(0.04)	(0.14)	(144.59)
At 31 March 2012	1.84	310.46	1,263.42	14,274.30	3,151.02	939.45	292.10	170.08	73.90	195.44	548.66	11.64	20.52	21,252.83
Additions	-	67.96	-	232.69	15.10	47.24	3.29	0.31	1.83	5.94	7.11	-	21.90	403.37
Disposals / adjustments	-	(255.72)	(174.76)	(853.13)	-	(80.51)	(12.99)	(9.36)	(4.84)	(14.57)	(71.87)	-	-	(1,477.75)
At 31 March 2013	1.84	122.70	1,088.66	13,653.86	3,166.12	906.18	282.40	161.03	70.89	186.81	483.90	11.64	42.42	20,178.45
Depreciation														
At 1 April 2011	-	37.40	563.13	1,340.70	1,110.04	-	4.64	17.93	0.74	23.63	5.08	5.91	-	3,109.20
Charge for the year	-	3.16	42.23	958.99	150.08	40.84	12.33	8.86	4.20	10.47	26.89	1.11	0.88	1,260.04
Vested in Co. pursuant to Amalgamation	-	-	-	4,239.14	-	542.97	177.46	52.22	30.24	130.46	220.45	0.08	12.88	5,405.90
Disposals / adjustments	-	-	-	(111.21)	-	-	(0.07)	-	-	-	(4.60)	(0.04)	(0.12)	(116.04)
At 31 March 2012	-	40.56	605.36	6,427.62	1,260.12	583.81	194.36	79.01	35.18	164.56	247.82	7.06	13.64	9,659.10
Charge for the year	-	2.67	38.03	1,188.26	149.67	37.44	9.14	19.10	5.17	13.24	16.99	1.10	1.09	1,481.90
Disposals / adjustments	-	(25.78)	(70.87)	(455.75)	-	(69.25)	(2.89)	(12.38)	(4.13)	(19.76)	(46.71)	-	-	(707.52)
At 31 March 2013	-	17.45	572.52	7,160.13	1,409.79	552.00	200.61	85.73	36.22	158.04	218.10	8.16	14.73	10,433.48
Net Block														
At 31 March 2012	1.84	269.90	658.06	7,846.68	1,890.90	355.64	97.74	91.07	38.72	30.88	300.84	4.58	6.88	11,593.73
At 31 March 2013	1.84	105.25	516.14	6,493.73	1,756.33	354.18	81.79	75.30	34.67	28.77	265.80	3.48	27.69	9,744.97

11. Intangible assets

	(Rs. in lacs)
Computer software	
Gross block	
At 1 April 2011	2,162.76
Purchase	-
Vested in Co. pursuant to Amalgamation	55.38
At 31 March 2012	2,218.14
Purchase	21.02
Disposals / adjustments	-
At 31 March 2013	2,239.16
Amortization	
At 1 April 2011	984.17
Charge for the year	70.06
Vested in Co. pursuant to Amalgamation	55.37
At 31 March 2012	1,109.60
Charge for the year	181.31
Disposals / adjustments	-
At 31 March 2013	1,290.91
Net block	
At 31 March 2012	1,108.54
At 31 March 2013	948.25

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
12. Non-current investments

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries		
Unquoted equity instruments		
1 (31 March 2012: 1) equity share of Arab Emirates Dhiram (AED) 150,000/- each fully paid-up in AOL FZE	18.20	18.20
225,950,000 (31 March 2012: 225,950,000) Equity Shares of Rs.5/- each in APAKSH Broadband Limited	11,297.50	11,297.50
	11,315.70	11,315.70
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
22,300 (31 March 2012: 22,300) equity shares of Rs. 5/- each fully paid-up in CMI Limited	0.45	0.45
Government and trust securities (unquoted)		
National Saving Certificates (Deposited with Government Department as Security)	0.87	0.87
Kisan Vikas Patra	0.50	0.50
	1.82	1.82
	11,317.52	11,317.52
Aggregate amount of quoted investments (Market value: Rs 1.58 lacs) (31.03.2012: Rs 3.70 lacs)	0.45	0.45
Aggregate amount of unquoted investments	11,317.07	11,317.07

13. Loans and advances (Unsecured, considered Good unless stated otherwise)

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Capital advances	6.98	123.07	-	-
Security deposit	83.21	67.30	30.37	84.81
Loan and advances to related parties	-	-	13,758.89	12,429.70
Advances recoverable in cash or kind	-	-	3,286.73	1,730.96
Other loans and advances				
Income Tax Refund Due	-	-	43.46	60.82
MAT Credit Entitlement	-	-	235.51	170.97
Prepaid expenses	-	-	174.06	23.12
Balances with statutory / government authorities	-	-	1,153.35	1,024.49
	-	-	1,606.38	1,279.40
Total	90.19	190.37	18,682.37	15,524.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
14. Trade receivables and other assets
14.1. Trade receivables

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	1,854.69	2,090.00
Other receivables	47.41	77.60	4,298.46	3,828.44
	47.41	77.60	6,153.15	5,918.44

14.2. Other assets

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note16)	1,206.32	1,251.32	-	-
Interest accrued on fixed deposits	-	-	84.67	61.37
Interest accrued on other deposits	-	-	-	60.56
	-	-	84.67	121.93
	1,206.32	1,251.32	84.67	121.93

15. Inventories (valued at lower of cost and net realizable value)

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
i) Finished Goods & Traded Goods	167.15	138.40
ii) Raw Material (Including Goods in transit Rs. Nil (31.03.2012: Rs.5.16 lacs))	742.16	461.26
iii) Semi Finished Goods	390.81	417.22
iv) Stores, Spares & others	207.75	182.45
	1,507.87	1,199.33

16. Cash and bank balances

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	184.50	63.16
- Deposits with original maturity of less than three months	-	-	-	1.80
- On unpaid dividend account	-	-	4.06	4.06
Cash on hand	-	-	4.50	6.45
	-	-	193.06	75.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
Other bank balances

- Deposits with original maturity for more than 12 months	0.10	0.10	-	-
- Margin money deposit	1,206.22	1,251.22	-	-
	1,206.32	1,251.32	-	-
Amount disclosed under non-current assets (note 14.2)	(1,206.32)	(1,251.32)	-	-
	-	-	193.06	75.47

Margin money deposits given as security

Margin money deposits with a carrying amount of Rs.1,206.22 lacs (31.03.2012: Rs.1,251.22 lacs) are pledged with Banks and others for various Facilities.

17. Revenue from operations

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Revenue from operations		
Sale of products		
- Finished goods	21,038.30	16,244.12
- Traded goods	593.14	745.83
Sale of services	1,099.35	1,453.43
Other operating revenue		
- Scrap sales	14.59	11.54
- Export Incentives	657.32	241.71
- Exchange Fluctuation	401.96	71.48
- Other operating revenue	120.87	120.49
Revenue from operations (gross)	23,925.53	18,888.60
Less: Excise duty #	625.04	364.24
Revenue from operations (net)	23,300.49	18,524.36

Excise duty on sales amounting to Rs. 625.04 lacs (31.03.2012 : Rs. 364.24 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) in stock amounting to Rs. 1.40 lacs {31.03.2012 : (Rs. 3.23 lacs)} has been considered as (income)/expense in note 23 of financial statements.

Detail of products sold

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Finished goods sold		
Optical Fibre & Optical Fibre Cables	14,327.22	10,747.95
Fibre Reinforced Plastic Rod and Impregnated Glass Roving Reinforcement	6,711.08	5,496.17
	21,038.30	16,244.12
Traded goods sold		
Telecom & electronic items	593.14	745.83
	593.14	745.83
Detail of services rendered		
IPTV & VoIP	305.07	349.66
Network Errection, Installation & Commissioning	333.28	918.37
Others	461.00	185.40
	1,099.35	1,453.43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
18. Other income

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Interest income		
on deposits	119.73	78.63
on advances to Related parties	491.10	462.39
on other advances	4.53	7.68
Other non-operating income	104.98	33.03
	720.34	581.73

19. Cost of raw material and components consumed

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Inventory at the beginning of the year	456.10	486.89
Add: Purchases	14,030.17	10,582.50
	14,486.27	11,069.39
Less: inventory at the end of the year	742.16	456.10
Cost of raw material and components consumed	13,744.11	10,613.29

Detail of raw material and components consumed

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Glass Fibre and Glass Performs	6,139.02	5,224.14
Resin such as (PVC, HDPE, Nylon, MB, LSZH, PBT, Nucrel, UV resin and Polyster)	2,944.05	2,214.77
Others	4,661.04	3,174.38
	13,744.11	10,613.29

20. Detail of purchase of traded goods

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Telecom & electronic items	395.82	717.32
	395.82	717.32

21. (Increase)/ decrease in inventories

	(Increase) / decrease Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Inventories at the end of the year	31-Mar-13		
Finished/Traded Goods	(28.75)	167.15	138.40
Semi Finished Goods	26.41	390.81	417.22
	(2.34)	557.96	555.62
Inventories at the beginning of the year	31-Mar-12		
Finished/Traded Goods	84.16	138.40	222.56
Semi Finished Goods	254.66	417.22	671.88
	338.82	555.62	894.44

22. Employee benefits expense

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Salaries, wages and bonus	1,126.26	1,047.05
Contribution to provident and other funds	88.86	94.08
Gratuity	9.79	15.19
Staff welfare expenses	61.08	47.92
Directors' Remuneration	100.04	47.88
	1,386.03	1,252.12

23. Other expenses

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Consumption of stores and spares	250.31	166.04
Sub-contracting expenses	644.60	439.65
Subscription Charges	205.79	241.23
Packing Material Consumed	814.95	651.89
Increase/(Decrease) in Excise Duty Provision on Stock	1.40	(3.23)
Project Execution Expenses	133.97	616.31
Power & Fuel	576.18	531.52
Travelling & Conveyance	195.28	132.71
Postage & Telephone	46.74	40.59
Insurance	42.85	35.52
Rent	134.91	163.99
Rates and taxes	95.08	43.83
Professional & Legal Expenses	180.71	130.00
Repair & Maintenance		
- Plant & Machinery	35.82	43.40
- Buildings	33.23	14.92
- Others	77.70	85.00
Marketing & Service Charges	304.05	218.55
Membership & Subscription	20.06	15.00
Freight & Cartage (Outward)	243.34	149.60
Auditors' Remuneration	23.51	23.29
Bad Debts	176.75	-
Other Expenses	274.33	214.76
	4,511.56	3,954.57
Less : Transfer to Capital Asset/ Capital Work in Progress	25.65	29.20
	4,485.91	3,925.37

Detail of Payment to auditor

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
As auditor:		
Audit fee	18.00	18.00
Tax audit fee	1.00	2.00
In other capacity:		
Taxation matters	-	1.00
Other services (certification fees)	3.70	1.45
Reimbursement of expenses	0.81	0.84
	23.51	23.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
24. Depreciation and amortization expense

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Depreciation of tangible assets	1,481.90	1,260.04
Amortization of intangible assets	181.31	70.06
	1,663.21	1,330.10

25. Finance costs

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Interest on Cash Credit	82.06	219.97
Interest	103.92	116.07
Bank Charges	187.40	198.77
	373.38	534.81

26. Contingent Liabilities:

- a) Claims not acknowledged as debts (Rs. in lacs)

S. No.	Particulars	31-Mar-13	31-Mar-12
1	Sales Tax Matters	328.87	494.46
2	Service Tax	318.08	344.17
3	Excise / Custom Duty	559.93	559.93
4	Stamp Duty	28.50	57.00
5	Others	78.91	52.25

- b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (31.03.2012 : Rs. 582.03 lacs) in favour of M/s Cisco Systems Capital India Private Limited for loan taken by APAKSH Broadband Ltd., subsidiary of erstwhile Aksh Broadband Ltd.
- c) Bank Guarantees, letters of credit (Net of margin) issued by banks and outstanding as on the reporting date is Rs. 1,070.89 Lacs (31.03.2012 : Rs. 515.77 lacs)
- d) The Company had imported Plant & Machinery in previous years under EPCG scheme. An export obligation amounting to Rs. 10,699.43 lacs was placed on the Company to be fulfilled in 8 years starting from 16th August 2001. The Company applied for extension of export obligation period and received the extension up to 31st August 2011. The Company has fulfilled all the export obligations within the stipulated time but is yet to receive the certificate for discharge of liability as on the reporting date.
- e) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs.106.79 Lacs (31.03.2012 : Rs. 607.33 lacs)

27. Employee Benefits:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 on "Employee Benefits", are as follows:

- a) The Company has classified various benefits provided to employees as under :
Defined Contribution Plans and amount recognized in the Statement of Profit and Loss.

	(Rs. in lacs)	
Particulars	31-Mar-13	31-Mar-12
Employer's Contribution to Provident Fund	82.52	83.53
Employer's Contribution to ESI	6.28	7.66
	88.80	91.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

b) Defined Benefit Plans

Gratuity and Leave Encashment – actuarial valuation done in accordance with the Accounting Standard -15 (Revised), details of the same are given :

i). Summary of results

Change in present value of obligation

(Rs. in lacs)

Sr. No.	Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	Present value of obligation as at the beginning of the year	106.13	48.79	90.14	41.84
b)	Acquisition adjustment	-	-	-	-
c)	Interest cost	8.49	3.90	7.66	3.56
d)	Past service cost	-	-	-	-
e)	Current service cost	18.90	11.79	17.93	12.09
f)	Curtailment cost/(Credit)	-	-	-	-
g)	Settlement cost/(Credit)	-	-	-	-
h)	Benefits paid	(4.39)	(11.93)	(8.38)	(10.43)
i)	Actuarial (gain)/loss on obligation	3.58	3.54	(1.22)	1.73
j)	Present value of obligation as at the end of year	132.71	56.09	106.13	48.79

Changes in the fair value of plan assets

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Fair value of plan assets at the beginning of the year	43.49	-	39.85	-
b) Acquisition adjustment	-	-	-	-
c) Expected return on plan assets	4.11	-	3.64	-
d) Contributions	1.19	-	-	-
e) Benefits paid	(0.15)	-	-	-
f) Actuarial gain/(loss) on plan assets	-	-	(0.00)	-
g) Fair value of plan assets at the end of the year	48.64	-	43.49	-
Liability recognized in balance sheet	132.71	56.09	79.66	48.79

Expense recognized in the statement of profit and loss

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Current service cost	18.90	11.79	17.93	12.09
b) Past service cost	-	-	-	-
c) Interest cost	8.49	3.90	7.66	3.56
d) Expected return on plan assets	(4.11)	-	(3.64)	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	3.58	3.54	(1.22)	1.73
h) Expenses recognized in the statement of profit and losses	26.86	19.23	20.72	17.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
ii). Actuarial Assumptions

	Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
a) Discounting Rate	8.00%	8.00%	8.50%	8.50%
b) Future salary Increase	5.50%	5.50%	6.00%	6.00%
c) Expected Rate of return on plan assets	9.15%	0.00%	9.15%	0.00%

28 Loans and Advances in the nature of Loans given to subsidiaries :
(Rs. in lacs)

Name of the Co.	31-Mar-13	31-Mar-12	Max. Balance during the year
AOL FZE	13,758.89	12,429.70	13,758.89

29 Related Party Disclosures

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31st March, 2013:

- Subsidiary Companies :
 - APAKSH Broadband Limited
 - AOL FZE
 - AOL Projects JLT (Fellow Subsidiary)
- Individuals exercising significant influence & their relatives:
 - Dr. Kailash S. Choudhari (Chairman)
 - Mr. P. F. Sundesha
 - Mr. Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- Key Management personnel
 - Mr. Chetan Choudhari
- Enterprises over which personnel referred in (b) & (c) aforementioned exercise significant influence:
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)

Related Party Transactions
(Rs. in lacs)

S.No.	Nature of Transaction	Subsidiaries Fellow Subsidiaries	Key Management Personnel	Others	Total
1	Re-imbursement of expenses Received	15.33	-	-	15.33
		11.22	-	-	11.22
2	Receipt against loan	-	-	-	-
		133.39	-	699.00	832.39
3	Interest received on Loan	491.10	-	-	491.10
		462.39	-	-	462.39
4	Remuneration Paid	-	95.54	-	95.54
		-	82.08	-	82.08
5	Interest Expenses	-	-	37.10	37.10
		-	-	53.50	53.50
6	Repayment of loan taken	-	-	477.00	477.00
		-	-	691.25	691.25
7	Sitting Fees	-	-	0.95	0.95
		-	-	0.70	0.70
8	Rent Paid	-	-	29.40	29.40
		-	-	29.40	29.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
Balance due to/(from) as at March 31, 2013

1	Trade Receivables	(1,754.23)	-	-	(1,754.23)
		(1,739.20)	-	-	(1,739.20)
2	Loan and advances	(13,758.89)	-	-	(13,758.89)
		(12,429.70)	-	-	(12,429.70)
3	Trade and other Payables	-	-	84.26	84.26
		-	-	631.47	631.47

Note : Figures in italic represents Previous Year's amount.

- 30** FCCBs aggregating \$13.00 Mn and \$ 1.00 Mn have become due for redemption on January 8, 2013 and February 5, 2013 respectively. At the Company's request, RBI vide its letter dated March 1, 2013 granted extension till June 30, 2013. Consequent to the year end, settlement has been reached with the Bond holders holding FCCBs aggregating \$ 4.50 Mn by the Company out of fresh ECB raised from the Bank. The Company is in discussion with the balance bondholders for the settlement of the outstanding amount.
- 31** Exceptional items represents net foreign exchange gain on translation of Foreign Exchange assets & liabilities other than operational of Rs. 345.98 lacs (31.03.2012: Rs. 488.53 lacs), profit on sale of fixed assets of Rs. 915.14 lacs (31.03.2012: Nil), liabilities written back of Rs. 28.10 lacs (31.03.2012: Rs. 296.08 lacs, advances written off of Rs. 670.20 lacs (31.03.12: Rs. Nil).

32 Basic and diluted earnings per share

S. No.	Particulars	31-Mar-13	31-Mar-12
a.	Net Profit for the year (Rs. in lacs)	2,593.73	1,068.96
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share (Nos.)	146,518,185	142,924,871
c.	Impact of diluted instruments on Net Profit for the year (Rs. in lacs)	-	9.17
d.	Net Profit used for the computation of diluted earning per share (Rs. in lacs)	2,593.73	1,078.13
e.	Weighted average number of equity shares from dilutive instruments (Nos.)	-	13,701,263
f.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share (Nos.)	146,518,185	156,626,134
g.	Nominal Value of Equity Shares-(Rs.)	5	5
h.	Basic-Earning Per Shares (Rs.)	1.77	0.75
i.	Diluted -Earning Per Share (Rs.)	1.77	0.69

- 33** The Company has an investment of Rs.11,297.50 lacs in the equity shares and has outstanding dues of Rs. 1,754.83 lacs (31.03.2012: Rs. 1,739.19 lacs) (net of advances) from APAKSH Broadband Limited (APAKSH), a subsidiary of the Company. APAKSH's operations are suspended due to litigation filed by one of the shareholder of APAKSH which finally dismissed by the Hon'ble Supreme Court vide it's order dated 7th May 2010. The Management of the Company is in discussions on the revival of the project. In view of the above, no provision has been considered necessary in respect of the outstanding dues and investment at this stage.

34 Derivative Instruments

Forward contracts outstanding as at the reporting date:-

(Amount in lacs)

Particulars	Currency	31-Mar-13	31-Mar-12
Forward contracts to sell	USD	46.05	1.00
	EURO	0.75	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Amount receivable in foreign currency on account of the following: (Amount in lacs)

S. No.	Particulars	Currency	31-Mar-13	31-Mar-12
1	Export of goods	USD	49.58	47.72
		EURO	1.94	0.56
		RINGGIT	5.71	26.42
2	Advance to suppliers	USD	8.47	0.22
		EURO	0.13	-
		JPY	4.47	-
3	Advance to others	USD	239.26	239.26
4	Interest receivable on advances	USD	14.12	5.08

Amount payable in foreign currency on account of the following:

S. No.	Particulars	Currency	31-Mar-13	31-Mar-12
1	Import of goods and services	USD	20.90	22.50
		EURO	11.44	11.38
		JPY	-	0.44
		GBP	0.26	-
2	Advance from customers	USD	0.88	2.68
		EURO	-	0.01
3	Buyer's Credit	USD	5.34	2.42
4	Packing credit facility	USD	1.70	0.97
5	Foreign currency convertible bonds	USD	140.00	162.25
6	Premium on redemption of FCCBs	USD	-	2.05

- 35** There are no Micro and Small Enterprises, to whom the Company owes, which are outstanding for more than 45 days as at 31st March, 2013. 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 Company.

36 Segmental Reporting

Based on the guiding principles given in Accounting Standard AS-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segments are Manufacturing, Services and Trading of goods. The information about business segments are given below:

(Rs. in lacs)

Particulars	Manufacturing		Services		Trading		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
1 Segment Revenue								
External Turnover	21,584.32	16,320.06	1,123.03	1,458.46	593.14	745.84	23,300.49	18,524.36
Inter Segment Turnover	31.18	27.02	-	-	0.35	50.03	-	-
Total Revenue	21,615.50	16,347.08	1,123.03	1,458.46	593.49	795.87	23,300.49	18,524.36
2 Segment Results before Interest and Taxes	3,648.82	2,035.29	(1,742.46)	(1,433.99)	185.93	109.20	2,092.28	710.50
Less : Finance Costs							373.38	534.81
Add : Interest Income							615.36	548.70
Add : Exceptional Items							619.02	784.61
Add/(Less): Unallocated (Expenses)/Income							(359.55)	(330.13)
Profit before Tax							2,593.73	1,178.87
3 Other Information								
Segment Assets	11,051.65	9,334.07	14,180.96	15,711.88	-	-	25,232.61	25,045.95
Unallocated Assets	-	-	-	-	-	-	25,074.60	23,745.40
Total Assets	11,051.65	9,334.07	14,180.96	15,711.88	-	-	50,307.21	48,791.35
Segment Liabilities	4,697.22	4,667.32	9,702.41	11,941.58	-	-	14,399.63	16,608.90
Share Capital & reserves	-	-	-	-	-	-	35,907.58	32,182.44
Total Liabilities	4,697.22	4,667.32	9,702.41	11,941.58	-	-	50,307.21	48,791.34
Capital Expenditure	265.85	45.62	158.54	73.54	-	-	424.39	119.16
Depreciation And Amortization	521.00	537.80	1,142.21	792.30	-	-	1,663.21	1,330.10

Note :- Total Revenue is after elimination of inter segment turnover of Rs. 31.53 lacs (31.03.2012 : Rs. 77.05 lacs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	31-Mar-13		31-Mar-12	
	Rs. in lacs	%	Rs. in lacs	%
37 Value and Percentage of Imported/Indigenous Raw-Material Consumed				
Imported	7,431.54	54%	6,223.14	59%
Indigenous	6,312.58	46%	4,390.14	41%
	13,744.11	100%	10,613.28	100%
38 Spare Parts & Components				
Imported	194.15	78%	63.48	38%
Indigenous	56.15	22%	102.56	62%
	250.31	100%	166.04	100%
39 Value of Imports on CIF Basis				
Raw Materials	7,542.30		6,204.78	
Consumable	141.77		74.26	
Accessories	111.86		138.29	
Capital Goods	87.02		-	
Others	107.40		584.48	
40 Earnings in Foreign Exchange on FOB Basis				
Exports of Goods and Services	15,962.83		13,796.39	
Interest	491.10		472.08	
41 Expenditure in Foreign Currency				
Travelling	30.12		15.02	
Sale Commission	78.73		96.54	
Interest & Bank Charges	9.39		20.44	
Other Expenses	31.38		25.14	
42 Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to those of current year's figures wherever necessary.				

The accompanying notes (1-42) are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.
Firm Registration Number : 003824N
Chartered Accountants

KAILASH S. CHOUDHARI
Chairman

CA K. C. Gupta
Partner
Membership no.: 088638

CHETAN CHOUDHARI
Managing Director

B.R. RAKHECHA
Director

Place: New Delhi
Date : 17th May, 2013

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Relating to Subsidiary Companies in accordance with General Circular No. : 02/2011 dated February 8, 2011 from the Ministry of Corporate Affairs

Rs. in lacs

	APAKSH Broadband Limited	AOL-FZE	AOL Projects JLT
1 Country of Incorporation	India	UAE	UAE
2 Reporting Currency	INR	AED	AED
3 Exchange Rate as at March 31, 2013 (Rs.)		14.78	14.78
4 Capital	13,522.50	22.17	44.34
5 Reserves	-	8.81	1,020.64
6 Total Assets	15,891.60	15,188.80	1,124.93
7 Total Liabilities	15,891.60	15,188.80	1,124.93
8 Investments (except in case of investment in subsidiaries)	-	-	-
9 Turnover / Total Income	-	2,049.35	327.46
10 Profit/(loss) before Taxation	-	(295.31)	276.16
11 Provision for Taxation	-	-	-
12 Profit/(loss) after Taxation	-	(295.31)	276.16
13 Proposed Dividend	-	-	-

Statement pursuant to Section 212 of the Companies Act, 1956

Relating to Subsidiary

Name of Subsidiary	APAKSH Broadband Limited	AOL-FZE	AOL Projects JLT
1 The Financial Year of the subsidiaries Company ended on	31-Mar-13	31-Mar-13	31-Mar-13
2 Share of Subsidiary Company held on that date and extent of holding (Nos.)			
a) Equity Share of Rs 5/- each	225,950,000	-	-
b) Equity Share of AED 150,000/- each	-	1	-
c) Equity Share of AED 1,000/- each	-	-	300
Extent of holding	99.92%	100.00%	100.00%
3 The net aggregate amount of Subsidiary's profit/(Losses) so far as it is concerned with the members of Aksh Optifibre Limited.			
i) Not deal with the holding Company's account (Rs. in lacs)			
a) For Subsidiary's financial year	-	(295.31)	276.16
b) For subsidiary's previous financial year since it became subsidiary	-	396.27	679.58
ii) Deal with the holding Company's account (Rs. in lacs)			
a) For Subsidiary's financial year	-	-	-
b) For subsidiary's previous financial year since it became subsidiary	-	-	-
4 Material changes, if any, between the end of the Financial Year of the Subsidiary Company and holding Company	-	-	-

Consolidated Financial Statements with Auditors' Report**INDEPENDENT AUDITORS' REPORT**

To The Board of Directors of

AKSH OPTIFIBRE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **AKSH OPTIFIBRE LIMITED** ("the Company") and its subsidiaries (collectively referred to as "Aksh Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated Cash Flows of the group in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated 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 Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the Consolidated statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

Other Matters

We have not conducted audit of foreign subsidiary, whose financial statements reflect total assets (net) of Rs 16,210.19 lacs as at March 31, 2013 total revenue of Rs 2,376.81 lacs and net cash inflow amounting to Rs. 1.94 lacs for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion, is based solely on the report of other auditor. Our opinion is not qualified in respect of this matter.

For P.C. Bindal & Co.

Chartered Accountants

Firm Registration Number : 003824N

CA. K.C. Gupta

Partner

Membership No : 088638

Place of signature: New Delhi

Date: 17th May, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Notes	31-Mar-13 Rs. in Lacs	31-Mar-12 Rs. in Lacs
Equity and liabilities			
Shareholders' funds			
Share capital	3	9,642.78	9,360.77
Reserves and surplus	4	28,707.27	25,361.97
		38,350.05	34,722.74
Minority Interest		10.47	10.47
Non-current liabilities			
Long-term borrowings	5	-	-
Trade payables	6	57.77	89.52
Long-term provisions	7	183.44	124.57
		241.21	214.09
Current liabilities			
Short-term borrowings	8	1,722.85	3,245.15
Trade payables	9	4,982.84	4,402.76
Other current liabilities	9	9,324.79	10,450.77
Short-term provisions	7	160.19	51.82
		16,190.67	18,150.50
TOTAL		54,792.40	53,097.80
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	9,762.07	11,613.20
Intangible assets	11	948.24	1,108.53
Capital work-in-progress		14,853.97	14,919.44
Non-current investments	12	1.82	1.82
Long-term loans and advances	13	90.19	210.37
Trade receivables	14.1	47.41	77.60
Other non-current assets	14.2	1,206.32	1,251.32
		26,910.02	29,182.28
Current assets			
Inventories	15	2,461.49	3,493.99
Trade receivables	14.1	8,271.63	6,216.33
Cash and bank balances	16	204.10	86.77
Short-term loans and advances	13	16,860.49	13,996.50
Other current assets	14.2	84.67	121.93
		27,882.38	23,915.52
TOTAL		54,792.40	53,097.80

Summary of significant accounting policies

2.1

The accompanying notes (1-38) are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.

Firm Registration Number : 003824N
Chartered Accountants

KAILASH S. CHOUDHARI

Chairman

CA K. C. Gupta

Partner
Membership no.: 088638

CHETAN CHOUDHARI

Managing Director

B.R. RAKHECHA

Director

Place: New Delhi

Date : 17th May, 2013

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Income			
Revenue from operations (gross)	17	26,302.34	27,709.43
Less: excise duty		625.04	364.24
Revenue from operations (net)		25,677.30	27,345.19
Other income	18	229.24	119.35
Total revenue (I)		25,906.54	27,464.54
Expenses			
Cost of raw material and components consumed	19	13,744.11	10,613.29
Purchase of traded goods	20	519.38	9,375.23
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	21	1,338.70	(1,253.32)
Employee benefits expense	22	1,764.39	1,515.38
Other expense	23	4,541.32	4,061.92
Total expense (II)		21,907.90	24,312.50
Earnings before interest, tax, depreciation, exceptional items and amortization (EBITDA) (I) – (II)		3,998.64	3,152.04
Depreciation and amortization expense	24	1,663.21	1,330.10
Finance costs	25	376.25	535.78
Profit before exceptional items and tax		1,959.18	1,286.16
Exceptional Items	32	619.03	784.61
Profit before tax		2,578.21	2,070.77
Tax expenses			
Income Tax		64.54	-
Deferred tax		-	109.91
MAT Credit Entitlement		64.54	-
Total tax expense		-	109.91
Profit for the year		2,578.21	1,960.86
Earnings per equity share [nominal value of share Rs 5/- (31 March 2012: Rs 5/-)]			
Basic		1.76	1.37
Diluted		1.76	1.26
Summary of significant accounting policies	2.1		

The accompanying notes (1-38) are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.
Firm Registration Number : 003824N
Chartered Accountants

KAILASH S. CHOUDHARI
Chairman

CA K. C. Gupta
Partner
Membership no.: 088638

CHETAN CHOUDHARI
Managing Director

B.R. RAKHECHA
Director

Place: New Delhi
Date : 17th May, 2013

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	31-Mar-13 Rs. in Lacs	31-Mar-12 Rs. in Lacs
A. Cash flow from operating activities		
Profit before tax	2,578.21	2,070.77
Profit before tax	2,578.21	2,070.77
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	1,663.21	1,330.10
Loss/ (profit) on sale of fixed assets	(915.14)	0.99
Foreign Currency Translation Reserve	(82.31)	103.97
Finance costs	376.25	535.78
Interest (income)	(124.26)	(86.31)
Operating profit before working capital changes	3,495.96	3,955.30
Movements in working capital :		
Increase/ (decrease) in trade and other payables	(345.87)	9,024.13
Decrease / (increase) in trade receivables	(2,025.11)	(1,757.04)
Decrease / (increase) in inventories	1,032.50	(1,157.47)
Decrease / (increase) in other receivables	(2,790.63)	(2,113.15)
Cash generated from /(used in) operations	(633.15)	7,951.76
Direct taxes paid (net of refunds)	64.54	(68.52)
Net cash flow from/ (used in) operating activities (A)	(568.61)	7,883.24
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(356.51)	(168.41)
Proceeds from sale of fixed assets	1,685.33	27.57
Interest received	124.26	86.31
Net cash flow from/ (used in) investing activities (B)	1,453.08	(54.53)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	1,131.41	-
Repayment of long-term borrowings	-	(6,790.35)
Repayment of short-term borrowings	(1,522.30)	(453.22)
Finance costs	(376.25)	(535.78)
Net cash flow from/ (used in) in financing activities (C)	(767.14)	(7,779.35)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	117.33	49.36
Cash and cash equivalents at the beginning of the year	86.77	37.44
Cash and cash equivalents at the end of the year	204.10	86.80
Components of cash and cash equivalents		
Cash on hand	11.02	6.45
With banks- on current account	189.02	74.46
Deposits with original maturity of less than three months	-	1.80
Unpaid dividend accounts	4.06	4.06
Total cash and cash equivalents (note 16)	204.10	86.77

Summary of significant accounting policies

2.1

The accompanying notes (1-38) are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors
For P C Bindal & Co.

Firm Registration Number : 003824N

Chartered Accountants

KAILASH S. CHOUDHARI

Chairman

CA K. C. Gupta

Partner

Membership no.: 088638

CHETAN CHOUDHARI

Managing Director

B.R. RAKHECHA

Director

Place: New Delhi

 Date : 17th May, 2013

SATYENDRA GUPTA

Chief Financial Officer

GAURAV MEHTA

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
1 CORPORATE INFORMATION

Aksh Optifibre Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at The Bombay Stock Exchange Ltd., The National Stock Exchange Ltd. in India and GDRs are listed at Luxembourg Stock Exchange. The Company is engaged in the manufacturing and selling of Optical Fibre, Optical Fibre Cable, Fibre Reinforced Plastic Rods and Impregnated Glass Roving Reinforcement, The Company caters to both domestic and international markets. The Company also provides the Internet Protocol Television (IPTV) services in association with MTNL in the cities of Delhi and Mumbai and IPTV services with BSNL in 20 cities of North India. The Company is the pioneer in the FTTH (Fibre to the Home) space and has further consolidated its place by starting FTTH services in Delhi, Jaipur, Ajmer & Faridabad.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.1 SIGNIFICANT ACCOUNTING POLICIES
a) Basis of Preparation

These consolidated financial statements have been prepared to comply in all material respects with the generally accepted accounting principles in India including the notified Accounting Standards by Companies Accounting Standard Rules 2006 (as amended) and relevant requirements of the Companies Act, 1956 to reflect the financial position and the results of operations of the Group. These consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the reporting requirements of Accounting Standard - 21 'Consolidated Financial Statements' issued by the ICAI.

b) Principles of Consolidation

These accounts represent consolidated accounts of the Group and its majority owned subsidiaries as follows:

Entity	Country of Incorporation	Shareholding as at March 31, 2013
APAKSH Broadband Limited (APAKSH)	India	99.92%
AOL FZE	UAE	100%
AOL Projects JLT (Incorporated in Sept' 2011) subsidiary of AOL FZE	UAE	100%

c) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/materialized.

d) Fixed Assets

- Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment. Cost includes any borrowing costs directly attributable to the acquisition/ construction of fixed assets and bringing the assets to its working condition for its intended use.
- Exchange difference arising on account of liabilities incurred for acquisition or construction of Fixed Assets is adjusted in the carrying amount of related Fixed Assets.

e) Capital Work-in-Progress

Advances paid towards the acquisition of fixed assets, costs of assets not ready for use before the year-end and expenditure during construction period that is directly or indirectly related to construction, including borrowing costs are included under Capital Work-in-Progress.

f) Depreciation

- Depreciation on Fixed Assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956 and based on the estimated useful life of assets. Depreciation is charged on pro-rata basis for assets purchased/ sold during the year. Individual assets costing up to Rs. 5,000/- are depreciated in full in the year of purchase.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Depreciation on equipments installed at customer premises is being provided at 20% on useful life estimated by the management.

License fee is amortised over the licensed period.

- ii) Cost of leasehold land is amortized over lease period on a straight-line basis.
- iii) Cost of software is amortised over its useful life on a straight-line basis.
- iv) Extra shift depreciation is charged on the basis of actual extra shifts worked as required by Schedule XIV to the Companies Act, 1956.

g) Impairment of Assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long Term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such diminution is other than temporary. Current Investments are carried at the lower of cost and fair value and provisions are made to recognize the decline in the carrying value.

i) Inventories

- i) Raw materials, work-in-process, finished goods, trading stock, packing material and stores and spares parts are valued at the lower of cost and net realizable value except scrap which is valued at net realizable value.
- ii) Cost of inventories of items that are not ordinarily interchangeable or are meant for specific projects is assigned by specific identification of their individual cost. Cost of other inventories is ascertained on the FIFO basis. In determining the cost of work-in-process and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities.
- iii) The comparison of cost and realizable value is made on an item-by-item basis.
- iv) Net realizable value of work-in- process is determined on the basis of selling prices of related finished products.
- v) Raw Material and other supplies held for use in production of inventories are not written down below cost unless their prices have declined and it is estimated that cost of related finished goods will exceed their net realizable value.

j) Foreign Currency Transactions

- i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.
- ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- iii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.
- iv) The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit & loss in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

the year in which exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that company incurs in connection with the borrowing of funds.

l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured.

Sales of Goods & Services

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer (usually at the point of dispatch to customers). Sales include excise duty, sale of scrap and net of sale tax and quantity discount.

Income from services is recognized on the completion of services. Period based services are accounted for proportionately over the period of service.

Income from Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Incomes

Other Incomes are accrued as earned except where the receipt of income is uncertain.

m) Retirement and other Employee Benefits

- i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account for the year when the contributions to the respective funds are due. The company has no other obligation other than the contribution payable.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method calculated at the end of each financial year. The liability with regard to gratuity in respect of any employee not covered under group gratuity scheme is provided on the basis of amount payable to such employees as if they were to retire on the last day of financial year.
- iii) Leave Encashment liability is provided for based on actuarial valuation done as per Projected Unit Credit Method calculated at the end of each financial year.
- iv) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

n) Export Incentives

Export Incentive in the form of advance licenses / credit earned under duty entitlement pass book scheme are treated as income in the year of export at the estimated realisable value / actual credit earned on exports made during the year.

o) Taxes on Income

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period, as the related revenue and expenses to which they relate. The differences that result between profit offered for income tax and the profit before tax as per financial statements are identified and deferred tax assets or deferred tax liabilities are recorded for timing differences, namely differences that originate in one accounting period and are capable of reversal in future. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized. However, where the Company has unabsorbed depreciation or carried forward losses under taxation laws, a much stricter test, viz, virtual certainty of realization, is applied for recognition of deferred tax assets. Deferred tax assets are reviewed for the continuing appropriateness of their respective carrying values at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) of realisation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

p) Operating Leases

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

q) Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Notified AS 20 under the Companies (Accounting Standards) Rules, 2006 issued by The Institute of Chartered Accountants of India on 'Earnings Per Share'. Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Both profit for the year and weighted average numbers of shares are adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

r) Provisions, Contingent Liabilities and Contingent Assets

As per Notified AS 29 under the Companies (Accounting Standards) Rules, 2006, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions (without discounting to its present value) only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

s) 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.

t) Miscellaneous Expenditure

Expenditure on issue of shares / foreign currency convertible bonds (FCCBs) / Global Depository Receipts (GDRs) / shares under Qualified Institutional Placements (QIP) and premium on redemption of FCCBs are adjusted against Securities Premium account.

u) Translation of Foreign Subsidiary

In case of foreign subsidiary, the revenue and expense transactions at the year end reflected in the Statement of Profit & Loss have been translated at the average exchange rates for the period to which the financial statements relate.

The assets & liabilities, both monetary and non-monetary, have been translated at the closing exchange rate prevailing on the date of the Balance Sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Exchange difference arising on the Company's net investment in foreign subsidiary are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income & expense.

v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Share capital

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Authorized share (No.)		
170,100,000 (31 March 2012: 170,100,000) Equity Shares of Rs. 5/- each	8,505.00	8,505.00
Issued, subscribed and fully paid-up share (No.)		
148,564,989 (31 March 2012: 142,924,871) Equity Shares of Rs. 5/- each fully paid up	7,428.25	7,146.24
Forfeited Shares in case of APAKSH Broadband Ltd.	2,214.53	2,214.53
Total issued, subscribed and fully paid-up share capital	9,642.78	9,360.77

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

	31-Mar-13		31-Mar-12	
	No.	Rs. in lacs	No.	Rs. in lacs
At the beginning of the year	142,924,871	7,146.24	142,924,871	7,146.24
Add:				
- Issued pursuant to conversion of FCCBs	5,640,118	282.01	-	-
Outstanding at the end of the year	148,564,989	7,428.25	142,924,871	7,146.24

(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 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) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31-Mar-13 No.	31-Mar-12 No.
<u>Shares issued for consideration other than cash during the period 2007-09</u>		
Equity shares of Rs 5/- per share issued as fully paid up to Shareholders of erstwhile Aksh Broadband Limited pursuant to Scheme of Amalgamation	20,210,400	20,210,400

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
(d) Details of shareholders (as per register of shareholders) holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2013		As at 31 March 2012	
	No.	% holding	No.	% holding
Dr K S Choudhari	25,842,700	17.39%	19,592,700	13.71%
Davinder Kumar Jain	15,356,251	10.34%	16,480,743	11.53%
The Bank of New York, Mellon	9,065,850	6.10%	15,315,850	10.72%
Religare Finvest Limited	14,816,807	9.97%	9,358,208	6.55%
Seema Choudhari	7,809,341	5.26%	7,809,341	5.46%

4. Reserves and surplus

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Capital reserve	15.00	15.00
Securities premium account		
Balance as per the last financial statements	32,981.29	32,981.29
Add :		
-Issue of 5,640,118 equity shares upon conversion of FCCBs	849.40	-
Closing Balance	33,830.69	32,981.29
Foreign Currency Translation Reserve		
Balance as per the last financial statements	63.74	(40.23)
Add: Created on translation and incorporation of non integral foreign subsidiary	(82.31)	103.97
Closing Balance	(18.57)	63.74
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(7,698.06)	(9,658.92)
Profit for the year	2,578.21	1,960.86
Net Deficit in the statement of profit and loss	(5,119.85)	(7,698.06)
Total reserves and surplus	28,707.27	25,361.97

5. Long-term borrowings (refer note 31)

	Non-current portion		Current maturities	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Foreign Currency Convertible Bonds (FCCBs)				
Nil (31 March 2012: 100) 1% FCCBs due on Jan-2010 of \$ 10,000 each (unsecured)	-	-	-	508.80
Nil (31 March 2012: 130) 0% FCCBs due on Jan-2013 of \$ 100,000 each (unsecured)	-	-	-	6,614.40
Nil (31 March 2012: 2,225) 1% FCCBs due on Feb-2013 of \$ 1,000 each (unsecured)	-	-	-	1,132.08
	-	-	-	8,255.28
The above amount includes				
Secured borrowings	-	-	-	-
Unsecured borrowings	-	-	-	8,255.28
Amount disclosed under the head "other current liabilities" (note 9)	-	-	-	(8,255.28)
Net amount	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
6. Other long-term liabilities

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade payables (including acceptances)	57.77	89.52
	57.77	89.52

7. Provisions

	Long-term		Short-term	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Provision for Gratuity & Leave Encashment	183.44	124.57	128.15	51.82
Provision for income tax (net of Prepaid Taxes)	-	-	32.04	-
	183.44	124.57	160.19	51.82

8. Short-term borrowings

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Secured Loans		
Working Capital Facilities from Banks		
Cash Credit /Packing Credit Facilities	147.38	1,244.82
Other Loans		
Cisco Systems Capital India Pvt Ltd	497.93	497.93
Unsecured Loans		
Deposits (unsecured)		
0% loan from Chairman repayable on demand	47.75	199.75
0% Inter Corporate Deposit from related parties repayable on demand	50.00	50.00
15% Inter Corporate Deposit from related parties repayable on demand	34.00	359.00
15% Inter Corporate Deposit from others repayable on demand	230.00	355.00
12% Inter Corporate Deposit from others repayable on demand	-	13.80
9% Security Deposits	9.92	21.70
0 %Security Deposits	415.71	380.06
Buyers Credit from Banks	290.16	123.09
	1,722.85	3,245.15
The above amount includes		
Secured borrowings	645.31	1,742.75
Unsecured borrowings	1,077.54	1,502.40

- Cash credit from banks are secured by way of first pari-passu charge on Current Assets both present and future and second pari-pasu charge on the fixed assets of the Company. These facilities are further secured by way of first pari-pasu charge on the immovable properties of the Company and personal gurantee of Dr. Kailash S. Choudhari. The cash credit is repayable on demand. The interest payable on cash credit ranges between 16.00% to 16.25% and on packing credit 6.15%.
- Non fund based limits are secured by first pari-passu charge on immovable properties of the Company and personal guarantee of Dr. Kailash S. Choudhari.
- Loan from Cisco Systems Capital India Pvt. Ltd. is secured by way of first charge on Fixed Assets of APAKSH Broadband Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
9. Other current liabilities

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade payables (including acceptances)	4,982.84	4,402.76
Other liabilities		
Foreign currency convertible bonds (refer note 5 & 31)	7,603.40	8,255.28
Interest accrued but not due on borrowings	17.87	215.72
Advance from Customers	168.14	228.91
Advance against sale of Assets	-	185.00
Unearned revenue	6.08	7.13
Unclaimed Dividend #		
Dividend 2005-06	3.05	3.05
Dividend 2006-07	1.01	1.01
Other current liabilities @	1,525.24	1,554.67
	9,324.79	10,450.77
	14,307.63	14,853.53

Unclaimed dividend will be deposited in Investor Education and Protection Fund as and when due.

@ Includes Rs. Nil (31.03.2012: Rs. 104.46 lacs) being Premium on FCCB Redemption.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. Tangible assets

	Freehold Land	Lease hold Land	Factory Buildings	Plant and equipment	Telecom Networking	Testing Instruments	Air Conditioners	Furniture and fixtures	Office Equipments	Data Processing System	Electric Fittings	Vehicles	Fork Lift	Total
														(Rs. in lacs)
Cost or valuation														
At 1 April 2011	1.84	310.46	1,263.42	14,310.18	3,151.02	939.45	292.52	179.26	92.31	239.87	539.28	22.77	20.66	21,363.04
Additions	-	-	-	111.80	-	-	-	2.38	0.40	4.58	-	-	-	119.16
Disposals / adjustments	-	-	-	(136.59)	-	-	(0.42)	-	-	(0.17)	(7.23)	(0.05)	(0.14)	(144.60)
At 31 March 2012	1.84	310.46	1,263.42	14,285.39	3,151.02	939.45	292.10	181.64	92.71	244.28	532.05	22.72	20.52	21,337.60
Additions	-	67.96	-	232.69	15.10	47.24	3.29	0.31	1.83	5.94	7.11	-	21.90	403.37
Disposals / adjustments	-	(255.72)	(174.76)	(853.13)	-	(80.51)	(12.99)	(9.36)	(4.84)	(14.57)	(71.87)	-	-	(1,477.75)
At 31 March 2013	1.84	122.70	1,088.66	13,664.95	3,166.12	906.18	282.40	172.59	89.70	235.65	467.29	22.72	42.42	20,263.22
Depreciation														
At 1 April 2011	-	37.40	563.13	5,579.85	1,110.04	542.97	182.10	74.38	34.99	197.87	225.53	11.78	12.88	8,572.92
Charge for the year	-	3.16	42.23	958.99	150.08	40.84	12.33	8.86	4.20	10.47	26.88	1.11	0.89	1,260.04
Preoperative Expense Adjustment	-	-	-	-	-	-	-	0.73	0.63	5.06	-	1.06	-	7.48
Disposals / adjustments	-	-	-	(111.21)	-	-	(0.07)	-	-	-	(4.60)	(0.04)	(0.12)	(116.04)
At 31 March 2012	-	40.56	605.36	6,427.63	1,260.12	583.81	194.36	83.97	39.82	213.40	247.81	13.91	13.65	9,724.40
Charge for the year	-	2.67	38.03	1,188.26	149.67	37.44	9.14	19.10	5.17	13.24	16.99	1.10	1.09	1,481.90
Preoperative Expense Adjustment	-	-	-	-	-	-	-	0.73	0.63	-	-	1.05	-	2.41
Disposals / adjustments	-	(25.78)	(70.87)	(455.79)	-	(69.25)	(2.89)	(12.38)	(4.13)	(19.76)	(46.71)	-	-	(707.56)
At 31 March 2013	-	17.45	572.52	7,160.10	1,409.79	552.00	200.61	91.42	41.49	206.88	218.09	16.06	14.74	10,501.15
Net Block														
At 31 March 2012	1.84	269.90	658.06	7,857.76	1,890.90	355.64	97.74	97.67	52.89	30.88	284.24	8.81	6.87	11,613.20
At 31 March 2013	1.84	105.25	516.14	6,504.85	1,756.33	354.18	81.79	81.17	48.21	28.77	249.20	6.66	27.68	9,762.07

11. Intangible assets

	(Rs. in lacs)
Computer software	
Gross block	
At 1 April 2011	2,282.34
Purchase	-
At 31 March 2012	2,282.34
Purchase	21.02
At 31 March 2013	2,303.36
Amortization	
At 1 April 2011	1,095.86
Preoperative Expense Adjustment	7.89
Charge for the year	70.06
At 31 March 2012	1,173.81
Preoperative Expense Adjustment	-
Charge for the year	181.31
At 31 March 2013	1,355.12
Net block	
At 31 March 2012	1,108.53
At 31 March 2013	948.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
12. Non-current investments

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Trade investments (valued at cost unless stated otherwise)		
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
22,300 (31 March 2012: 22,300) equity shares of Rs. 5/- each fully paid-up in CMI Limited	0.45	0.45
Government and trust securities (unquoted)		
National Saving Certificates (Deposited with Government Department as Security)	0.87	0.87
Kisan Vikas Patra	0.50	0.50
	1.82	1.82
Aggregate amount of quoted investments (Market value: Rs 1.58 lacs) (31.03.2012: Rs 3.70 lacs)	0.45	0.45
Aggregate amount of unquoted investments	1.37	1.37

13. Loans and advances (Unsecured, considered Good unless stated otherwise)

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Capital advances	6.98	143.07	-	-
Security deposit	83.21	67.30	52.96	106.47
Advances recoverable in cash or kind	-	-	14,944.34	12,354.49
Other loans and advances				
Income Tax Refund	-	-	47.24	65.59
MAT Credit Entitlement	-	-	235.51	170.97
Prepaid expenses	-	-	176.71	24.12
Balances with statutory / government authorities	-	-	1,403.73	1,274.86
	-	-	1,863.19	1,535.54
Total	90.19	210.37	16,860.49	13,996.50

14. Trade receivables and other assets
14.1. Trade receivables

	Non-current		Current	
	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	2,033.93	350.80
Other receivables	47.41	77.60	6,237.70	5,865.53
	47.41	77.60	8,271.63	6,216.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
14.2. Other assets

	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 16)	1,206.32	1,251.32	-	-
Interest accrued on fixed deposits	-	-	84.67	61.37
Interest accrued on other deposits	-	-	-	60.56
	-	-	84.67	121.93
	1,206.32	1,251.32	84.67	121.93

15. Inventories (valued at lower of cost and net realizable value)

	31-Mar-13	31-Mar-12
	Rs. in lacs	Rs. in lacs
i) Finished Goods & Traded Goods	1,120.77	2,433.06
ii) Raw Material	742.16	461.26
(Including Goods in transit Rs. Nil (31.03.2012: Rs. 5.16 lacs))		
iii) Semi Finished Goods	390.81	417.22
iv) Stores, Spares & others	207.75	182.45
	2,461.49	3,493.99

16. Cash and bank balances

	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Cash and cash equivalents				
Balances with banks:				
- On current accounts			189.02	74.46
- Deposits with original maturity of less than three months			-	1.80
- On unpaid dividend account			4.06	4.06
Cash on hand			11.02	6.45
	-	-	204.10	86.77
Other bank balances				
- Deposits with original maturity for more than 12 months	0.10	0.10	-	-
- Margin money deposit	1,206.22	1,251.22	-	-
	1,206.32	1,251.32	-	-
Amount disclosed under non-current assets (note 14.2)	(1,206.32)	(1,251.32)	-	-
	-	-	204.10	86.77

Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 1,206.22 lacs (31.03.2012: Rs. 1,251.22 lacs) are pledged with Banks and others for various Facilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
17. Revenue from operations

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Revenue from operations		
Sale of products		
- Finished goods	21,038.30	16,244.12
- Traded goods	2,542.22	8,795.08
Sale of services	1,527.08	2,225.04
Other operating revenue		
- Scrap sales	14.59	11.54
- Export Incentives	657.32	241.71
- Exchange Fluctuation	401.96	71.48
- Other operating revenue	120.87	120.46
Revenue from operations (gross)	26,302.34	27,709.43
Less: Excise duty #	625.04	364.24
Revenue from operations (net)	25,677.30	27,345.19

Excise duty on sales amounting to Rs. 625.04 lacs (31.03.2012 : Rs. 364.24 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) in stock amounting to Rs. 1.40 lacs {(31.03.2012 : (Rs. 3.23 lacs))} has been considered as (income)/expense in note 23 of financial statements.

Detail of products sold

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Finished goods sold		
Optical Fibre & Optical Fibre Cables	14,327.22	10,747.94
Fibre Reinforced Plastic Rod and Impregnated Glass Roving Reinforcement	6,711.08	5,496.18
	21,038.30	16,244.12
Traded goods sold		
Telecom & electronic items	2,542.22	8,795.08
	2,542.22	8,795.08
Detail of services rendered		
IPTV & VoIP	305.07	349.67
Network Errection, Installation & Commissioning	333.28	918.36
Consultancy Income	427.73	771.60
Others	461.00	185.41
	1,527.08	2,225.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
18. Other income

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Interest income		
- on deposits	119.73	78.63
- on other advances	4.53	7.68
Other non-operating income	104.98	33.04
	229.24	119.35

19. Cost of raw material and components consumed

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Inventory at the beginning of the year	456.10	486.89
Add: Purchases	14,030.17	10,582.50
	14,486.27	11,069.39
Less: inventory at the end of the year	742.16	456.10
Cost of raw material and components consumed	13,744.11	10,613.29

Detail of raw material and components consumed

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Glass Fibre and Glass Preforms	6,139.02	5,224.15
Resin such as (PVC, HDPE, Nylon, MB, LSZH, PBT, Nucrel, UV resin and Polyster)	2,944.05	2,214.76
Others	4,661.04	3,174.38
	13,744.11	10,613.29

20. Details of Purchase of traded goods

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Telecom & electronic items	519.38	9,375.23
	519.38	9,375.23

21. (Increase)/ decrease in inventories

	(Increase)/ decrease Rs. in lacs	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Inventories at the end of the year	31-Mar-13		
Finished/Traded Goods	1,312.29	1,120.77	2,433.06
Semi Finished Goods	26.41	390.81	417.22
	1,338.70	1,511.58	2,850.28
Inventories at the beginning of the year	31-Mar-12		
Finished/Traded Goods	(1,511.88)	2,433.06	921.18
Semi Finished Goods	258.56	417.22	675.78
	(1,253.32)	2,850.28	1,596.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
22. Employee benefits expense

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Salaries, wages and bonus	1,431.87	1,330.23
Contribution to provident and other funds	88.86	91.82
Gratuity	81.51	15.19
Staff welfare expenses	62.11	47.99
Directors' Remuneration	100.04	30.15
	1,764.39	1,515.38

23. Other expenses

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Consumption of stores and spares	250.31	166.04
Sub-contracting expenses	644.60	439.65
Subscription Charges	205.79	241.23
Packing Material Consumed	814.95	651.89
Increase/(Decrease) in Excise Duty Provision on Stock	1.40	(3.23)
Project Execution Expenses	133.97	616.31
Power & Fuel	576.18	531.52
Travelling & Conveyance	220.10	157.19
Postage & Telephone	47.28	41.16
Insurance	43.06	35.56
Rent	138.43	209.67
Rates and taxes	95.08	-
Professional & Legal Expenses	199.87	185.83
Repair & Maintenance		
- Plant & Machinery	35.82	43.40
- Buildings	33.23	14.92
- Others	77.70	86.43
Marketing & Service Charges	304.05	268.83
Membership & Subscription	20.06	15.00
Freight & Cartage (Outward)	243.34	149.60
Auditors' Remuneration	26.40	24.03
Bad Debts	176.75	-
Other Expenses	278.60	216.09
	4,566.97	4,091.12
Less : Transfer to Capital Asset/ Capital Work in Progress	25.65	29.20
	4,541.32	4,061.92

Detail of Payment to auditor

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
As auditor:		
Audit fee	20.89	18.74
Tax audit fee	1.00	2.00
In other capacity:		
Taxation matters	-	1.00
Other services (certification fees)	3.70	1.45
Reimbursement of expenses	0.81	0.84
	26.40	24.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
24. Depreciation and amortization expense

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Depreciation of tangible assets	1,481.90	1,260.04
Amortization of intangible assets	181.31	70.06
	1,663.21	1,330.10

25. Finance costs

	31-Mar-13 Rs. in lacs	31-Mar-12 Rs. in lacs
Interest on Cash Credit	82.06	219.97
Interest	103.92	116.07
Bank Charges	190.27	199.74
	376.25	535.78

26. Contingent Liabilities:

- a) Claims not acknowledged as debts (Rs. in lacs)
- | S. No | Particulars | 31-Mar-13 | 31-Mar-12 |
|-------|-----------------------|-----------|-----------|
| 1 | VAT/Sales Tax Matters | 693.06 | 858.65 |
| 2 | Service Tax | 318.08 | 344.17 |
| 3 | Excise / Custom Duty | 559.93 | 559.93 |
| 4 | Stamp Duty | 28.50 | 57.00 |
| 5 | Others | 78.91 | 426.00 |
- b) Corporate Guarantee given by erstwhile Aksh Broadband Ltd. amounting to Rs. 582.03 lacs (31.03.2012 : Rs. 582.03 lacs) in favour of M/s Cisco Systems Capital India Private Limited for loan taken by APAKSH Broadband Ltd., subsidiary of erstwhile Aksh Broadband Ltd.
- c) Bank Guarantees, letters of credit (Net of margin) issued by banks and outstanding as on the reporting date is Rs. 1,070.89 Lacs (31.03.2012 : Rs. 515.77 lacs)
- d) The Company has imported Plant & Machinery in previous years under EPCG scheme. An export obligation amounting to Rs. 10,699.43 lacs was placed on the Company to be fulfilled in 8 years starting from 16th August 2001. The Company applied for extension of export obligation period and received the extension up to 31st August 2011. The Company has fulfilled all the export obligations within the stipulated time but is yet to receive the certificate for discharge of liability as on the reporting date.
- e) Estimated amounts of contracts remaining to be executed on Capital Account (net of advances) is Rs. 30,370.17 lacs (31.03.2012 : Rs. 30,870.71 lacs)

27. Employee Benefits:

The disclosures as per the Notified AS 15 under the Companies (Accounting Standards) Rules, 2006 on "Employee Benefits", are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Defined Contribution Plans and amount recognized in Statement of Profit and Loss.

	(Rs. in lacs)	
Particulars	31-Mar-13	31-Mar-12
Employer's Contribution to Provident Fund	82.52	83.53
Employer's Contribution to ESI	6.28	7.66
	88.80	91.19

- b) Defined Benefit Plans

Gratuity and Leave Encashment – actuarial valuation done in accordance with the Accounting Standard -15 (Revised), details of the same are given :

i). Summary of results

Change in present value of obligation

(Rs. in lacs)

Sr. No.	Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
a)	Present value of obligation as at the beginning of the year	106.12	48.79	90.14	41.84
b)	Acquisition adjustment	-	-	-	-
c)	Interest cost	8.49	3.90	7.66	3.56
d)	Past service cost	-	-	-	-
e)	Current service cost	18.91	11.79	17.93	12.09
f)	Curtailment cost/(Credit)	-	-	-	-
g)	Settlement cost/(Credit)	-	-	-	-
h)	Benefits paid	(4.39)	(11.93)	(8.38)	(10.43)
i)	Actuarial (gain)/loss on obligation	3.58	3.54	(1.23)	1.73
j)	Present value of obligation as at the end of year	132.71	56.09	106.12	48.79

Changes in the fair value of plan assets

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Fair value of plan assets at the beginning of the year	43.49	-	39.85	-
b) Acquisition adjustment	-	-	-	-
c) Expected return on plan assets	4.11	-	3.65	-
d) Contributions	1.19	-	-	-
e) Benefits paid	(0.15)	-	-	-
f) Actuarial gain/(loss) on plan assets	-	-	-	-
g) Fair value of plan assets at the end of the year	48.64	-	43.49	-
Net liability recognized in balance sheet	132.71	56.09	79.66	48.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
Expense recognized in the statement of profit and loss
(Rs. in lacs)

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Current service cost	18.91	11.79	17.93	12.09
b) Past service cost	-	-	-	-
c) Interest cost	8.49	3.90	7.66	3.56
d) Expected return on plan assets	(4.11)	-	(3.65)	-
e) Curtailment cost / (Credit)	-	-	-	-
f) Settlement cost / (credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the year	3.58	3.54	(1.23)	1.73
h) Expenses recognized in the statement of profit & losse	26.87	19.23	20.71	17.38

ii). Actuarial Assumptions

	Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
a) Discounting Rate	8.50%	8.50%	8.50%	8.50%
b) Future salary Increase	5.50%	5.50%	6.00%	6.00%
c) Expected Rate of return on plan assets	9.15%	0.00%	9.15%	0.00%

- 28** With a view to have a global presence in telecom, the Company has incorporated a wholly owned subsidiary in Dubai, viz. "AOL FZE" for expansion of Companies businesses. The subsidiary Company has signed an agreement with Africa One, a Company which has been mandated to provide majority stake in Company, holding GSM licenses with spectrum in African contingent for Broadband, IPTV and FTTH projects. In Compliance of the terms of the agreement, the subsidiary company has advanced towards part consideration an amount aggregating Rs. 9,755.64 lacs (equivalent to AED 660.06 lacs) (31.03.2012 : Rs. 9,140.46 (equivalent to AED 660.06 lacs))

29 Related Party Disclosures

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 31st March, 2013:

- Individuals exercising significant influence & their relatives:
 - Dr. Kailash S. Choudhari (Chairman)
 - Mr P. F. Sundesha
 - Mr Shailesh Popat Lal (Relative of Mr. P F Sundesha)
- Key Management Personnel:
 - Mr. Chetan Choudhari
- Enterprises over which personnel referred in (a) & (b) aforementioned exercise significant influence:
 - Fulchand Finance Private Limited (Relates to Mr. P F Sundesha)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
Related Party Transactions
(Rs. in lacs)

S. No.	Nature of Transaction	Key Management Personnel	Others	Total
1	Loan taken	-	-	-
		-	699.00	699.00
2	Remuneration Paid	95.54	369.20	464.74
		82.08	260.51	342.59
3	Interest Expenses	-	37.10	37.10
		-	53.50	53.50
4	Repayment of loan taken	-	477.00	477.00
		-	691.25	691.25
5	Sitting Fees	-	0.95	0.95
		-	0.70	0.70
6	Rent Paid	-	29.40	29.40
		-	29.40	29.40
Balance as at March 31, 2013				
1	Trade and other Payables	-	123.59	123.59
		-	682.30	682.30

Note :

Figures in italic represents Previous Year's amount.

30 Segmental Reporting

Based on the guiding principles given in Accounting Standard AS-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segments are Manufacturing, Services and Trading of goods. The information about business segments are given below:

(Rs. in lacs)

Particulars	Manufacturing		Services		Trading		Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
1 Segment Revenue								
External Turnover	21,584.32	16,320.05	1,550.76	2,230.06	2,542.22	8,795.08	25,677.30	27,345.19
Inter Segment Turnover	31.18	27.02	-	-	0.35	50.03	-	-
Total Revenue	21,615.50	16,347.07	1,550.76	2,230.06	2,542.57	8,845.11	25,677.30	27,345.19
2 Segment Results before Interest and Taxes	3,648.81	2,035.29	(1,364.28)	(753.45)	286.18	783.92	2,570.71	2,065.76
Less : Finance Cost							376.26	535.78
Add : Interest Income							124.26	86.30
Add : Exceptional Items							619.03	784.61
Add/(Less): Unallocated (Expenses)/Income							(359.56)	(330.12)
Profit before Tax							2,578.18	2,070.77
3 Other Information								
Segment Assets	11,051.65	9,334.07	27,926.28	29,134.30	5,388.82	4,818.96	44,366.75	43,287.33
Unallocated Assets	-	-	-	-	-	-	10,425.64	9,810.45
Total Assets	11,051.65	9,334.07	27,926.28	29,134.30	5,388.82	4,818.96	54,792.39	53,097.78
Segment Liabilities	4,697.21	4,667.32	10,376.63	12,600.80	1,358.03	1,096.45	16,431.87	18,364.57
Share Capital & reserves	-	-	-	-	-	-	38,360.51	34,733.21
Total Liabilities	4,697.21	4,667.32	10,376.63	12,600.80	1,358.03	1,096.45	54,792.38	53,097.78
Capital Expenditure	265.85	45.62	158.54	73.54	-	-	424.39	119.16
Depreciation And Amortization	521.00	537.80	1,142.23	792.30	-	-	1,663.23	1,330.10

Note :- Total Revenue is after elimination of inter segment turnover of Rs. 31.53 lacs (31.03.2012 : Rs. 77.05 lacs)

- 31** FCCBs aggregating \$ 13.00 Mn and \$ 1.00 Mn have become due for redemption on January 8, 2013 and February 5, 2013 respectively. At the Company's request, RBI vide its letter dated March 1, 2013 granted extension till June 30, 2013. Consequent to the year end, settlement has been reached with the Bond holders holding FCCBs aggregating \$ 4.50 Mn by the Company out of fresh ECB raised from the Bank. The Company is in discussion with the balance bondholders for the settlement of the outstanding amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

32 Exceptional items represents net foreign exchange gain on translation of Foreign Exchange assets & liabilities other than operational of Rs. 345.99 lacs (31.03.2012: Rs. 488.53 lacs), profit on sale of fixed assets of Rs. 915.14 lacs (31.03.2012: Rs. Nil), liabilities written back of Rs. 28.10 lacs (31.03.2012: Rs. 296.08 lacs, advances written off of Rs. 670.20 lacs (31.03.2012: Rs. Nil).

33 Basic and diluted earnings per share

S. No.	Particulars	31-Mar-13	31-Mar-12
a.	Net Profit for the year (Rs. in lacs)	2,578.21	1,960.86
b.	Weighted Average No of Equity Shares used in computing Basic-Earning per Share(Nos.)	146,499,744	142,924,871
c.	Impact of diluted instruments on Net Profit for the year (Rs. in lacs)	-	9.17
d.	Net Profit used for the computation of diluted earning per share (Rs. in lacs)	2,578.21	1,970.03
e.	Weighted average number of equity shares from dilutive instruments (Nos.)	-	13,701,263
f.	Weighted Average No of Equity Shares used in computing Diluted Earning per Share (Nos.)	146,499,744	156,626,134
g.	Nominal Value of Equity Shares-(Rs.)	5.00	5.00
h.	Basic-Earning Per Shares (Rs.)	1.76	1.37
i.	Diluted -Earning Per Share (Rs.)	1.76	1.26

34 There are no Micro and Small Enterprises, to whom the Group owes any sum, which are outstanding for more than 45 days as at 31st March, 2013. 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 received from vendors.

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

36 In the case of APAKSH, Bank Guarantee of Rs. 150.00 lacs (31.03.2012 Rs. 150.00 lacs) was invoked by M/s Andhra Pradesh Technology Services Ltd due to failure of implementation of the project, shown in advance recoverable as Company is contesting. In the case of APAKSH, no provision has been made in respect of various expenses viz. rent, commission, bandwidth expenses as these are not quantifiable due to non availability of information and for interest of Rs. 164.57 lacs (31.03.2012 Rs. 141.87 lacs) on secured loan taken from Cisco Systems Capital India Pvt Ltd.

37 In case of APAKSH, The operations are suspended due to litigation filed by one of the shareholder APAKSH which finally dismissed by the Hon'ble Supreme Court vide it's order dated 7th May 2010. The Management of the Company is in discussions on the revival of the project .

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

The accompanying notes (1-38) are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For P C Bindal & Co.
Firm Registration Number : 003824N
Chartered Accountants

KAILASH S. CHOUDHARI
Chairman

CA K. C. Gupta
Partner
Membership no.: 088638

CHETAN CHOUDHARI
Managing Director

B.R. RAKHECHA
Director

Place: New Delhi
Date : 17th May, 2013

SATYENDRA GUPTA
Chief Financial Officer

GAURAV MEHTA
Company Secretary

AKSH OPTIFIBRE LIMITED

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

ATTENDANCE SLIP

(To be completed and handed over at the entrance of the meeting hall)

DP. Id.

Folio No.

Client Id.

No. of shares held.

All particulars should tally with the Company's records

I hereby record my presence at the 26th Annual General Meeting of the Company held at 11.30 A.M. on Saturday the 3rd August, 2013 at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi-301 019 (Rajasthan).

Member's Name (Sole Applicant)

(1st Joint holder)

(2nd Joint holder)

Father's Name

Complete Address

Proxy's Name

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

(Member's/ Proxy's Signature)

- NOTES :
1. Attendance slip which is not complete in all respects shall not be accepted.
 2. This attendance slip is valid only in case shares are held on the date of the meeting.

AKSH OPTIFIBRE LIMITED

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

PROXY FORM

(To be filled by the Shareholder)

DP. Id.

Folio No.

Client Id.

No. of shares held.

I/We.....of..... (Address)

being the Member/Members of AKSH OPTIFIBRE LIMITED hereby appoint Mr/Ms.

of.....or failing him/her,

Mr./Ms.....of.....as my/ our

proxy to vote for me/ us, on my/ our behalf at the 26th Annual General Meeting of the Company to be held on

Saturday the 3rd August, 2013 at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi-301 019 (Rajasthan) at 11.30

A.M. and at any adjournment thereof.

As witness my/our hand this day of, 2013

Signature

Affix
Revenue
Stamp

Note:

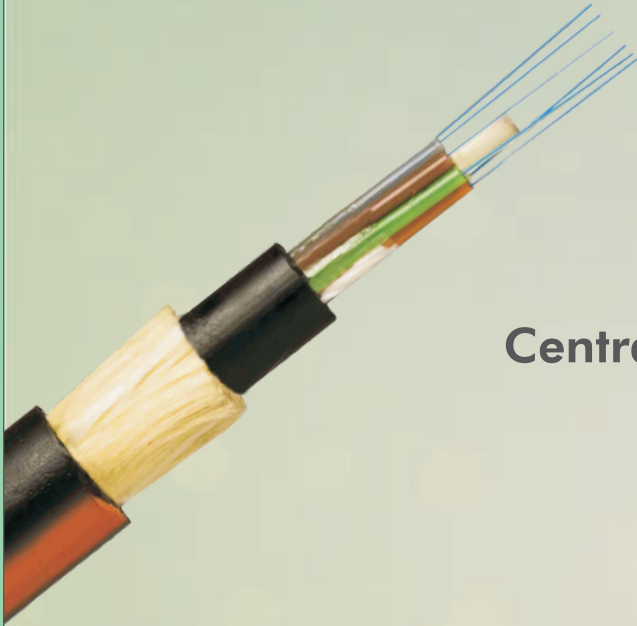
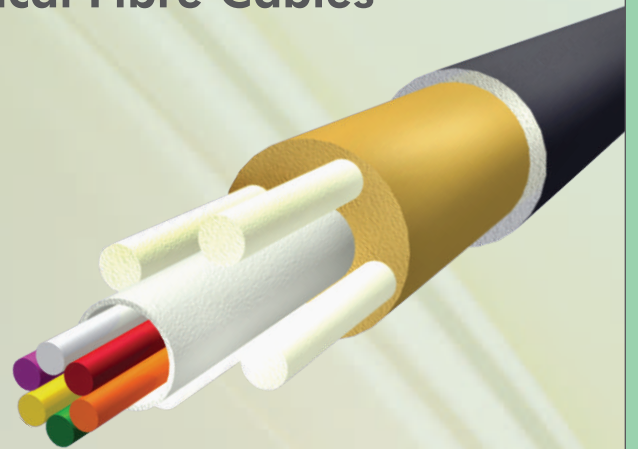
1. The proxy form duly executed and properly stamped should reach the Company's Registered Office at least 48 hours before the time of the meeting.
2. The proxy need not be a member.
3. Proxy cannot speak at the meeting or vote on a show of hands.

Notes

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Optical Fibre Cables

Optical Fibre



Central Strength Member (FRP Rods)



Water Blocking Glass Yarn



If undelivered, please return to:

AKSH OPTIFIBRE LIMITED

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