



Bringing
Fibre to Home

annual report 2000-01



Aksh Optifibre Limited

View

Aksh will become a globally significant player in the Optical Fibre Cable business.

It will be India's pride and will create significant value for all Stakeholders with capabilities to innovate and provide new solutions based on challenging, trail blazing & disruptive technologies.

It will be a great place to work and associate with; and will facilitate/ create leadership opportunities for its people & suppliers.

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AKSH OPTIFIBRE LIMITED

NOTICE

To the Members of Aksh Optifibre Limited,

NOTICE is hereby given that the Fifteenth 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 Saturday, the June 2, 2001, 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, 2001 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 confirm the two interim dividends aggregating to Rs. 1.50 per equity share of Rs. 5/- each, already paid for the year ended March 31, 2001.
3. To declare final dividend @ Rs. 1/- per equity share of Rs. 5/- each, for the year ended March 31, 2001.
4. To appoint a Director in place of Mr. P.F. Sundesha who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Rudolf Meier who retires by rotation and being eligible, offers himself for re-appointment.
6. 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**7. CREATION OF SECURITY**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which expression shall also include a Committee thereof) to create Mortgage (s) and/ or Charge(s) and/ or Hypothecation in addition to the Mortgage (s)/ Charge (s)/ Hypothecation (s) created/ to be created by the Company, in such form and manner & with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/ or immovable properties and assets of all kinds of the Company, both present and future and/ or the whole or any part of the undertakings (s) of the Company including uncalled capital together with the power to take over the management of the business and concern of the Company in certain events of default, in the form of first and/ or second and/ or pari-passu/ subservient mortgage/ charge and/ or floating charge to secure in favour of the Financial Institution(s)/ Bank(s), Lender(s), Agent(s), and Trustee(s), for securing the borrowing of the Company availed/ to be availed by way of loan(s) (in foreign currency and/ or rupee currency) and/ or securities (comprising fully/ partly Convertible Debentures and/ or Non-Convertible Debenture) with or without detachable or non- detachable warrants and/ or secured premia notes and/ or floating rates notes/ bonds or other debt instrument(s), issued/ to be issued by the Company from time to time and working capital facilities sanctioned/ to be sanctioned by the working capital bankers to the company for an amount not exceeding in aggregate Rs. 500 Crores together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of the Agent(s), Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as result of devaluation/ revaluation/ fluctuation in rates of Exchange and all other monies payable by the Company to the trustees of the holders of the said debentures/ financial institutions/ banks/ other lenders and incurred in terms of Loan Agreement (s)/ Heads of Agreement (s), Debenture Trust Deed (s) or any other documents, entered into/ to be entered into between the Company and Lender (s)/ Agent (s) and Trustee (s) in respect of the said loan (s) / borrowing (s) / debenture(s) and containing such specific terms & conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and Lender(s)/ Agent(s)/ Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company or Committee thereof and/ or one or more officer(s) of the Company approved by the Board, be and are hereby authorised to finalise, settle, alter, vary the terms and conditions in consultation with the debenture trustees, financial institutions/ banks/ other lenders and execute/ modify all necessary documents (s)/ deed(s)/ writing(s)/ paper(s)/ agreement(s) and to do all other act(s), deed(s), matter(s) and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating Mortgages/ Charges/ Hypothecation as aforesaid."

8. POWER TO BORROW

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT in suppression to the resolution passed at the Eleventh Annual General Meeting of the Company on November 5, 1997 and pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, and any other applicable provisions, if any, of the Companies Act, 1956, and Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which expression shall also include committee thereof) for borrowing such sum or sums of

money from time to time, for the purpose of the Company, as they may deem fit, notwithstanding that the amount so borrowed together with moneys already borrowed and remaining outstanding may exceed the aggregate of the paid-up Capital of the Company and its free reserves which have not been set apart for any specific purpose but subject to the maximum limit, viz. the total amount of loan so borrowed by the Company and outstanding at any one time (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs.500 Crores and the Board of Directors in exercise of the aforesaid borrowing powers may borrow such sums as they may deem fit and on such terms and conditions as to repayments, interests with or without security as the Board may deem fit in the best interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters & things and to take such steps as may be necessary or desirable to give effect to this resolution."

9. **ALTERATION OF ARTICLES OF ASSOCIATION**

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

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below :

- a. After existing sub-clause 28 of Article 101A (Special Power of the Board), the following words shall be inserted at the end :

"Provided that the above delegation (s) shall stand withdrawn forthwith on cessation of services of delegatee by whatsoever reason."

- b. After Article 77, the following new Article be inserted as Article 77A and be read as follows:

Passing of Resolution By Postal ballot 77A (1) Notwithstanding anything contained in the Articles of Association of the Company and subject to the provisions of Section 192A of the Companies Act, 1956, or any statutory modification (s) or re-enactment (s) thereof, the Company does adopt the mode of passing a resolution by the Members of the Company by means of a postal ballot and/ or other ways as may be prescribed by the Central Government in this behalf instead of transacting such business in a General Meeting of the Company for any business that can be transacted by the Company in General Meeting; and particularly, relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot.

- (2) The Company shall comply with the procedure for such ballot and /or other ways prescribed by the Central Government in this regard."

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

Gurgaon
May 1, 2001

By order of the Board



SHOBHA ADLAKHA
Company Secretary

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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 Business under Item Nos. 7 to 9 set out above, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 24th May, 2001, to Saturday, the 2nd June, 2001 (both days inclusive).
4. The Final Dividend for the year ended March 31, 2001, as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those Members whose names appear in the Register of Members at the close of working hours of the Company on Wednesday, the 23rd May, 2001, or to their mandates and also to the beneficial owners of Equity Shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose. The Final Dividend will be payable on or after June 11, 2001.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/ unpaid dividends for the financial year 31st March, 1995 and 1996, have been transferred to the General Revenue Account of Central Government as required by Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those Members who have not claimed their dividend so far, are requested to claim the same by submitting an application in prescribed Form II to the Registrar of Companies, 132 Vijay Nagar, Near Kartarpura Phatak, Kartarpura, Jaipur - 302 006 (Rajasthan).

The members who have not claimed/ encashed the dividend warrants for the 1st and 2nd interim dividend for the financial year 2000-2001, are requested to approach the Company at its Corporate Office for revalidation of the dividend warrants or for obtaining Demand Drafts, as the case may be.
6. 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 (DPs). Also shareholders holding shares in physical mode may send their request for nomination at the Office of the Share Transfer Agents of the Company, MCS Ltd, Sri Venkatesh Bhawan at 212 A, Shahpur Jat, Behind Panchsheel Club, New Delhi - 110 048.
7. Members holding shares in the electronic mode are requested to intimate the change in their address, bank details, etc, to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to the Share Transfer Agents of the Company, MCS Ltd, quoting their Folio Number(s).
8. 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.
9. 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 and 1 p.m, upto the date of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT, 1956.**ITEM NO.7**

The shareholders in their Eleventh Annual General Meeting held on 5th November, 1997, have given their consent to the Board of Directors to create mortgage (s)/ charge(s) on anyone or more of the undertakings of the Company for the purpose of securing debentures/ term loans/ financial assistance, which may be raised by the Company during the course of its business for an amount not exceeding Rs.80 Crores.

In view of the expanding volume of business and the expansion project envisaged at Ringus, the company has proposed to avail the financial assistance(s) from the Financial Institutions/ Banks/ other Lenders, and the said financial assistance(s) may have to be secured, inter alia against mortgage of immovable and movable properties of the Company. Therefore the ceiling is required to be raised to an amount not exceeding Rs.500 Crores.

Section 293(1) (a) of the Companies Act, 1956, provides, inter-alia, that the Board of Directors of Public Company shall not without the consent of the members in general meeting, sell, lease, or otherwise dispose off the whole or substantially the whole of undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole of any such undertaking.

Since creating mortgage/ charge on the immovable and movable properties as aforesaid, in favour of Financial Institutions/ Banks/ the Debentureholders or Trustees for the Debentureholders/ other Lenders may, in certain cases, be regarded as disposal of the Company's undertakings, it is necessary to pass a resolution U/s 293(1)(a) of the Companies Act, 1956, before creating the said mortgage(s) / charge(s).

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

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

ITEM NO.8

Section 293(1)(d) inter-alia provides that the Board of Directors of the Public Company shall not, except with the consent of the Company in General Meeting, borrow moneys, where the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its reserves, that is to say reserves not set apart for any specific purpose. At the Eleventh Annual General Meeting held on 5th November, 1997, the Company, by a resolution passed U/s 293(1)(d), authorised the Board of Directors of the Company to borrow money upto a limit of Rs. 80 Crores. Due to the expansion activities envisaged, this limit is required to be increased to Rs.500 Crores.

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

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

ITEM NO.9

- a) From time to time, the Board of Directors have been delegating powers to the Directors/ Officials of the Company for carrying out day to day operations of the Company.

It is therefore proposed that the said powers be automatically withdrawn on the cessation of services of such director/ official, by amending the article as proposed at the item under reference.

- b) An amendment has been made to the Companies Act, 1956, through the Companies (Amendment) Act, 2000, by insertion of Section 192A whereby the concept of ascertaining the preference of the shareholders of the Company has been evolved. Accordingly, a listed public company may, and in the case of resolutions relating to such business as the central government may declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot instead of transacting the business in a general meeting.

In order to bring the Articles of Association of the Company in conformity with the provisions of the amendment made to the Companies Act, new articles are being added, subject to the approval of the Members in the General Meeting.

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

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

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

Gurgaon
May 1, 2001

By order of the Board


SHOBHA ADLAKHA
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 Fifteenth Annual General Meeting of the Company to be held on Saturday, the 2nd June, 2001, 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 Fifteenth Annual General Meeting of the Company to be held on Saturday, the 2nd June, 2001 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, 2001

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

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2000-01

Message from the MD



Dr. Kailash S. Choudhari
Managing Director

Dear Friends,

The financial year 2000-2001 has seen considerable effervescence, with many undulations and upheavals. After an initial high, the business environment in India experienced a downtrend, while economies across the globe also registered slowdowns.

The onus is now upon organisations like Aksh to set a pathbreaking example by performing at a blistering pace of growth. DTH, Convergence, VoIP are soon to become realities, making Total Communication affordable to all. The future is clearly moving from the physical to the very virtual, from metal to silicon & wireless, and polluting businesses are giving way to greener alternatives.

Despite a worldwide trend of economic troughs, the optical fibre and cable market is continuing to grow at 40% the world over. There are opportunities galore for the Company in every sphere. In the

last year, Aksh exhibited brilliant performance in terms of operations, in the face of raw material constraints worldwide. Though there were uncharacteristic delays in our expansion project, the Company is on-track with its overall business plans. We have not only achieved the projected turnover, but have actually surpassed it significantly.

We have taken innovative and benchmarking steps towards implementing the best corporate governance practices, leading to enhanced transparency, which is reflected in our audited monthly updates. While these regular short-term information pills may not always be an accurate representation of our entire year's performance, they are deemed essential for our model in the long-term.

The credit for having achieved these milestones goes to the team at Aksh and to all our partners in business. I want to heartily congratulate everyone at Aksh for a sterling, all-round performance. The Human Resources (HR) team has done a wonderful job in introducing new hallmark initiatives, like the 360° appraisal systems, PRAGATI, besides many others. The Long-Term Customer Supplier Relationship (LTCSR) and Logistics teams have successfully tied-up significant domestic and international long-term contracts. The manufacturing team has broken new records despite raw material constraints. The Corporate Secretarial & Legal (CS&L) and

Finance teams have guided the most successful IPO of the last 12 months.

I also welcome new members to Team Aksh, who bring with them rich and varied experience, which will help the Company grow from strength to strength.

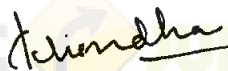
Our business philosophy for the future is to focus essentially on creating all-round value enhancement with a collective vision and goal orientation. Aksh will build new business platforms and models that will enable your Company to provide more value to customers, as opposed to being just a low-cost producer of commodity products. We will also endeavour to redefine the industry and perceive competition as not being restricted to other players in the field, but also those from other technologies. We will strive for new technologies and platforms as business models, rather than follow conventions in historic technology transfers, backward integration and cost-saving. We will view customers and vendors as Partners and leverage our core strengths to achieve a Win-Win situation for all, without protracted negotiations. Aksh will create a working environment and culture par excellence, which is entrepreneurial, rather than hierarchical or patriarchal, thereby being consciously identified as a Stakeholder's organisation.

All this would require • keen perception of market trends
• extrapolating perfectly and literally seeing the future • a unique insight and change in perception
• learning from the mistakes of the past thereby not making any ourselves • the patient and persistent support of all our Stakeholders, along with their valuable feedback.

Aksh avows that growth will not be restricted only to consistent increase in profits and sales... the Company will also continuously attract the best talent in this knowledge-based economy, attracting quality investors, new business models, and increase in its network of alliances and partnerships.

We thank you for your confidence in Aksh and in return assure you of our commitment towards making our dream of benchmarking the future in Optic Fibre a reality, fulfilling the dreams of our Stakeholders, for all time to come...

Yours sincerely,



Kailash S. Choudhari
Managing Director