



Aksh Optifibre Limited

MEETING OF UNSECURED CREDITORS

Date : 18th May, 2012
Time : 02.00 P.M.
Venue : F- 1080, RIICO Industrial Area,
Phase- III, Bhiwadi- 301 019
(Rajasthan)

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**IN THE HIGH COURT OF RAJASTHAN AT JAIPUR
COMPANY JURISDICTION
COMPANY APPLICATION NO. 24 OF 2012**

(Under Sections 391 to 394 of the Companies Act, 1956
(1 of 1956)(The said Act)

IN THE MATTER OF:

The Companies Act, 1956

IN THE MATTER OF:

Sections 391 to 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

Scheme of Amalgamation between Aksh Technologies Limited

(Transferor Company) and Aksh Optifibre Limited (Transferee Company)

AND IN THE MATTER OF:

Aksh Optifibre Limited,

a Public Limited Company incorporated under the Companies Act, 1956

and having its Registered Office at F- 1080,

RIICO Industrial Area, Phase- III,

Bhiwadi- 301 019 (Rajasthan)

...Applicant Company

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF THE TRANSFEE COMPANY

To

The Unsecured Creditors of the Transferee Company

TAKE NOTICE that by an order made on 12th April, 2012, the Hon'ble High of Rajasthan, at Jaipur has directed that a Meeting of the Unsecured Creditors of Aksh Optifibre Limited, the Transferee Company, be held at the Registered Office of the Transferee Company, at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan), at 02.00 P.M. on Friday, the 18th May 2012, for the purpose of considering and if, thought fit, approving, with or without modifications, the arrangement embodied in the Scheme of Amalgamation between Aksh Technologies Limited (Transferor Company) and Aksh Optifibre Limited (Transferee Company).

TAKE FURTHER NOTICE that in pursuance of the said order, a Meeting of Unsecured Creditors of the Transferee Company will be held at the Registered Office of the Transferee Company, at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan) , at 02.00 P.M on Friday, the 18th May 2012, which you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said Meeting in person or by proxy provided that the proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Transferee Company, at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi (Rajasthan), not later than 48 hours before the Meeting.

The Hon'ble High Court of Rajasthan has appointed Mr. Mumal Razvi, Advocate to be the Chairman of the said Meeting.

A copy of the Scheme of Amalgamation, the Statement under Section 393 of the Companies Act, 1956 and the Form of Proxy are enclosed. The Scheme of Amalgamation, if approved by the said Meeting, will be subject to the subsequent approval of the Hon'ble High Court of Rajasthan, at Jaipur.

Sd/-
Mr. Mumal Razvi
(Chairman appointed for the Meeting)

Place : Jaipur
Date : 20th April, 2012
Note : All alterations made in the Form of Proxy should be initialled.

AKSH OPTIFIBRE LIMITED
Registered Office: F-1080, RIICO Industrial Area, Phase-III, Bhiwadi (Rajasthan)

IN THE HIGH COURT OF RAJASTHAN AT JAIPUR
COMPANY JURISDICTION
COMPANY APPLICATION NO. 24 OF 2012

(Under Sections 391 to 394 of the Companies Act, 1956
(1 of 1956)(The said Act)

IN THE MATTER OF:

The Companies Act, 1956

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Scheme of Amalgamation between Aksh Technologies Limited

(Transferor Company) and Aksh Optifibre Limited (Transferee Company)

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Aksh Optifibre Limited,

a Public Limited Company incorporated under the Companies Act, 1956

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RIICO Industrial Area, Phase- III,

Bhiwadi- 301 019 (Rajasthan)

...Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

Pursuant to an order dated 12th April, 2012 passed by the Hon'ble High Court of Rajasthan, at Jaipur, on the Company Application referred to above,

- (a) a separate Meeting of Equity Shareholders of the Transferee Company is due to be convened at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan) at 01.00 P.M. on Friday, the 18th May, 2012.
- (b) a separate Meeting of Unsecured Creditors of the Transferor Company is due to be convened at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan) on at 12 P.M. on Friday, the 18th May, 2012.
- (c) a separate Meeting of Secured Creditors of the Transferor Company is due to be convened at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan) on at 11.00 A.M. on Friday, the 18th May, 2012.

for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Aksh Technologies Limited (Transferor Company) and Aksh Optifibre Limited (Transferee Company), hereinafter called the "Scheme", which is annexed to the Notice. The said order will be available for inspection at the Registered office of the Transferee Company, at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan) between 11.00A.M. to 01.00 P.M. on all working days of the Company, except Saturday and Sunday, till the day preceding the date of the Meeting.

Background of Entities

1. Aksh Technologies Limited

- 1.1 Aksh Technologies Limited, the Transferor Company was incorporated on 13.03.2008, under the name and style of "Aksh Technologies Limited" with the Registrar of Companies, Rajasthan and received Certificate of Commencement of Business on 09.04.2008.
- 1.2 The Registered Office of the Transferor Company is situated at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan).
- 1.3 The present Authorized Share Capital of the Transferor Company as on 31st March, 2011 is Rs.5,05,00,000/- (Rupees Five Crore Five Lacs only) divided into 1,01,00,000 (One Crore One Lac) Equity Shares of Rs.5/- (Rupees Five) each. The Present issued, subscribed and paid up Share Capital of the Transferor Company is Rs. 5,05,00,000/- (Rupees Five Crore Five Lacs only) divided and classified into 1,01,00,000 (One Crore One Lac) Equity Shares of Rs.5/- (Rupees Five) each.
- 1.4 The primary objects of the Transferor Company have been set out in the respective Memorandum and Articles of Association of the Company.
- 1.5 The Transferor Company is presently engaged in the manufacturing of Optical Fibre Cables and is one of the few manufacturers who have integrated their operations backwards into production of fibre as well as FRP Rods.

2. Aksh Optifibre Limited

- 2.1 Aksh Optifibre Limited, the Transferee Company was incorporated as a Private Limited Company on March 19, 1986 under the name and style of "Aksh India Private Limited" with the Registrar of Companies, NCT of Delhi & Haryana and was converted into a Public Limited Company on March 13, 1994 vide Special Resolution passed on March 8, 1994.
- 2.2 Thereafter, w.e.f 7th February, 2000 the Transferee Company shifted its Registered Office from the NCT of Delhi to the State of Rajasthan after seeking confirmation from the Hon'ble Company Law Board (Northern Region Bench). At present the Registered Office of Transferee Company is situated at F-1080, RIICO Industrial Area Phase – III, Bhiwadi, in the State of Rajasthan, within the jurisdiction of Hon'ble High Court of Rajasthan, at Jaipur.
- 2.3 Subsequently, the Company changed its name from "Aksh India Limited" to "Aksh Optifibre Limited" w.e.f 17th April, 2000 to properly reflect the core activities of the Company i.e. drawing of optical fibre and manufacturing of optical fibre cable.
- 2.4 The Transferee Company came out with its maiden IPO (Initial Public offering) in July, 2000 and thereafter its Shares were listed on Jaipur as well as Bombay & National Stock Exchange Limited.
- 2.5 Pursuant to SEBI (Delisting of Securities) Guidelines 2003, Company has got its Equity Shares delisted from Jaipur Stock Exchange Limited on 15.05.2004. The Shares of the Transferee Company are presently listed at The Bombay Stock Exchange Limited and The National Stock Exchange Limited.
- 2.6 The Registered Office of the Transferee Company is situated at F-1080, RIICO Industrial Area, Phase III, Bhiwadi – 301 019 (Rajasthan).
- 2.7 The present Authorized Share Capital of the Transferee Company as on 31st March, 2011 is Rs.80,00,00,000/- (Rupees Eighty Crores only) divided into 16,00,00,000 (Sixteen Crore) Equity Shares of Rs.5/- (Rupees Five) each. The Present issued, subscribed and paid up Share Capital of the Transferee Company is Rs. 71,46,24,355 /- (Rupees Seventy One Crores Forty Six Lacs Twenty Four Thousand Three Hundred and Fifty Five only) divided and classified into 14,29,24,871 (Fourteen Crore Twenty Nine Lacs Twenty Four Thousand Eight Hundred and Seventy One) Equity Shares of Rs.5/- (Rupees Five) each.
- 2.8 The primary objects of the Transferee Company have been set out in the respective Memorandum and Articles of Association of the Company.
- 2.9 The Transferee Company is presently engaged in the business of providing/ operating voice and Broadband Networks to deliver a whole range of services in the field of telecommunications & information. The Transferee Company is also in the process of setting up FTTH (Fibre-To –The-Home) projects so as to provide triple play broadband service, on single fibre. The services on the offering are voice based telephone service, security surveillance, video conferencing, e-learning etc. To this effect, the Company is in the process of setting up of an optical fibre network for providing various broadband-based services in the State of Andhra Pradesh.

3. Nature and Purpose of the Scheme

The object of the Scheme of Merger is provided in the Scheme itself and is as under:

- a. The Transferee Company will be able to provide single window integrated networking / telecom solutions.
- b. The amalgamation of all Undertakings of Transferor Company into the Transferee Company shall facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations.
- c. The amalgamation would create economies in administrative and managerial costs by consolidating operations and will substantially reduce duplication of administrative responsibility and multiplicity of records and legal and regulatory compliances.
- d. The amalgamation will also improve the financial structure and the cash flow management of the merged entity.

4. Salient Features of the Scheme

The salient features of the Scheme of Amalgamation are as under:

- a. *Appointed Date means 1st April, 2011.*
- b. *Effective Date means the date on which certified copy of the Order of the Hon'ble High Court of Judicature Rajasthan, at Jaipur Bench under section 391 to 394 of the Act sanctioning this scheme is filed with the Registrar of Companies, State of Rajasthan by the Transferee Company.*
- c. *With effect from the Appointed Date the Transferor Company shall dissolve without winding-up and merge with the Transferee Company and all of the assets, investments, licenses, rights, title and interests comprised in the Transferred Undertaking of Transferor Company shall pursuant to Section 394(2) of the Act and without any further act or deed be transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, license, rights, title and interest of the Transferee Company.*

- d. *In respect of such of the assets of the Transferred Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, or transfer by vesting pursuant to this Scheme and the same shall stand transferred and vested with effect from the Appointed Date and shall become the property of the Transferee Company.*
- e. *Upon the coming into effect of this Scheme all permits, registrations, approvals, consents, statutory licences, licences to set-up and operate any business including providing any kind of telecom and other services and quotas, rights, entitlements, any other licenses including those relating to Trademarks, Designs, Drawings, Tenancies, Patents, Copy Rights, Privileges, Powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be & remain in full force and effect in favour of or against the Transferee Company, as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee thereto.*
- f. *Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, agreements, arrangements and other instruments of whatsoever nature in relation to the Transferred Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.*
- g. *Any inter se contracts between the Transferor Company and the Transferee Company shall stand merged and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. Any statutory licenses, authorizations, statutory rights, permissions, approvals, Sales Tax, Service Tax, Excise, Provident Fund, ESI, DGFT, Reserve Bank of India, Importer-Exporter Code, local municipal permissions, right of way permissions, etc. or other registrations, no-objection certificates or consents to carry on the operations in the Transferred Undertakings of Transferor Company shall stand transferred and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of the Transferred Undertakings of Transferor Company pursuant to this Scheme so as to empower and facilitate the continuation of operations of the Transferred Undertakings of Transferor Company in the Transferee Company without any hindrance or let from the Appointed Date.*
- h. *Upon the coming into effect of this Scheme, the debts, advances, liabilities (including contingent liabilities) guarantees, duties and obligations of every kind, nature and description of the of the Transferor Company shall be deemed to have been transferred to the transferee Company and to the extent they are outstanding on the Effective date shall, without any further act or deed be and stand transferred to the Transferee Company and shall become the debts, liabilities and obligations of the Transferee Company on the effective date which it undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, guarantee(s), and obligations have arisen in order to give effect to the provisions of this Clause. The Transferee Company will comply with the reporting/compliance requirement, if any, required under the Foreign Exchange Regulations.*
- i. *The entire share capital of the Transferor Company is held by the Transferee Company. Upon coming into effect of this scheme, all the shares held by the Transferee Company in the Transferor Company shall be extinguished.*
- j. *With effect from the Appointed Date and upto and including the Effective Date, All legal or other proceedings by or against Transferor Company under any statute, or otherwise whether pending on the Appointed Date or which may be instituted in future in respect of any matter arising before the Effective Date shall be continued and enforced by or against Transferee Company after the Effective Date. Further, upon the Scheme becoming effective the Transferee Company shall not challenge any proceedings initiated against the Transferor Company on account of territorial jurisdiction only and the Transferee Company shall have all legal rights and remedies as are available in due course of law to defend such proceedings. If proceedings are taken against Transferor Company after the Appointed Date but before the Effective Date, the Transferor Company shall defend the same in accordance with the advice of Transferee Company in respect thereof.*
- k. *The Transferor Company shall be deemed to have been carrying on all operations and activities relating to the Transferred Undertakings of Transferor Company on behalf of Transferee Company and stand possessed of the properties so to be transferred for and on account of and in trust for Transferee Company; and*
 - i. *all profits accruing to Transferor Company (including taxes, if any, thereon) or losses arising or incurred by it relating to the Transferred Undertakings of Transferor Company shall for all purposes, be treated as the profits, taxes or losses as the case may be of Transferee Company,*

- ii. *The Transferee Company, being a listed Company, if it so desires, shall be allowed to consolidate and declare its periodical financial results including quarterly, half yearly, yearly results after taking into consideration the financial results of Transferor Company for the respective period, provided that the Transferee Company shall also separately declare its financial results without consolidation for the said period as per the format prescribed by the Stock Exchanges in terms of the Listing Agreement.*
- I. *The transfer and vesting of the Assets/ Investments and liabilities of the Transferred Undertakings of Transferor Company to the Transferee Company and the continuance of any proceedings by or against the Transferee Company hereof shall not affect any transaction or proceedings already completed by the Transferor Company on and from the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company. For the consolidation of the accounts of Transferor Company with the Transferee Company after the Scheme becoming effective the opening balances under various head of the Transferor Company, as on Appointed Date shall be considered by the Transferee Company.*
- m. *All employees of the Transferor Company as on the Effective Date, shall as from such date, become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions being not unfavourable with the terms and conditions applicable to such employees and without any breach or interruption of service. In regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds, and applicable acts in the respective Trust Deeds or other documents.*

It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, fund, Trusts etc.

In the event that the Trustees are constituted as holders of any securities, Trust funds or Trust monies, in relation to any Provident Fund Trust, Gratuity Trust or Superannuation Trust of the Transferor Company, such funds shall be transferred by such Trustees of the Trusts of the Transferor Company to Trusts managed by the Trustees of the Transferee Company set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of Trustees to another set of Trustees in accordance with the provisions of the relevant labour laws, Indian Trust Act, and the Indian Income Tax Act 1961 and relevant Stamp Legislations as applicable. Appropriate Deeds of Trusts and/or documents for transfer of Trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the Trustees of such Trusts in favour of the Trusts of the Transferee Company so as to continue the benefits of the employees. The Provident Fund Trust, Gratuity Trust or Superannuation Trusts of the Transferor Company shall continue to hold such securities, Trust Funds and/or Trust monies as hitherto fore, till such time as the transfer to the Trustees of the Transferee Company Employee's Trusts is made.

The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with any Labour union(s) /employees of the Undertakings of the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- n. *Upon the coming into effect of the Scheme, all Motor Vehicles of any nature whatsoever comprised in or relatable to the Transferred Undertakings of Transferor Company shall vest in the Transferee Company and the appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of the Transferee Company as if the vehicles had originally been registered in the name of the Transferee Company without levying or imposing any fees, charges, taxes or levy whatsoever.*
- o. *In accordance with the Modvat / Cenvat / VAT Rules framed under the Central Excise Act, 1944, or the Service Tax Credit Rules framed under the Finance Act, 1994 as are prevalent at the time of the sanction of the Scheme, the unutilised credits relating to Excise duties paid on inputs/capital goods lying to the account of the Transferred Undertakings of Transferor Company in the RG23A and RG23C Registers as well as the unutilised credits relating to Service Tax paid on input services consumed by the Transferor Company shall be permitted to be transferred to the Credit of the Transferee Company, as if, all such Modvat /Cenvat / VAT Service Tax Credits were lying in the RG 23A and RG 23C Registers of the Transferee Company. The Transferee Company shall be entitled to set off all such unutilised Modvat / Cenvat / Service Tax Credits, as aforesaid, against the Excise duty / Service Tax payable by it.*
- p. *The Transferee Company shall be entitled to use all packaging material relating to the Transferred Undertakings of Transferor Company lying unused and which Transferor Company is entitled to use under any statutes/ Regulations as on the Appointed Date and implemented from the Effective Date till such time as all of such*

packaging material are exhausted. The Transferee Company is authorised to advise the statutory authorities of the sanction of the Scheme, even prior to its becoming effective for enabling the change to be made/ noted with effect from the Effective Date.

- q. The Transferor Company is entitled to various benefits under Incentive Schemes and Policies relating to the Transferred Undertakings of Transferor Company and pursuant to this Scheme it is declared that the benefits under all of such Incentive Schemes and Policies shall be transferred to and vested in the Transferee Company.
- r. The Transferor Company is entitled to various benefits under Vendor Approvals from various clients enabling the Transferor Company to do business with such clients pursuant to such Vendor Approvals and pursuant to this Scheme it is declared that the benefits under Vendor Approvals from various clients enabling the Transferor Company to do business with such clients pursuant to such Vendor Approvals stand and be transferred to and vested in the Transferee Company as if all such Vendor Approvals were in fact issued/given to the Transferee Company instead of the Transferor Company by such clients.
- s. The amalgamated Transferee Company shall draw up and finalise a consolidated Balance Sheet post-amalgamation as on the Appointed Date (hereinafter the "Consolidated Balance Sheet") which shall be the opening Balance Sheet of the amalgamated Transferee Company as on the Appointed Date.
- t. The Transferee Company shall, upon this Scheme becoming effective, record the assets including reserves and liabilities comprised in the Transferor Company at the respective book values thereof as appearing in the books of the Transferor Company at the close of the business of the day immediately preceding the Appointed Date. Similarly any Balance in the Profit and Loss Account of the Transferor Company shall be aggregated with such balance in Profit and Loss Account of the Transferee Company. Any Balance shown as Miscellaneous Expenditure to the extent not written off or adjusted, if any, in the books of Transferor Company shall be similarly aggregated with such balance in the books of the Transferee Company.

Notwithstanding the above, the Transferee Company, in consultation with their Statutory Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit by them.

The accounts of the Transferee Company as on the Appointed Date, as reconstructed in accordance with the terms of the Scheme shall be finalized on the basis of the Consolidated Balance Sheet as on the Appointed Date pursuant to this Scheme.

- u. The Transferee Company is expressly permitted to revise its Income Tax & loss returns and related TDS certificates and to claim refunds, advance tax credits etc., on the basis of the combined accounts of the companies as reflected in the Consolidated Balance Sheet as on the Appointed Date pursuant to the terms of this Scheme and its right to make such revisions in the Income Tax & loss returns and related Tax Deducted at Source (TDS) certificates and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.
- v. Upon coming into effect of the Scheme, all permissions, licenses including service provider licenses, approvals, incentives, remissions, tax-incentives, licence fee, incentives, licences, consents, sanctions and other authorizations to which the Transferor Company is entitled to and also which are comprised in the Transferred Undertaking (s), shall stand vested and permitted or continued by the order of sanction of the Hon'ble High Court of Rajasthan at Jaipur in the Transferee Company, therefore the Transferee Company shall file the Scheme, for the record of the statutory authorities who shall take it on file, pursuant to the sanction orders of the Hon'ble High Court of Rajasthan at Jaipur.
- w. The Transferee Company is authorised to take all such steps and do all such acts and deeds for and on behalf of the Transferor Company or on it's own behalf, as may be necessary to give effect to the provisions contained in sub-clauses as stated above.
- x. This Scheme is and shall be conditional upon and subject to:
 - i. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and / or creditors of the Transferor Company and the Transferee Company as prescribed under the Act and / or as may be directed by the High Court or any other appropriate authority as may be applicable.
 - ii. The sanction of this Scheme by the High Court or any other appropriate authority under sections 391 to 394 and other applicable provisions, if any, of the Act in favour of the Transferor and the Transferee Company.
 - iii. Certified or authenticated copy of the order of the High Court or sanctioning the scheme being filed with the Registrar of Companies, State of Rajasthan.
 - iv. The requisite consent approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this scheme.

Note: The features set out above being only the salient features of the Scheme. The Equity shareholders are requested to read the entire text of the Scheme, annexed, to get better acquainted with the provisions thereof.

5. No Objection /Approval From The Stock Exchanges

In terms of clause 24 (f) of the Listing Agreement, the Applicant/Transferee Company, being a Listed company, was required to file application for approval of the scheme from the stock exchanges concerned at least 30 days before the date of filing of the application with Hon'ble High Court. The National Stock Exchange of India Limited and Bombay Stock Exchange Limited have vide their letters dated 26.03.2012 granted no objection to the Scheme of Merger. Since the Scheme provides for merger of the Transferor Company which is a wholly owned subsidiary of the Transferee Company with the Transferee Company, no shares are being issued upon the scheme becoming effective. Therefore, valuation report and fairness opinion in terms of Clause 24(h) of the Listing Agreement have not been obtained.

6. Details of Directorships and Shareholding of Directors in the Applicant/Transferee Company

The details of Directorship (as on 31.03.2011) is as follows:-

Details of Common Directors

Company name/ Name of Director	Aksh Technologies Limited	Aksh Optifibre Limited
Dr Kailash .S. Choudhari	Director	Chairman
Mr. Popatlal .F. Sundesha	Director	Director
Mr. B.R. Rakhecha	Director	Director
Mr.Narendra Kumbhat	Director	Director

Shareholding of Directors of Aksh Optifibre Limited (Applicant/Transferee Company) in the (Applicant/Transferee Company) as on 31.03.2011, is as follows:

S.N.	Name	Interest	No. of Shares	Other Interest(Creditor Or Otherwise)
1.	Dr. Kailash S. Choudhari	Chairman	2,693,755	251 Lacs @
2.	Mr.P.F. Sundesha	Director	4,330,587	435.79 Lacs \$
3.	Mr. D.K. Mathur	Director	67,500	None
4.	Mr.Chetan Choudhari	Executive Director	745,864	None
5.	Mr.Arun Sood	Director	None	None
6.	Mr. Narendra Kumbhat	Director	None	None
7.	Mr. Amrit Nath	Director	None	None
8.	Mr. B.R.Rakhecha	Director	None	None

@ The company has taken loan from the Chairman.

\$ The Company has borrowed an Inter Corporate deposit of Rs. 406.30 Lacs from M/s. Fulchand Finance Pvt Ltd, in which he is a Director& Member. Further the Company has taken on rent one of the office premises, let out in his individual capacity.

7. Capital Structure and Shareholding Pattern of the Applicant / Transferee Company

The Capital Structure and shareholding pattern (as on 31.03.2011) of Aksh Optifibre Limited (Transferee Company) prior to the Scheme of Amalgamation and post the Scheme of Amalgamation is as follows:-

Particulars	Pre Merger	Post Merger*
Authorized Capital (in Rs.)	Rs.80,00,00,000	Rs. 85,05,00,000
Paid Up Capital (in Rs.)	Rs.71,46,24,355	Rs. 71,46,24,355

*After the Scheme becoming effective and upon carried forward of the Authorized Capital of Transferor Company into Transferee Company the total Authorized Capital of Transferee Company shall be Rs. 85.05 Crores i.e. Rs. 80 Crores + Rs.5.05 Crores (of Transferor Company).

Shareholding Pattern

		Pre Merger as on December 31, 2011		Post Merger (Expected)#	
S.No.	Category	No of Shares held	%of Share Holding	No of Shares held	% of Share Holding
A	Promoter Holding				
1	Promoters				
a	– Indian Promoters	16,213,167	11.34	16,213,167	11.34
b	– Foreign Promoters	26,93,755	1.88	26,93,755	1.88
	Sub-Total (a+b)	18,906,922	13.23	18,906,922	13.23
B	Non – Promoter Holding				
2	Institutional Investors				
a	Mutual Funds and UTI	0	0	0	0
b	Banks, FIs, Insurance Co's (Central / State Govt. Inst. / Non Govt. Inst.)	0	0	0	0
c	FII's	31,43,566	2.20	31,43,566	2.20
	Sub-Total	31,43,566	2.20	31,43,566	2.20
4	Others				
a	Corporate Bodies	40,887,692	28.61	40,887,692	28.61
b	Indian Public	42,136,710	29.48	42,136,710	29.48
c	NRIs / OCBs	19,63,169	1.37	19,63,169	1.37
e	Any other				
(i)	Trusts	4,63,120	0.32	4,63,120	0.32
	Sub-Total	106,833,808	75.22	106,833,808	75.22
C	Shares held by the Custodians against which DR's have been issued				
	DRs held by Promoter & Promoter Group	0	0	0	0
	DRs held by Public	35,423,692	24.78	35,423,692	24.78
	Grand Total	142,924,871	100.00	142,924,871	100.00

Note: The Total Foreign Shareholding (other than Foreign Promoters) of the company is 405,30,427 equity shares of Rs. 5/- each, representing 28.35% of the total paid up equity share capital of the company.

Since the transferor company is a wholly owned subsidiary of the applicant/ transferee company, there would be no issue of shares by the applicant / transferee company pursuant to the scheme. Accordingly, shareholding pattern of the transferee company/ applicant company post merger would not change.

In post amalgamation, the figure for all categories like mutual funds, bodies corporate etc, have been taken at the pre-amalgamation levels as the shares are constantly traded and it is not possible to make an assessment on the position post amalgamation with respect to these categories of shareholders.

8. Subsequent to the date of the last audited accounts of the applicant / transferee company, there has been no substantial change in the financial position of the applicant / transferee company except those arising on account of or resulting in the normal course of business.
9. There would be no adverse impact on the financial position of Aksh Optifibre Limited, subsequent to merger as the transferor company has a positive net worth. Thus, Aksh Optifibre Limited, would be able to meet its liabilities as and when they arise in the normal course of the business.
10. The proposed scheme of amalgamation is not prejudicial to the rights of the equity shareholders and the creditors of the Applicant / Transferee Company and the Transferor Company.
11. Under the proposed Scheme, the Transferor Company would stand merged and amalgamated with the Transferee

Company and the Transferor Company would therefore stand dissolved without the process of winding up. The rights of the existing members and / or the Creditors are not sought to be affected in any manner whatsoever. In order to give effect to the scheme under the provisions of law, the Transferor Company and the Transferee Company is required to obtain the requisite consents and approval of the Shareholders and Creditors to the proposed Scheme, with or without modifications, under the provisions of Section 391 to 394 of the Companies Act.

12. The Transferor Company and the Transferee Company shall file a confirmation Petition under Sections 391 to 394 of the Companies Act, 1956, with the Hon'ble High Court of Rajasthan, at Jaipur for the sanction of the Scheme upon the approval of the Scheme of Amalgamation by the Creditors and Shareholders with requisite majorities. The Transferor Company will also submit to the Hon'ble High Court of Rajasthan, at Jaipur for dissolution of the Transferor Company without winding up under the provisions of law.
13. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
14. No notice, proceedings have been instituted and/or are pending under Sections 235 to 251 of the Companies Act, 1956 or under the provisions of the MRTTP Act against the Transferee Company & Transferor Company.
15. After the Scheme of Amalgamation becoming effective all the undertakings of Transferor Company along with their rights, assets and liabilities stands transferred to Transferee Company in terms of Section 391 to 394 of the Companies Act, 1956. Therefore, all the pending litigations, which are for and against the Transferor Company, shall stand transferred and continue for and against the Transferee Company. The registered office of Transferee Company is situated in Rajasthan and accordingly the appropriate jurisdiction shall be the Hon'ble High Court of Rajasthan at Jaipur.
16. A copy of the Scheme of Amalgamation and Explanatory Statement under Section 393 of the Companies Act, 1956 may be obtained free of charge from the Registered Office of the Transferee Company. A copy of the Latest Audited Accounts for the financial year ended 31st March, 2011 may also be obtained from the respective Registered Office of the Transferee Company.
17. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be a member of the applicant/Transferee Company. The instrument appointing the proxy should however be deposited at the registered office of the applicant/ Transferee company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
18. The corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing bodies of the body corporate not later than 48 (Forty Eight) hours prior to the commencement of the meeting, authorising such person to attend or vote on its behalf at the meeting.
19. Copy of the scheme of amalgamation and of this explanatory statement may be obtained free of cost during ordinary business hours on all working days except Saturdays and Sundays and public holidays from the registered office of the applicant / Transferee Company.
20. The following documents will be open for inspection at the Registered Office of the Transferee Company on all working day, except on Saturdays and Sundays, till the day preceding the date of the Meeting between 11.00 A.M. to 01.00 P.M.
 - (a) Memorandum and Articles of Association of the Transferor Company;
 - (b) Memorandum and Articles of Association of the Transferee Company;
 - (c) Latest audited accounts for the financial year ended 31st March, 2011 of the Transferor Company.
 - (d) Latest audited accounts for the financial year ended 31st March, 2011 for the Transferee Company.
 - (e) Certified True Copy of the order dated 12th April, 2012 passed by the Hon'ble High Court of Rajasthan at Jaipur for convening the aforesaid Meetings.
 - (f) Copy of the Scheme of Amalgamation.
 - (g) Copies of the letter dated 26th March 2012 of the National Stock Exchange of India Limited and Bombay Stock Exchange, Mumbai, respectively granting no –objection to the scheme of Merger.

Sd/-
Gaurav Mehta
(Company Secretary)

Dated this 20th day of April, 2012.

AKSH OPTIFIBRE LIMITED
Registered Office: F- 1080, RIICO Industrial Area, Phase- III,
Bhiwadi- 301 019 (Rajasthan)

SCHEME OF ARRANGEMENT
BETWEEN
AKSH TECHNOLOGIES LIMITED – Transferor Company
AND
AKSH OPTIFIBRE LIMITED – Transferee Company
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Scheme of Arrangement (“**Scheme**”) is proposed for Amalgamation of Aksh Technologies Limited (“**the Transferor Company**”) with Aksh Optifibre Limited (“**the Transferee Company**”), pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

PREAMBLE

(A) Background and Description of the Transferor Company and the Transferee Company

1. Aksh Technologies Limited, the Transferor Company, is a Public Unlisted Company incorporated on March 13, 2008, under the Companies Act, 1956. The registered office of the Transferor Company is situated at F- 1080, RIICO Industrial Area, Phase – III, Bhiwadi – 301 019, Rajasthan. The Transferor Company is a wholly owned subsidiary of Aksh Optifibre Limited, the Transferee Company. The main objects of the Transferor Company, as per Main Objects Clause of its Memorandum of Association is to:
 - a. manufacture, refine, roll, re-roll, draw, melt, import-export and to deal in all kinds of rods including FRP (Fibre Re-enforced Plastic) Rods, strips, wires, circles, tubes, squares, cables, alloys, iron and steel ferrous and non-ferrous metals, machinery, machine parts, tools and implements of all kinds based on various technologies.
 - b. To carry on manufacture, trade, sale import and export of all types of optical fibres such as step index, graded index and mono mode and other types of Fibres required for use in fibre optic systems and cables, for use in industrials applications, medical use, instrumentation, in defence systems, signaling, telecommunication, multi channel video communication, data communication and other communication and electronic applications.
 - c. To carry on the manufacture, trade, sale, import and export of equipment used for Fibre Optic Network such as Line Terminal, Equipment, Multi Plexers, Opto-Electronic Instruments, Line Repeaters, Jointing and Terminating Equipment, Materials and Accessories, Laser Device, Light Emitting Device, Testing and Measuring Equipments.
2. Aksh Optifibre Limited, the Transferee Company, is a Public Listed Company incorporated on March 19, 1986 under the Companies Act, 1956. The registered office of the Transferee Company is situated at F- 1080, RIICO Industrial Area, Phase – III, Bhiwadi – 301 019, Rajasthan. The shares of the Transferee Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The main objects of the Transferee Company, as per Object clause of its Memorandum of Association amongst others, is:
 - a. to design, develop, install erect, seek right of way, lay, write software, deploy, operate, maintain and provide consultancy and management services or undertake turnkey projects for manufacturing, installing, laying, commissioning, operating of all or any type of networking and communication systems based on either Fibre Optic, Wireless, Satellite, Non-Fibre Optic systems or hybrid of any of these systems/solutions providing bandwidth in various forms, in India or elsewhere.
 - b. to carry on the business of content provider (including video, audio and gaming based contents) through voice or broadband network or otherwise in India or abroad.

(B) Purpose of the Scheme

1. This Scheme of Amalgamation is presented under Section 391 to Section 394 of the Companies Act, 1956 for the Amalgamation of Transferor Company with the Transferee Company.
2. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(C) Rationale of the Scheme

The circumstances that have necessitated the Scheme are as under:

The Transferor Company is engaged in the manufacture and sale of business of all types of Optical Fibres, Optical Fibre Cables, and all kinds of rods, including FRP (Fibre Re-enforced Plastic) Rods and the Transferee Company is engaged in the business of providing Internet Protocol Television (IPTV), Voice over Internet Protocol (VoIP) and Fibre To Home solution

(FTH), using the products manufactured by the Transferor Company.

In order to derive further operational benefits, there is a need to consolidate the operations of the Transferor Company with the Transferee Company so as to derive optimal administrative, management and synergy benefits and consequently achieve cost savings, pooling of managerial skills and utilization of valuable resources by carrying out the operations in the Transferee Company.

The Amalgamation of the Transferor Company with the Transferee Company would, *inter alia*, have the following benefits:

- a. The Transferee Company will be able to provide single window integrated networking/telecom solutions as well as acquire the existing business of the Transferor Company.
- b. The Amalgamation will enable creation of larger entity and derive optimal management and synergy benefits. The proposed Scheme is expected to result in business synergies besides economies in cost by combining all the functions, related activities and operations resulting in higher profitability and benefits in the form of financial resources, managerial and technical expertise. The Scheme is to enable the business of the Transferee Company to be carried out more conveniently and advantageously in a manner that will enhance its shareholder value.
- c. The Amalgamation would create economies in administrative and managerial costs by consolidating operations and will substantially reduce duplication of administrative responsibility and multiplicity of records and legal and regulatory compliances.
- d. The Amalgamation will also improve the financial structure and cash flow management of the Transferee Company.
- e. Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholders' value of the Transferee Company.
- f. Improved organizational capability and leadership arising from the pooling of human capital, which have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- g. Benefit of operational synergies to the Transferee Company which will translate into better rewards to its stakeholders.
- h. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, and the elimination of duplication, and rationalization of administrative expenses.
- i. Strengthened leadership in the industry, in terms of the asset base, revenues, product range, production volumes. The Transferee Company will have the ability to leverage on its large asset base, diverse range of products and services, and vast pool of intellectual capital, to enhance shareholder's value.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

(D) Parts of the Scheme

The Scheme is divided into the following parts:

- (a) **PART I** deals with the Definitions and Share Capital;
- (b) **PART II** deals with the Amalgamation;
- (c) **PART III** deals with the Accounting Treatment; and
- (d) **PART IV** deals with Other Terms.

PART I - GENERAL

1. GENERAL:

This Scheme of Arrangement provides for the amalgamation of AKSH TECHNOLOGIES LIMITED with AKSH OPTIFIBRE LIMITED.

2. DEFINITIONS:

2.1 In this Scheme, unless inconsistent with the context or subject, the following expressions shall have the meanings assigned to them respectively below:

“**Act**” means the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force;

“**Appointed Date**” means 1 April 2011;

“**Effective Date**” shall mean the date on which certified copies of the orders of the High Court under Section 394 of the Act are filed with the Registrar of Companies. References in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of the Scheme” shall mean the Effective Date;

“**Scheme**” means this Scheme of Arrangement in its present form or as may be modified in accordance with the order of the Hon'ble High Court of Jaipur;

“**Transferee Company**” means Aksh Optifibre Limited, a company incorporated under the Act and having its registered office at F-1080, Phase III, RIICO Industrial area, Bhiwadi, Rajasthan-301019;

“**Transferor Company**” means Aksh Technologies Limited, a Company incorporated under the Act and having its registered office at F-1080, Phase III, RIICO Industrial area, Bhiwadi, Rajasthan-301019;

“**Undertaking**” shall mean and include:

- (i) All the assets and property, tangible or intangible of the Transferor Company, as at the Appointed Date (hereinafter referred to as the “**Assets**”); and
- (ii) All the secured and unsecured debts, liabilities, duties, contingent liabilities and obligations of the Transferor Company, as at the Appointed Date (hereinafter referred to as the “**Liabilities**”).

Without prejudice to the generality of Clause (i) and (ii) above, the Undertaking of the Transferor Company shall include all the Transferor Company's reserves, movable and immovable properties, assets including leasehold rights and tenancy rights, the manufacturing facility along with all its assets, plant and machinery, furniture and fixtures, vehicles, industrial and other licenses, permits, authorization, unutilized tax credits, quota, claims, current assets, bank balances, investments, powers, authorities, allotments, approvals, consents, registrations, contracts, insurance policies, engagements, arrangements, rights, titles, interests, benefits, advantages, trademarks, rights to trade name and corporate name, patents and other industrial and intellectual properties, import quotas, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wherever situate, belonging to or in the ownership, power or possession or control of the Transferor Company as at the Appointed Date.

2.2. Expressions not defined in this Scheme:

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to the High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“**NCLT**”) or such other forum or authority as may be vested with the powers of the Hon'ble High Court under the Act.

3. SHARE CAPITAL:

3.1 The Authorized, Issued, Subscribed and Paid-up capital of Transferor Company as on March 31, 2011 is as under:

Authorised

1,01,00,000 Equity Shares of Rs.5/- each	Rs.5,05,00,000
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Issued

1,01,00,000 Equity Shares of Rs.5/- each	Rs. 5,05,00,000
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Subscribed and Paid-up

1,01,00,000 Equity Shares of Rs.5/- each	
Fully Paid-up	Rs. 5,05,00,000
Total Paid-up share capital	Rs. 5,05,00,000

3.2 The Authorized, Issued, Subscribed and Paid-up capital of Transferee Company as on March 31, 2011 is as under:

Authorized

16,00,00,000 Equity Shares of Rs.5/- each	Rs. 80,00,00,000
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Issued, Subscribed and Paid-up

14, 29,24,871 Equity Shares of Rs.5/- each	Rs. 71,46,24,355
Total paid-up share capital	Rs. 71,46,24,355

PART II - AMALGAMATION

4. TRANSFER OF UNDERTAKING

Subject to the occurrence of the Effective Date, the Undertaking of the Transferor Company shall be transferred to the Transferee Company in the following manner:

4.1 With effect from the opening of business as on the Appointed Date, the entire Undertaking of the Transferor Company shall, pursuant to Sections 391-394 and other applicable provisions of the Act, and without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern, so as to become as and from the Appointed Date, the estate, assets,

right, title, interests, authorities, liabilities or obligations, as the case may be, of the Transferee Company. As regards transfer of specified movable assets, the same shall be effected in the manner set forth in Clauses 4.2 and 4.3 below.

- 4.2 It is expressly provided that in respect of such of the assets of the Undertaking as are moveable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, the same shall be so transferred or deemed to be transferred by the Transferor Company, and shall become the property of the Transferee Company pursuant to the provisions of Sections 391-394 and other applicable provisions of the Act, as an integral part of the Undertaking.
- 4.3 In respect of moveable assets other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received and deposits with Government, Semi-Government, local and other authorities and bodies the following procedure shall be followed:
- (i) The Transferee Company may give notice wherever required, in such form as it may deem fit and proper that pursuant to the Hon'ble High Court of Jaipur having sanctioned this Scheme under Sections 391-394 and other applicable provisions of the Act, the said debt, loan, advances etc. be paid to or made good to or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in their respective books to record the aforesaid change; and
 - (ii) The Transferor Company may give notice in such form as it may deem fit and proper, that pursuant to the Hon'ble High Court of Jaipur having sanctioned this Scheme under Sections 391-394 and other applicable provisions of the Act, the said person, debtor, or deposit shall pay the debt, loan or advance or make good the same on account of the Transferee Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.4 With effect from the Appointed Date, and subject to the provisions of this Scheme, the Liabilities shall be and stand transferred or deemed to have been transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Sections 391-394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which the Liabilities have arisen, in order to give effect to the provisions of this Clause.
- 4.5 The transfer and vesting of the Undertaking of the Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.
- Provided however that reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are transferred and vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, unless agreed otherwise by the Transferee Company, to any of the other assets of the Transferee Company.
- Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, unless agreed otherwise by the Transferee Company, to any of the assets of the Transferor Company vested in the Transferee Company.
- 4.6 Insofar as the various rights, quality certifications, licences, registrations, incentive schemes including those under Duty Entitlement Pass Book Scheme, licenses and customs duty drawback benefits, unutilized tax credits, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) enjoyed or availed by the Transferor Company are concerned (whether as on the Appointed Date or subsequently, till the Effective Date), the same shall vest with and be available to the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 4.7 Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged or extinguished and there shall be no further liability in that behalf.
- 4.8 The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title and interest of its immovable property, if any, is given to the Transferee Company.
5. OPERATION OF THE SCHEME
- 5.1 The Scheme, though operative from the Appointed Date, shall become effective only on the occurrence of the Effective Date, as provided in the Scheme. On the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up, pursuant to the provisions contained in Section 394 of the Act.
- 5.2 The transfer of the Undertaking of the Transferor Company to the Transferee Company and the continuance of proceedings by or against the Transferee Company, as envisaged in the Scheme, shall not affect any contract or

proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, matters and things done and/or executed by the Transferor Company in respect thereto as having been done or executed on behalf of the Transferee Company.

5.3 Subject to the occurrence of the Effective Date, on and from Appointed Date and up to the Effective Date:

5.3.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company;

5.3.2 All the profits or income accruing or arising to the Transferor Company, or expenditure or losses or unabsorbed depreciation or MAT Credit Entitlement, arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits or incomes or expenditure or losses or unabsorbed depreciation or MAT Credit Entitlement of the Transferee Company and the Transferee Company can utilize such MAT Credit Entitlement for the payment of Income Tax on its Profits.

6. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY FROM THE APPOINTED DATE AND UPTO AND INCLUDING THE OCCURRENCE OF THE EFFECTIVE DATE

6.1 The Transferor Company shall carry on its business with proper prudence and shall not (without prior written consent of the Transferee Company, which consent may be given by the Board of Directors of the Transferee Company or any person authorised by the Board of Directors of the Transferee Company) alienate, charge or otherwise deal with or dispose of its assets or any part thereof (except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date).

6.2 The Transferor Company shall not take any decision for utilization of its profits or reserves or such other amounts, if any, for the purposes of (i) declaring or paying any dividend on its equity share capital, (ii) declaring any bonus shares; (iii) distributing the same in any other manner to its shareholders, unless prior written consent of the Transferee Company (which consent may be given by the Board of Directors of the Transferee Company or any person authorised by the Board of Directors of the Transferee Company) is obtained.

6.3 Save and except as may be otherwise permitted or required under the provisions of the Scheme the Transferor Company shall not make any change in its capital structure, (i) by issue of new equity or preference shares or bonus shares; or (ii) by issue of any other instrument convertible into equity shares; or (iii) otherwise by sub-division, reduction, reclassification, consolidation, buy-back, or in any other manner, except with the prior written authorisation of the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 Subject to the provisions of this Scheme, all contracts, licenses, arrangements, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature, to which the Transferor Company is a party, or to the benefits of which the Transferor Company may be eligible, and which are subsisting or operative or having effect immediately before the Effective Date shall be in full force and effect in favour of or against the Transferee Company, and may be forced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto or beneficiary thereto.

7.2 All agreements entered into by the Transferor Company with its bankers, distributors, stockists, agents, canalizing agencies, etc. if any, shall, unless terminated by the Transferor Company in the ordinary course of business or with the consent of the Transferee Company, and which are subsisting or operative or having effect immediately before the Effective Date shall be in full force and effect and may be enforced by or against the Transferee Company.

7.3 All subsisting agreements/arrangements of the Transferor Company relating to the use of patents, patent applications, designs, trade-marks (including logos), trade names, brands, copyrights and/or technology and all other intellectual property and rights shall accrue same as above to and for the benefit of the Transferee Company.

7.4 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

8. ISSUE OF SHARES BY THE TRANSFEE COMPANY

The Transferor Company is a wholly owned (100%) subsidiary of the Transferee Company and on amalgamation no separate consideration shall be paid by the Transferee Company to the Shareholders of the Transferor Company and no shares shall be issued by the Transferee Company to any person in consideration of or consequent upon the amalgamation and the paid up share capital of the Transferor Company shall be extinguished upon the Scheme becoming effective.

9. COMBINATION OF AUTHORISED CAPITAL

9.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment

of stamp duty and fees payable to the Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 5,05,00,000 (Rupees Five Crore Five Lac) and the Memorandum of Association (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and no further resolution(s) under Sections 16, 94 and 394 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased Authorized Share Capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the Authorized Share Capital to that extent.

- 9.2 Pursuant to the Scheme becoming effective and consequent Amalgamation of the Transferor Company into the Transferee Company, the Authorized Share Capital of the Transferee Company will be as under (based on the Authorized Share Capital of the Transferee Company as on March 31, 2011):

Particulars	Amount (Rs.)
Authorized Share Capital	
17,01,00,000 Equity Shares of Re.5/- each	85,05,00,000
TOTAL	85,05,00,000

Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

"The Authorised Share Capital of the Company is Rs. 85,05,00,000 (Rupees Eighty Five Core Five Lac) divided into 17,01,00,000 (Seventeen Crore One Lac) Equity Shares of Re. 5/- each."

- 9.3 During the pendency of the Scheme and up to the Effective Date, in case the Authorised Share Capital of the Transferee Company has been enhanced, then, provisions of Clause 9.1 above shall be applied to the Authorized Share Capital so enhanced, and the quantum of shares and share capital stated in Clause 9.2 above shall stand modified accordingly.

10 LEGAL PROCEEDINGS

Upon the Scheme coming into effect, any suit, appeal, arbitration and other legal proceeding (together the "**Proceedings**") by or against the Transferor Company (i) pending at the Appointed Date, or (ii) initiated thereafter until the Effective Date, shall not abate, be discontinued or be in anyway prejudicially, affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but such Proceedings shall be continued, prosecuted or enforced by or against the Transferee Company in the same manner and to the same extent, as it would or might have been continued, prosecuted or enforced by or against the Transferor Company if the Scheme had not been made.

11. Staff, Workmen and Other Employees

Upon the coming into effect of this Scheme:

- 11.1 All the staff, workmen and other employees (together the "**Employees**") of the Transferor Company, who are in service on the Effective Date, shall, become the staff, workmen and employees of the Transferee Company on such date, without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company on the said date.

From the Appointed Date till the Effective Date, the Transferor Company shall continue to pay the remuneration to its Employees as per the terms/conditions/rules/regulations between the Transferor Company and such Employees and the Transferee Company shall not be required to take any permission/approval from any Statutory Authority(ies) towards the remuneration paid by the Transferor Company to its Employees till the Effective Date.

- 11.2 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund, Pension Fund or any other Special Scheme(s), fund(s) created or existing for the benefit of the Employees of the Transferor Company are concerned (together "**Funds**"), on and from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to such Funds in accordance with the provisions of such Funds as per the terms provided in the applicable law, rule, regulation or respective trust deeds. It is clarified that the services of the Employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Funds and other employee benefits and entitlements.

12. GENERAL TERMS

- 12.1 Upon the Scheme coming into effect, the Transferee Company shall be entitled to use all packaging, labels, point of sale material, signboard, samples, closures, other publicity material, etc. lying unused and which the Transferor Company is entitled to use under any statutes/regulations, till such time as all of such packaging, labels, closures, etc. are exhausted.
- 12.2 It is clarified that, subject to the occurrence of the Effective Date, all (i) taxes, cess, fees and other charges payable by the Transferor Company (hereinafter referred to as the statutory liabilities); (ii) claims or refunds of taxes, unutilized tax credits (including cenvat credit balances and input tax credit balances), cess, fees and other charges, that may be

available with or due to the Transferor Company (hereinafter referred to as the statutory assets), shall for all purposes, be merged with the respective statutory liabilities and statutory assets, as the case may be, of the Transferee company. Further, post merger of the said statutory liabilities and statutory assets, wherever the statutory liability is capable of being set off or adjusted against any of the available statutory asset, the same shall be set off.. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be expressly permitted to take the steps as required to reflect and record the merged statutory liabilities and statutory assets, as the case may be, and if required to revise all or any of its direct tax (including income tax) returns and indirect tax (including sales tax, excise, service tax and MODVAT/CENVAT) returns, as may be appropriate, and to claim refunds/credits, or pay the taxes due, as the case may be, pursuant to the provisions of this Scheme.

PART III - ACCOUNTING TREATMENT

13. ACCOUNTING TREATMENT

- 13.1 The Transferee Company shall, upon the Scheme coming into effect, record the Assets and Liabilities of the Transferor Company, vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. Investments by the Transferee Company in the equity share capital (including share premium) of the Transferor Company as appearing in its books of accounts shall stand cancelled.
- 13.2 Upon the Scheme coming into effect, the balances in the Profit and Loss Account of the Transferor Company shall be similarly aggregated with the balance in the Profit and Loss Account of the Transferee Company.
- 13.3 Upon the Scheme coming into effect, the unabsorbed Losses and General Reserve of the Transferor Company shall be adjusted against the unabsorbed Losses, and General Reserve of the Transferee Company.
- 13.4 In case of any differences in accounting policy between the Companies, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of its consistent accounting policies.
- 13.5 Upon the Scheme coming into effect, to the extent that there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 13.6 For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any inter-company loans or balances between the Transferor Company and Transferee Company during the period between the Appointed Date and the Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including, inter alia any transactions in the nature of sale or transfer of any goods or services between the Transferor Company and Transferee Company, during the period between the Appointed Date and the Effective Date.
- 13.7 Notwithstanding the above, the Board of Directors of the Transferee Company is authorized to account any of these balances in any other manner, if such accounting treatment is considered more appropriate.

PART IV – OTHER TERMS

14. CONDITIONALITY OF THE SCHEME

14.1. This Scheme is conditional upon and subject to:

- (i) The approval of the Scheme, with or without any modifications, by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company;
- (ii) The sanction of the Scheme being obtained from the Hon'ble High Court of Jaipur, as may be required, under Sections 391 to 394 of the Act;
- (iii) Filing of certified or authenticated copy of the Order of the Hon'ble High Court of Jaipur sanctioning this Scheme, with the Registrar of Companies, Rajasthan at Jaipur;
- (iv) The sanctions or approvals of appropriate Government and other authorities that may be required for giving effect to any of the provisions of the Scheme having been obtained.

If the conditions referred to in Clause 14.1 above are not fulfilled or waived, and the Scheme has not become effective then the same shall cease to have any effect and the provisions of Clause 18 shall be applicable.

15. APPLICATION TO THE HIGH COURT

- 15.1 The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make applications to the High Court of Jaipur, under Section 391 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the members and/or creditors of each of the Transferor Company and the Transferee Company as may be directed by the High Court of Jaipur.
- 15.2 Upon complying with the Orders of the High Court of Jaipur on the applications mentioned in Clause 15.1, the Transferor

Company and the Transferee Company shall, with all reasonable dispatch, after the Scheme is duly approved by the requisite statutory majority of their respective shareholders and creditors, apply to the Hon'ble High Courts of Jaipur under Sections 391-394 and other applicable provisions, of the Act for sanctioning this Scheme and for an Order dissolving the Transferor Company without winding up.

16. MODIFICATIONS TO AND IMPLEMENTATION OF THE SCHEME

- 16.1 The Transferor Company and the Transferee Company by their respective Board of Directors may consent (which consent may be given by a Committee of the respective Boards of Directors, or any other person authorized by the respective Boards or Committee, as the case may be) to any modification or amendment of the Scheme or agree to any terms or conditions, which the Hon'ble High Court of Jaipur and/or any other Authority under any law may deem fit to direct, or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of the Directors. The Transferor Company and the Transferee Company by their respective Board of Directors shall be entitled to give such directions or take such steps (which directions may be given or steps may be taken by a Committee of the respective Boards of Directors, or any other person authorized by the respective Boards or Committee, as the case may be) as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned therewith.
- 16.2 The expression "any other Authority" in the preceding Clause 16.1 shall include Securities and Exchange Board of India (SEBI) and the stock exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company has filed a copy of this Scheme in terms of the Listing Agreement.
- 16.3 Notwithstanding any other provisions in the Scheme, if at any time after the Scheme has become effective, it is found that some action that was required to be taken by the Transferor Company before such date, was either not taken or not given full effect to, then the Board of Directors of the Transferee Company shall have the powers to take such further action as may be required to be taken and any such action or decision taken by the Board of Directors of the Transferee Company shall be considered valid and effectual, as if it were taken at the appropriate time by the Transferor Company.
- 16.4 If any part of the Scheme is found to be unworkable for any reason whatsoever, at any point of time, whether before or after receiving the consent of shareholders, creditors, Hon'ble High Court of Jaipur or any other applicable authority, the same shall not, subject to the decision of the Board of Directors of the Transferee Company or a Committee thereof, effect the adoption or implementation or validity or interpretation of the order, parts and/or provisions of this Scheme, and the approval of this Scheme by shareholders, creditors and Hon'ble High Court of Jaipur shall be deemed to include the aforesaid authority to the Board of Directors of the Transferee Company. It is hereby clarified that the Board of Directors of the Transferee Company or a Committee thereof may in its absolute discretion, adopt any part of this Scheme or declare any part of the Scheme to be null and void and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person, in respect of that part of the Scheme, which has been so declared by the Board of Directors.

17. COMPLIANCE WITH TAX LAW

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of the Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In case, the Scheme is not sanctioned by the High Court of Jaipur, or in the event any of the approvals or conditions enumerated in Clause 14 is not received or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, revoked and cancelled, save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any rights and/or liabilities, which might have arisen or accrued, pursuant hereto, as is specifically provided in the Scheme or as may otherwise arise in law and each party shall bear and pay its respective costs, charges and expenses in connection with the Scheme.

19. COSTS AND EXPENSES

Subject to the provisions of Clause 18, all the costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively, in relation to or in connection with this Scheme and incidental to the implementation of this Scheme shall be borne and paid by the Transferee Company, which shall be treated as expenses of amalgamation.

20. SANCTION OF THE SCHEME

The sanction of this Scheme by the Hon'ble High Court of Jaipur will be considered as intimation to Shareholders, Creditors, Debtors, Employees and other concerned about the provisions of the Scheme to the extent they relate to such person/body/authority.

IN THE HIGH COURT OF RAJASTHAN AT JAIPUR
COMPANY JURISDICTION
COMPANY APPLICATION NO. 24 OF 2012
(Under Sections 391 to 394 of the Companies Act, 1956 (1 of 1956)
(The said Act)

IN THE MATTER OF:

Sections 391 to 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

Scheme of Amalgamation between Aksh Technologies Limited
(Transferor Company) and Aksh Optifibre Limited (Transferee Company)

AND IN THE MATTER OF:

Aksh Optifibre Limited,
a Public Limited Company incorporated under the Companies Act, 1956
and having its Registered Office at F- 1080,
RIICO Industrial Area, Phase- III,
Bhiwadi- 301 019 (Rajasthan)

..... Transferee Company

Form of Proxy

I/we _____ the undersigned Unsecured Creditor of the above mentioned Transferee Company, hereby appoint Mr. _____ of _____ and failing him, Mr. _____ of _____ as my/ our Proxy, to act for me/ us at the Meeting of the Unsecured Creditors of the above mentioned Transferee Company to be held at F- 1080, RIICO Industrial Area, Phase- III, Bhiwadi- 301 019 (Rajasthan) at 2:00 p.m. on Friday, the 18th day of May, 2012, for the purpose of considering and if, thought fit, approving, with or without modifications, the arrangement embodied in the Scheme of Amalgamation between Aksh Technologies Limited (Transferor Company) and Aksh Optifibre Limited (Transferee Company) and at such Meeting and any adjournment thereof to vote, for me/ us or in my/our name "for" / "against" the said Scheme of Amalgamation either with or without modifications as my Proxy may approve.

Dated this _____ day of _____ 2012

Name : _____

Proxy

Signatures(s):

Revenue
Stamp of
Rs.1/- to
be affixed

Member

Signature(s)

AKSH OPTIFIBRE LIMITED

Registered Office: F- 1080, RIICO Industrial Area, Phase- III, Bhiwadi- 301 019 (Rajasthan)

Note:

1. All alterations made in Form of Proxy should be initialled.
2. Please affix appropriate Revenue stamp before putting signature(s) and signatures should be done across the face of the revenue stamp.
3. In case of shares held by Companies, Partnership firms, Trusts, Societies etc, the duly completed Proxy Form should be accompanied by a certified true copy of the Board Resolution/ Authority, with the signature/s of Authorised Signatory (ies), duly attested.
4. The proxy must be deposited at the Registered Office of Aksh Optifibre Limited , at F- 1080, RIICO Industrial Area, Phase- III, Bhiwadi- 301 019 (Rajasthan).

BOOK POST

If undelivered, please return to:

Aksh Optifibre Limited

Registered Office:

F- 1080, RIICO Industrial Area,
Phase- III, Bhiwadi- 301 019
(Rajasthan)