



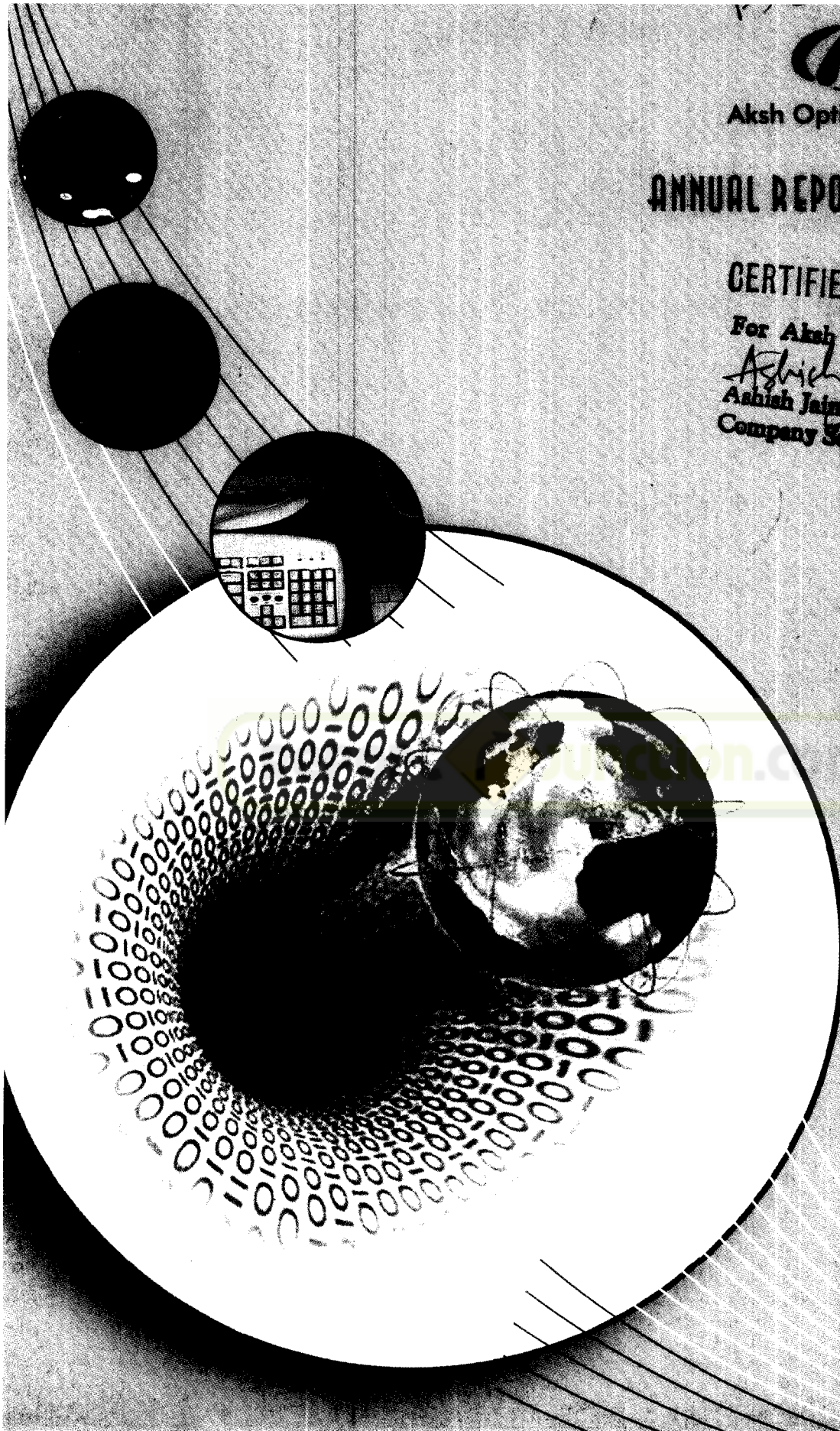
Aksh Optifibre Limited

ANNUAL REPORT 2002-2003

CERTIFIED TRUE COPY

For Aksh Optifibre Ltd.

Ashish Jain
Ashish Jain
Company Secretary



The Aksh Group



Aksh Optifibre Limited

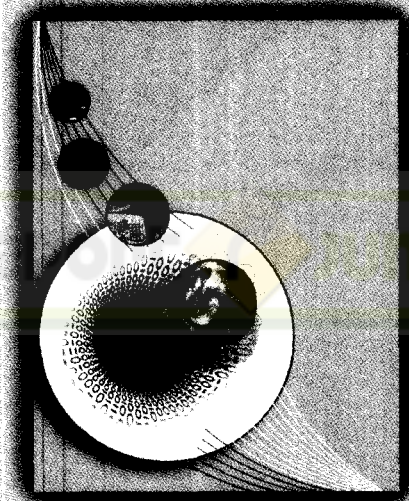


AKSH BROADBAND LIMITED



AKSH NETWORKS LIMITED

three strong and growing



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India's First True Convergence Enabler

India is moving rapidly towards the Convergence and E-Governance and actively forward in the direction of obtaining greater convergence, in both rural and urban areas, through projects like the pioneering **Gramdoot**, **Akshaya** project in Kerala and **Vidyavahini** launched by the Prime Minister. **Aksh** stands at the threshold, ready and prepared to harness this change through its innovations. Rural India is now rapidly bridging the digital divide that separated them from their urban counterparts, with the help of technological innovations like **Gramdoot**.

The concept of E-Governance has brought about a sea change in the lives of people of rural India, getting them connected to the latest developments around them. As we enter this new and developing era of rural convergence and E-Governance, **Aksh** is poised to change the way information moves, yet again through its latest offering **Infolite**.

Infolite will be the most technologically advanced optical fibre available in India. Infolite will be adding to the bottom lines and top-line growth of companies, and indeed the Nation, by saving costs and improving standards of service through reduction of infrastructure costs, making the network long-lasting, and enabling hyper-speed connectivity. Combining Telephony, Internet, and Video on demand, the unique concepts will further develop new vistas of communication in India. **Aksh**, of course, will be the driving force.



AKSH OPTIFIBRE LIMITED

NOTICE

To the Members of Aksh Optifibre Limited,

NOTICE is hereby given that the Seventeenth Annual General Meeting of Aksh Optifibre Limited will be held at the Registered Office of the Company, at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan), on Tuesday, 22nd July, 2003, at 11:00 A.M., to transact the following business:

AS ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Balance Sheet as at March 31, 2003, and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Popatlal F. Sundesha who retires by rotation and being eligible, offers himself for Re-appointment.
3. To appoint a Director in place of Mr. Rudolf Meier who retires by rotation and being eligible, offers himself for Re-appointment.
4. To appoint M/s. P. C. Bindal & Co., Chartered Accountants, New Delhi, as the Statutory Auditors of the Company for the current year who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION** :
"RESOLVED THAT Sh. Davinder Kumar Jain who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
6. To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION** :
"RESOLVED THAT Sh. B. R. Rakhecha who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **SPECIAL RESOLUTION** :
"RESOLVED THAT consent of the Company be and is hereby accorded to protect the remuneration already paid to Dr. Kailash S. Choudhari, Managing Director of the Company, amounting to Rs. 69,12,692/- (Sixty Nine Lacs Twelve Thousand Six Hundred Ninety Two Only) for the period from 1st April, 2002, to March 31, 2003."
"RESOLVED FURTHER THAT the terms of the earlier resolution(s) passed by the Board of Directors of the Company in their meeting held on 30th March, 2000, and by the Shareholders in the Extra Ordinary General Meeting held on 24th April, 2000, shall accordingly be modified so as to protect the remuneration paid to Dr. Kailash S. Choudhari during the aforesaid period, which was in excess of the limits prescribed in part II of the Schedule XIII of the Act, due to loss in the financial year 2002-03, subject to the approval of the Central Government pursuant to sections 198, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act 1956.
"RESOLVED FURTHER THAT the acts, deeds and things already done in this regard be and are hereby confirmed, approved and ratified".
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required or considered necessary or incidental thereto."
8. **Re-appointment of Dr. Kailash S. Choudhari as Managing Director of the Company**
 To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **SPECIAL RESOLUTION** :
"RESOLVED THAT as approved by the Remuneration Committee in its meeting held on 17th March, 2003, and by Resolution by Circulation passed by the Board of Directors on 18th March, 2003, and pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and subject to the approval of the Central Government and other approvals as may be necessary, the consent of the Company be and is hereby accorded to the following terms and conditions of re-appointment including remuneration of Dr. Kailash S. Choudhari as the Managing Director of the Company, for a period of three years w.e.f. 1st April, 2003 up to 31st March, 2006, with liberty to the Board of Directors to alter and vary the terms and conditions of said Re-appointment and/or remuneration as may be agreed to between the Board of Directors and Dr. Kailash S. Choudhari and subject to such approvals as may required:

Basic Salary	Rs. 3,00,000 (Rs. Three lacs only) per month in the scale of Rs.3,00,000 -50,000 - 4,00,000.
Leased Accommodation/ H.R.A.	<ul style="list-style-type: none"> The expenditure by the Company on hiring furnished accommodation for him will be subject to 60% of the salary over and above 10% payable by him. In case, the accommodation is owned by the Company, 10% of his salary shall be deducted by the Company. In case no accommodation is provided by the Company, he shall be entitled to house rent allowance @ 60% of salary.
Contribution to the Provident Fund	Subject to a maximum of 20% of his Basic Salary.
Gratuity	Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
Telephone Facility	One mobile phone shall be provided by the Company and the bills for the calls including long distance calls made for official purpose shall be borne by the Company.
Commission	1st Year - at the rate of 5% on the Net Profits after Tax exceeding Rs.15 crores 2nd Year - at the rate of 5% on the Net Profits after Tax exceeding Rs.20 crores 3rd Year - at the rate of 5% on the Net Profits after Tax exceeding Rs.25 crores.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Dr. Kailash S. Choudhari as Managing Director, the remuneration payable aforesaid shall be treated as minimum remuneration within the meaning of section 198 read with Schedule XIII, as amended from time to time, to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to obtain all the necessary approvals in the matter and to sign all such applications/papers/documents/undertakings as may be required and to accept such modification(s), if any, in the terms of appointment of Dr. Kailash S. Choudhari as may be stipulated by the approving authority(ies) while granting the approvals."

9. **Appointment of Sh. B. R. Rakhecha as a Whole-Time Director****PART I (29TH JULY, 2002 TO 31ST DECEMBER, 2002)**

To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **ORDINARY RESOLUTION** :

"RESOLVED THAT as approved by the Remuneration Committee in its meeting and by the Board of Directors in its meeting held on 29th July, 2002, in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the appointment of Shri B. R. Rakhecha, as a Whole-Time Director designated as Executive Director of the Company, for a period of 3 years with effect from 29th July, 2002, on the following terms and conditions including remuneration with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or remuneration, subject to the same not exceeding the limits specified in the Schedule XIII to the Companies Act, 1956, including any statutory modification to or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may agreed to between the Board of Directors and Shri B. R. Rakhecha."

Basic Salary	Rs. 64,000/- (Rs. Sixty Four Thousand only) per month
H.R.A	Rs. 26,654/- (Rs. Twenty Six Thousand Six Hundred Fifty Four Only)
Contribution to the Provident Fund.	12% of Basic Salary per month subject to Statutory Provisions.
Company Leased car/ leased car	Company will contribute Rs. 25000/- (Rupees Twenty Five Thousand Only) per month towards the EMI/ Hire charges of Company leased/ leased car.
Vehicle Running and Maintenance Expenses for official use	Rs. 10,000/- (Rupees Ten Thousand only) per month. Any amount left unclaimed under this head shall be paid as ex-gratia payment.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

PART II (WITH EFFECT FROM 1ST JANUARY, 2003)

To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **ORDINARY RESOLUTION** :

"RESOLVED THAT as approved by the Remuneration Committee and by the Board of Directors in their respective meetings held on 23rd January, 2003, in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the appointment of Shri B. R. Rakhecha, as a Whole-Time Director designated as Executive Director of the Company, for a period of 3 years with effect from 1st January, 2003, on the following terms and conditions including remuneration with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or remuneration, subject to the same not exceeding the limits specified in the Schedule XIII to the Companies Act, 1956, including any statutory modification to or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may agreed to between the Board of Directors and Shri B.R. Rakhecha."

Basic Salary	Rs. 83,000/- (Rupees Eighty three Thousand only) per month
Leased Accommodation/ H.R.A.	Rs. 33,200/- (Rupees Thirty three thousand two hundred only) per month
Contribution to the Provident Fund	12% of Basic Salary per month subject to Statutory Provisions.
Conveyance Allowance	Rs. 800/- (Rupees Eight Hundred only) per month

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **Delisting of shares from Jaipur Stock Exchange**

To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, (herein after referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities Contracts (Regulation) Act, 1956, and the rules framed there under, Listing Agreements and all other applicable rules, regulations and guidelines and subject to the approval(s), consent(s), permission(s) as may be required in this connection and subject to such sanction(s) and terms and conditions as may be imposed by the approving/regulating authority(s), and as may be agreed to the Board of Directors, the consent of the Company be and is accorded to the Board to Delist the Equity Shares of the Company from Jaipur Stock Exchange."

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, and/ or subject to such other necessary approvals/ sanctions/ permissions of Financial Institutions/ Banks and the appropriate authorities as may be required under any statutes/ rules/ regulations and subject to the such terms and conditions as may be specified by such authorities while according such approvals/ sanctions/ permissions and as may be agreed to the Board of Directors, the consent of the Company be and is hereby accorded to the Board of Directors to sell, lease, license, transfer, assign and/ or dispose off either partially/ wholly or substantially whole of any of the unit/ undertaking of the Company with all assets, rights, licenses, permits, benefits and liabilities, manufacturing activities and other operations including obligations, if any, wherever applicable of the Company on such terms and conditions as they may deem fit, necessary or expedient in the interest of the company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate any of the above mentioned powers to any Director(s)/ officer(s) of the Company or to any other person, if required."

Registered Office

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

17th May, 2003
Gurgaon

By order of the Board
For **Aksh Optifibre Limited**


ASHISH JAIN
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT BHIWADI NOT LATER THAN 48 HOURS BEFORE THE MEETING.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the Special Businesses as set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 18th July, 2003, to Tuesday, 22nd July, 2003 (both days inclusive).
4. The members who have not claimed/ encashed the dividend warrants in respect of Dividend declared by the Company in the earlier years, are requested to approach the Company at its Corporate Office for obtaining Demand Drafts in lieu thereof, as the case may be.
5. The nomination facility is available to the Shareholders in respect of Equity Shares held by them. Shareholders holding shares in electronic mode, may obtain and submit duly filled Nomination forms to their respective Depository Participants. Also, shareholders holding shares in physical mode may send their request for nomination at the office of the Share Transfer Agent of the Company, MCS Ltd, at 212 A, Shahpur Jat, Behind Panchsheel Club, New Delhi - 110 048.
6. Members holding shares in the electronic mode are requested to intimate the change in their addresses, 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, MCS Ltd, quoting their Folio Number(s).
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary so as to reach the Corporate Office of the Company atleast 10 days before the meeting, to enable the information required to be made available at the meeting, to the best extent possible.
8. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company on all working days between 11 a.m to 1 p.m upto the date of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT, 1956.**ITEM NO. 5**

Shri Davinder Kumar Jain was appointed as an Additional Director by the Board of Directors of the Company (the "Board") at its meeting held on 29th July, 2002. Pursuant to the provisions of Section 260 of the Companies Act, 1956, (the "Act") Shri Davinder Kumar Jain holds office of Director up to the date of this Annual General Meeting. The Company has received notice from some member in pursuance of Section 257 of the Act signifying his intention to propose the appointment of Shri Davinder Kumar Jain as Director of the Company, along with the deposit of Rs.500/- (Rupees Five Hundred only) which shall be refunded to the concerned member, if Shri Davinder Kumar Jain is elected as Director.

Shri Davinder Kumar Jain, Chairman and President of "Luxor Writing Instruments Pvt. Ltd. is a tycoon of writing instruments in India. He brought about a revolution in the history of writing instruments in India. He is responsible for bringing world renowned writing instruments brands such as "Parker", "Pilot", "Waterman" in India. He is also an astute businessman running a successful business, reinvesting profits in new technologies and business expansion. In the last three years, Shri Jain has been awarded in the President of India Award as the best exporter in Writing Instruments Industry. The company has its own R&D facilities for ink and machinery upgradation technology.

Therefore, your Directors recommend the resolution(s) for your approval.

None of Directors, except Shri Davinder Kumar Jain, to the extent of his appointment, shall be deemed to be concerned or interested in the Resolution.

ITEM NO. 6

Shri B. R. Rakhecha was appointed as an Additional Director by the Board of Directors of the Company (the "Board") at its meeting held on 29th July, 2002. Pursuant to the provisions of Section 260 of the Companies Act, 1956, (the "Act") Shri B. R. Rakhecha holds office of Director up to the date of this Annual General Meeting. The Company has received notice from some member in pursuance of Section 257 of the Act signifying his intention to propose the appointment of Shri B. R. Rakhecha as Director of the Company, along with the deposit of Rs.500/- (Rupees Five Hundred only) which shall be refunded to the concerned member, if Shri B. R. Rakhecha is elected as Director.

Shri. B. R. Rakhecha has a rich and varied experience in various areas of operations of the Company viz. of manufacturing, production, industrial relations and administrative matters. He has experience in marketing operations of JFTC (Jelly Filled Telecom Cables) and PVC, OFC business. Shri Rakhecha handled marketing operations of JFTC and PVC business of CMI Limited from 1993 and looked after operations of OFC and Marketing of Aksh Optifibre Ltd. (formerly known as Aksh India Ltd.) w.e.f. 09.9.1998 to September 1999.

Therefore, your Directors recommend the resolution(s) for your approval.

None of Directors, except Shri B. R. Rakhecha, to the extent of his appointment, shall be deemed to be concerned or interested in the Resolution.

ITEM NO.7

Dr. Kailash S. Choudhari was appointed as Managing Director of the Company by the Board of Directors in their meeting held on 30th March, 2000, for a period of 3 years w.e.f. 1st April, 2000. The appointment was approved by the shareholders in their Extra Ordinary General Meeting held on 24th April, 2000. After reviewing the provisional unaudited results for the year 2002-03, the Board of Directors realised that as the Company has no profits in the financial year 2002-03, it becomes imperative that the payment of remuneration shall be governed by Section II of the Schedule XIII of the Companies Act, 1956, which prescribes maximum remuneration payable to the Managing Director/ Wholtime Director on the basis of effective capital of the Company.

Further, considering the contribution made, dedicated efforts put in by Dr. Kailash S. Choudhari towards the growth of the Company, which is also reflected in the results of the past three years, the Board of Directors in their meeting held on 22nd April, 2003, reviewed the unaudited provisional financial results of the Company and approved the resolution passed by the Remuneration Committee in its meeting held on 22nd April, 2003, recommending an application to be made to the Central Government in order to protect the remuneration already paid to Dr. Kailash S. Choudhari, Managing Director of the Company, during the financial year 2002-03, and accordingly, an application has already been filed by the Company with the Central Government.

I. GENERAL INFORMATION**(1) Nature of Industry**

The Company is engaged in the business of manufacture, trade, sale, import and export of all types Optical Fibre cables, Optical Fibre, FRP rods, and other telecom related accessories.

(2) Date/ year of commencement of Commercial Production

1986.

(3) Financial Performance

During the year ended 31st March, 2003, the Company has achieved a gross turnover of 90.73 Cr., Net loss before Tax of Rs. 4.26 Cr. and Net loss after tax of Rs. 2.06 Cr.



(4) Export Performance and Net Foreign Exchange Collaborations :-

During the year ended 2002-03, foreign exchange earnings through exports amounted to Rs. 6.19 crores as against Rs. 14.34 crores in the previous year, representing a decrease of 57% over the last year. The decrease in export is due to global slowdown and mismatch of Demand and Supply. In order to ensure growth, the Company is exploring new export markets.

(5) Foreign Investment or Collaborators, if any:

The Company has neither made any Investment outside India nor entered into any Foreign Collaboration during the year 2002-03.

II. Information about Dr. Kailash S. Choudhari (Includes his Background, Recognition, Job Profile)

Dr. Kailash S. Choudhari is professionally an M.B.B.S. from AIIMS, Delhi with an overall cable industry experience of about 18 years. He has been associated with the Company for the last 10 years as a Wholetime Director and since last three years he is providing his contribution to the company as a Managing Director.

Under his leadership, the Company has grown from mere Optical Fibre cable manufacturer to a integrated Optical Fibre cable producer with backward integrated facilities of Optic Fibre and FRP Rods. The Company has gained market leadership position during his tenure. The Company recorded turnover of Rs. 142.55 crores and Rs. 230.20 crores and Profit after tax of Rs. 19.11 crores, 18.94 crores respectively in the years 2000-01 and 2001-02 respectively.

Dr. Choudhari has made significant contribution in developing International market. Due to his far sighted actions, the Company has been able to export Optical Fibre cable to Developing and Developed nations. He is recognised as an authority on Fibre Optic due to his vast, in-depth knowledge and innovative concepts.

(i) Remuneration drawn by Dr. Kailash S. Choudhari during the year 2002-03:

The details of the remuneration paid to Dr. Kailash S. Choudhari, Managing Director, (appointed as Managing Director w.e.f 1st April, 2000) during the Financial Year 2002-03, are as follows:

(Amt in Rs.)				
Basic	Contribution to Provident and other Funds	Perquisites	Commission	Total
36,00,000	8,64,692	24,48,000	NIL **	69,12,692

** The commission was payable @ 4 % on Profits After Tax exceeding Rs. 50 crores for the year 2002-2003, in accordance with the resolution passed by the Board of Directors in their meeting held on 14.4.2001. Since the Company has no profits, no commission is payable to the Managing Director of the Company for the year 2002-2003.

(ii) Job Profile and his suitability

Dr. Kailash S. Choudhari shall be responsible for day to day operations of the Company under the superintendence, direction and control of the Board. The Company requires his competent guidance and able leadership in operations and decision making on day to day basis and company would be benefited by his mature and timely advice.

(iii) Comparative Remuneration profile with respect to industry, size of the Company, profile of position and person

Keeping in view type of industry, size of the Company, the responsibilities and capabilities of Dr. Kailash S. Choudhari, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

III. Other Information :**(1) Reasons for Loss**

Despite the fact that the optical fibre cable is universally tested technology and core to spread of telecommunication facilities its demand growth has been somewhat slow and erratic over last one year. The whole of the optical fibre industry, both globally and locally, is temporarily saddled with mismatch of demand and supply. The industry is undergoing massive depressed market conditions with sluggish demand and concomitant economically unviable product prices. The whole of the industry is reeling under poor off-take with lower realisation impacting financials in terms of generation vis a vis cash flows, and your Company is not aloof from this situation.

Such depressed market conditions coupled with sluggish demand and lower realisation, have dented into the operations of the Company, both in terms of top line and bottom line.

(2) Steps taken for Improvement

However, due to global slowdown, depressed economic conditions, sluggish market demand and economically unviable optical fibre cable prices, the Company is passing through a phase of slowdown. To combat such market slowdown, the Company has initiated the following proactive measures:

- Focusing on exploration and development of newer markets.
- Changes in Product Design and Product Mix.
- Foraying into Telecommunication solutions.
- Development of new, cost-effective and easily deployable cables with wider applications.
- Cost control of various processes in the organisation.
- Initiative for forging market understanding.

(3) Future Prospects.

The prospects for the financial year 2003-04, seem to be somewhat better on the back of proactive measures, and the management is optimistic of achieving improvement in performance in the year 2003-04.

None of the Directors of the Company, except Dr. Kailash S. Choudhari himself, is in any way concerned or interested in the Resolution.

Your approval is required as per the requirement of Schedule XIII of the Companies Act, 1956, to protect the remuneration already paid to Dr. Kailash S. Choudhari.

ITEM NO.8**Re-appointment of Dr. Kailash S. Choudhari as Managing Director of the Company**

In the Extra Ordinary General Meeting held on 24th April, 2000, the Members of the Company have appointed Dr. Kailash S. Choudhari as Managing Director of the Company, not liable to retire by rotation, for a period of three years commencing from 1st April, 2000.

Accordingly, his period of employment expired on 31st March, 2003.

In view of his vast knowledge, rich experience in Optical Fibre/ Cable Industry and the contribution to the working of the Company, the Board of Directors of the Company, on the recommendation of the Remuneration Committee and subject to the approval of the shareholders, approval of the Central Government required, if any, vide Resolution passed by Circulation on 18th March, 2003, have Re-appointed him as Managing Director of the Company again for a further period of three years w.e.f. 1st April, 2003.

Disclosures pursuant to Section II of Part II of Schedule XIII of the Act are as under:**I. GENERAL INFORMATION****(1) Nature of Industry**

The Company is engaged in the business of manufacture, trade, sale, import and export of all types Optical Fibre cables, Optical Fibre, FRP rods, and other telecom related accessories.

(2) Date /Year of commencement of Commercial Production

1986.

(3) Financial Performance

During the year ended 31st March, 2003, the Company has achieved a gross turnover of 90.73 Cr., Net loss before Tax of Rs. 4.26 Cr. and Net loss after tax of Rs. 2.06 Cr.

(4) Export Performance and Net Foreign Exchange Collaborations :-

During the year ended 2002-03, foreign exchange earnings through exports amounted to Rs. 6.19 crores as against Rs. 14.34 crores in the previous year, representing a decrease of 57% over the last year. The decrease in export is due to global slowdown and mismatch of Demand and Supply. In order to ensure growth, the Company is exploring new export markets.

(5) Foreign Investment or Collaborators, if any:

The Company has neither made any investment outside India nor entered into any Foreign Collaboration during the year 2002-03.

II. Information about Dr. Kailash S. Choudhari (Includes his Background, Recognition, Job Profile)

Dr. Kailash S. Choudhari is professionally an M.B.B.S. from AIIMS, Delhi with an overall cable industry experience of about 18 years. He has been associated with the Company for the last 10 years as a Wholtime Director and since last three years he is providing his contribution to the company as a Managing Director.

Under his leadership, the Company has grown from a mere Optical Fibre cable manufacturer to a integrated Optical Fibre cable producer with backward integrated facilities of Optic Fibre and FRP Rods. The Company has gained market leadership position during his tenure. The Company recorded turnover of Rs. 142.55 crores and Rs. 230.20 crores and Profit after tax of Rs. 19.11 crores, 18.94 crores respectively in the years 2000-01 and 2001-02 respectively.

Dr. Choudhari has made significant contribution in developing International market. Due to his far-sighted actions, the Company has been able to export Optical Fibre cable to Developing and Developed nations. He is recognised as an authority on Fibre Optic due to his vast, in-depth knowledge and innovative concepts.

(I) Remuneration drawn by Dr. Kailash S. Choudhari during the year 2002-03:

The details of the remuneration paid to Dr. Kailash S. Choudhari, Managing Director (appointed as Managing Director w.e.f 1st April, 2000) during the Financial Year 2002-03 are as follows:

(Amt in Rs.)

Basic	Contribution to Provident and other Funds	Perquisites	Commission	Total
36,00,000	8,64,692	24,48,000	NIL **	69,12,692

** The commission was payable @ 4 % on Profits After Tax exceeding Rs. 50 crores for the year 2002-2003, in accordance with the resolution passed by the Board of Directors in their meeting held on 14.4.2001. Since the Company has no profits, no commission is payable to the Managing Director of the Company for the year 2002-2003.

(ii) Proposed Remuneration

Keeping in view his responsibilities and role in the operations of the Company, it is proposed to Re-appoint him at a monthly basic salary of Rs. 3,00,000 (Rupees Three Lacs only) per month in the scale of Rs. 3,00,000 - 50,000 - 4,00,000 plus other allowance and perquisites as mentioned in the proposed resolution.

(iii) Job Profile and his suitability

Dr. Kailash S. Choudhari shall be responsible for day to day operations of the Company under the superintendence, direction and control of the Board. The Company requires his competent guidance and able leadership in operations and decision making on day to day basis and Company would be benefited by his mature and timely advice.

(iv) Comparative Remuneration profile with respect to industry, size of the Company, profile of position and person

Keeping in view type of industry, size of the Company, the responsibilities and capabilities of Dr. Kailash S. Choudhari, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

III. Other Information :**(1) Reasons for Loss**

Despite the fact that the optical fibre cable is universally tested technology and core to spread of telecommunication facilities its demand growth has been somewhat slow and erratic over the last one year. The whole of the optical fibre industry, both globally and locally, is temporarily saddled with mismatch of demand and supply. The industry is undergoing massive depressed market conditions with sluggish demand and concomitant economically unviable product prices. The whole of the industry is reeling under poor off-take with lower realisation impacting financials in terms of generation vis a vis cash flows, and your Company is not aloof from this situation.

Such depressed market conditions, coupled with sluggish demand and lower realisation, have dented into the operations of the Company, both in terms of top line and bottom line.

(2) Steps taken for Improvement

However, due to global slowdown, depressed economic conditions, sluggish market demand and economically unviable optical fibre cable prices, the Company is passing through a phase of slowdown. To combat such market slowdown, the Company has initiated the following proactive measures:

- Focusing on exploration and development of newer markets.
- Changes in Product Design and Product Mix.
- Foraying into Telecommunication solutions.
- Development of new cost effective and easily deployable cables with wider applications.
- Cost control of various processes in the organisation.
- Initiative for forging market understanding.

(3) Future Prospects.

The prospects for the financial year 2003-04 seems to be somewhat better on the back of proactive measures and the management is optimistic of achieving improvement in performance in the year 2003-04.

None of the Directors of the Company, except Dr. Kailash S. Choudhari, is in any way concerned or interested in the Resolution.

As per the requirement of Schedule XIII of the Companies Act, 1956, the Board of Directors recommend the resolution for approval of members.

The above may also be treated as abstract of the terms of Contract/ Agreement entered into between Dr. Kailash S. Choudhari, Managing Director, and the Company, pursuant to Section 302 of the Companies Act, 1956.

ITEM NO.9**PART I & II****Appointment of Shri B. R. Rakhecha as an Executive Director of the Company.**

The Board appointed Shri B. R. Rakhecha as a Whole-Time Director of the Company with effect from 29th July, 2002, designated an Executive Director of the Company. Due to restructuring, he resigned from the post on 31st December, 2002, and was again appointed as a Whole-Time Director designated as Executive Director w.e.f. 1st January, 2003. The Company has received notice under section 257 of the Companies Act, 1956, proposing his appointment as Director, subject to retirement by rotation.

Shri B. R. Rakhecha is having rich and varied experience in various areas of operations of the Company viz. of manufacturing, production, industrial relations and administrative matters. He has experience in marketing operations of JFTC (Jelly Filled Telecom Cables) and PVC, OFC business. Shri Rakhecha handled marketing operations of JFTC and PVC business of CMI Limited from 1993, and looked after operations of OFC and Marketing of Aksh Optifibre Ltd. (formerly known as Aksh India Ltd.) w.e.f. 09.9.1998 to September 1999.

INFORMATION ABOUT THE APPOINTEE:**(i) Background details**

Shri B. R. Rakhecha is professionally a the B.Com, L.L.B from Kolkata University, with an overall cable industry experience of about 20 years. He has been associated with the Company for the last 5 years through CMI Limited where he looked after operations of OFC and marketing of Aksh Optifibre Ltd. (formerly known as Aksh India Ltd.) w.e.f. 09.9.1998 to September 1999.

(ii) Job Profile and his suitability

Shri B.R. Rakhecha shall be responsible for marketing operations of the Company. The Company requires review of its operations and identification of new market, both domestic and international for its product, for which the Company would be benefited by his expertise and specialisation.

(iii) Comparative Remuneration profile with respect to industry, size of the Company profile of position and person.

Keeping in view type of industry, size of the Company, the responsibilities and capabilities of Shri B. R. Rakhecha, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

The Directors recommend the resolution set out at Item No. 9 of the Notice for the approval of the members.

None of the Directors of the Company, except Shri B. R. Rakhecha, is in any way concerned or interested in the Resolution.

The above may also be treated as abstract of the terms of Contract/ Agreement entered into between Shri B. R. Rakhecha, Executive Director, and the Company, pursuant to Section 302 of the Companies Act, 1956.

ITEM NO.10

The Securities Exchange Board of India (SEBI) has issued Securities Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred as "Delisting Guidelines"), incorporating among others the provisions for Delisting of Securities of a Body corporate voluntarily by a promoter or an acquirer or any other person from the stock exchanges.

Presently, the Company shares are listed on the following Stock Exchanges :

1. National Stock Exchange of India Limited
2. The Stock Exchange, Mumbai
3. Jaipur Stock Exchange

With the extensive networking of Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Limited (NSE) and the extension of BSE/NSE terminals to the other cities as well, investors have access to online dealing in the Company's shares across the country. The bulk of trading in the Company's equity shares in any case takes place on the BSE and NSE, and the depth and liquidity of trading in the Company's equity shares on Jaipur Stock Exchange is low.

The Company's equity shares are one of the scrips which the SEBI has specified for settlement only in dematerialised form by all the investors, since 1st April, 1999. It is also observed that the Listing fees paid to the Jaipur Stock Exchange is disproportionately high, compared to low trading volumes of company's shares on this Stock Exchange. The Company has proposed this resolution, which will enable it to delist its equity shares at any time in future from the Jaipur Stock Exchange.

The Company's equity shares shall continued to be listed on the Stock Exchange, Mumbai and National Stock Exchange of India Limited, after the proposed Delisting from Jaipur Stock Exchange.

The Directors recommend the resolution for the approval of the members.

None of the Directors is in any way concerned or interested in this Resolution.

ITEM NO. 11

The Company is having its manufacturing operations at Plant-I at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi, and Plant-II at A-315(B), RIICO Industrial Area, Phase-I, Bhiwadi, Plant-III at A-58-59, RIICO Industrial Area, Shri Khatushyamji Industrial Complex, Ringus, Distt. Sikar, Rajasthan and Plant-IV at F-141, RIICO Industrial Area, Jaitpura, Distt. Jaipur-303 704, Rajasthan, and is engaged in production of various kinds of Optical Fibre cables/ Optical Fibre/ Fibre Reinforced Plastic Rods/ other Telecom related accessories. The sluggish demand in India and global markets has led to stagnancy and reduction in demand of Optical Fibre cable/ Optical Fibre. The management, as a strategic move, is of the view that the Company must concentrate its resources and focus on business which is more likely to grow in future, as it will lead to business strengths in terms of cost competitiveness, economies of scale, strong financials leading to good profitability and overall increase in shareholders wealth. Therefore, your Directors in the meeting held on 17th May, 2003, have recommended, subject to approval of the members to sell, lease, license, transfer, assign and/ or dispose off either partially/ wholly or substantially whole of any of the unit/ undertaking of the Company with all assets, rights, licenses, permits, benefits and liabilities, manufacturing activities and other operations including obligations, if any, wherever applicable of the Company on such terms and conditions as they may deem fit, necessary or expedient in the interest of the Company subject to requisite regulatory approvals."

None of the Directors is concerned or interested in the resolution.

Registered Office

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

17th May, 2003
Gurgaon

By order of the Board
For **Aksh Optifibre Limited**


ASHISH JAIN
Company Secretary

**Aksh Optifibre Limited**

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

ATTENDANCE SLIP

DP. Id. _____

Folio No. _____

Client Id. _____

No. of Shares held _____

I hereby record my presence at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, the 22nd July, 2003, at F-1080, RIICO Industrial Area Phase III, Bhiwadi - 301 019 (Rajasthan) at 11:00 A.M. and at any adjournment thereof.

.....
Member's/ Proxy's Name in Block Letters

.....
Member's/ Proxy's Signature

Note :

1. Please sign this attendance slip and hand it over at the Attendance counter at the entrance of the meeting venue.
2. This attendance 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

DP. Id. _____

Folio No. _____

Client Id. _____

No. of Shares held _____

I/We
of

(Full Address)

being a Member/Members of **AKSH OPTIFIBRE LIMITED**

herby appoint of

or failing him of

or failing him of

as my/our proxy to attend and vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, the 22nd July, 2003 at F-1080, RIICO Industrial Area Phase III, Bhiwadi - 301 019 (Rajasthan) at 11:00 A.M. and at any adjournment thereof.

As witness my/our hand this day of, 2003

Note :

1. The Proxy need NOT be a member.
2. The Proxy Form signed across the revenue stamp should reach the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.
3. Proxy cannot speak at the meeting or vote on a show of hands.

**Affix
Re. 1/-
Revenue
Stamp**

Signed

DIRECTORS' REPORT

Your Directors are pleased to present their report on the business and operations and the Audited Accounts of your Company for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year ended 31.03.2003	Year ended 31.03.2002
Turnover	9073.93	23020.60
Profit before interest & depreciation	449.47	3216.91
Interest	(416.84)	(308.98)
Depreciation	(458.30)	(543.17)
Profit before Tax	(425.67)	2364.76
Provision for taxation	-	(244.00)
Provision for Deferred Tax	(219.16)	(226.33)
Net Profit after Tax	(206.51)	1894.43
Prior year adjustment (Net)	(7.96)	(2.47)
Balance brought forward from Previous Years	1990.89	1047.84
Profit available for appropriation	1776.42	2939.81
Appropriations:		
Dividends		
■ Interim	-	330.53
■ Final (recommended)	-	220.38
Income Tax (Earlier Year)	(25.56)	13.00
Dividend Tax	-	39.34
Transfer to General Reserve	-	190.00
Surplus carried to Balance Sheet	1801.99	1990.89

PERFORMANCE OF THE COMPANY

Despite a severe slump in the Optical Fibre and Cable industry, your Company achieved a gross sales of Rs. 90.74 crores (Previous year Rs. 230.20 crores) and a loss of Rs. 2.06 crores (Previous year Profit of Rs. 18.94 crores). This decline has resulted from a dip in net sales realisation in Domestic / export market mainly due to severe recession. Sluggish demand coupled with high supply levels brought about a precipitous fall in prices. Due to fall in international prices of Optical Fibre Cable / Optical Fibre, the price realisation in the domestic market also declined.

The efforts in the cost control measures have resulted in substantial savings achieved in areas of operation like energy consumption, consumption of stores and spares, administrative expenses. Your Company is vigorously continuing this thrust on the cost control measures during the current year as well.

With improvement in market conditions vis-a-vis increase in net sales realisation and cost control efforts, your Company expects better results during the financial year 2003-04.

BUSINESS OUTLOOK

The present mainstay of demand was the Telecom industry which is witnessing sluggish demand and competitive pricing. The Company is working to add new thrust areas like CATV, LAN/WAN networks, Rural connectivity and exports for higher value addition.

Projects like 'AKSHAYA' initiated by KERALA IT MISSION to spread e-literacy (i.e. Computer education) and e-governance can be the future OFC growth drivers for the requirement of connectivity.

Aksh continues to have the benefit of being the sole player in India to have in house Optical Fibre and FRP manufacturing facilities, which gives Aksh a substantial edge over other players.

Further, the Company has achieved domestic market leadership in the Fibre Reinforced Plastic Rods arena and the product has achieved acceptability abroad also.

NEW PRODUCT LAUNCH

During the year, your Company has developed and plans to commercially launch world's Lightest Optical Fibre Cable INFOLITE for CATV and Internet market, which provides a cost effective solution.

INFOLITE entails significant saving in manpower and installation cost, time and effort.

DIVIDENDS

As the Company is having no profits in the current year, the Board of Directors has not proposed any dividend for the year ending 31st March, 2003.

EXPORTS

During the year, foreign exchange earnings through exports amounted to Rs. 6.19 crores as against Rs. 14.34 crores in the previous year, representing a decrease of 57% over the last year. The decrease in export is due to global slow down and mismatch of Demand and Supply. In order to sustain growth, the Company is exploring newer export markets.

ISO 9002 ACCREDITATION

Your Company's manufacturing facilities in Plants I & II at Bhiwadi and Plant -III at Ringus, continue to hold the prestigious ISO 9002 certification received from U. L. Inc., USA, a leading international certification company, and are planning to upgrade to ISO 9001:2000 by early 2003.

QUALITY POLICY

Aksh Team is committed to provide cost effective quality products & services reflected in customer satisfaction and confidence & achieved through innovation & Kaizen (ongoing improvement). 'We shall strive for quality beyond standards'. This quality policy is consistent with our vision & business plans & covers the requirements of the new revision in ISO 9000 series standards which focuses on Customer Satisfaction & Continuous Improvement.

DIRECTORS

In the Extra Ordinary General Meeting held on 24th April, 2000, the Members of the Company had appointed Dr. Kailash S. Choudhari as Managing Director of the Company, not liable to retire by rotation for a period of three years commencing from 1st April, 2000.

Accordingly, his period of employment expired on 31st March, 2003.

In view of his vast knowledge and rich experience in Optical Fibre / Cable Industry, his contribution to the working of the Company, the