

True Convergence

Report  Junction

annual
report



Aksh Optifibre Limited

2001-2002

The Aksh Group



Aksh Optifibre Limited



AKSH BROADBAND LIMITED



AKSH NETWORKS LIMITED

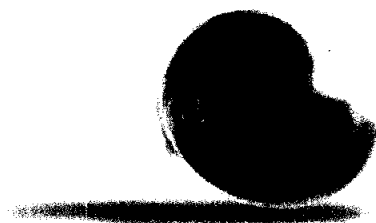
three strong and growing



India's first True Convergence enabler

Dedicated towards achieving globalisation of India like never before, **Aksh** is heralding the dawn of a new era. One where True Convergence will take place all over the country, in both urban and rural areas, at the speed of thought !!

With the amazing Proof Cable, the unique concepts of **Gramdoot** and **Fibre to the Home** will revolutionise the way India communicates. Combining Telephony, the Internet and Video on Demand, this futuristic Cable reduces infrastructure costs, makes the network very long-lasting, while enabling hyper speed connectivity. The future promises *True Convergence Homes* throughout India, where Aksh is the driving force.

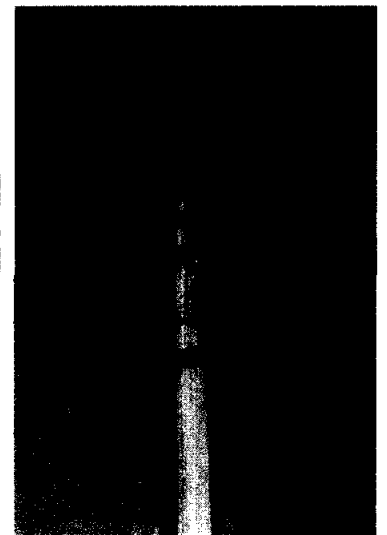


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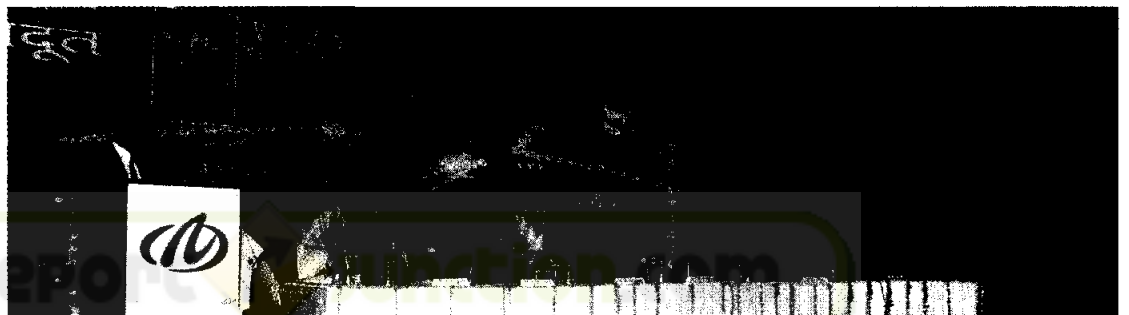
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Every Picture tells a Story

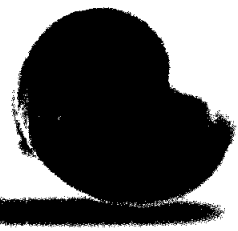


It was a red letter day for Aksh Optifibre Limited on 3rd January, 2002, at village *Dabri Rampura*, 26 kms. from Jaipur, in the State of Rajasthan, India, when the Company launched its **gramdoot** pilot project. The Hon'ble Chief Minister of Rajasthan, Shri Ashok Gehlot, did the honours, accompanied by his esteemed Cabinet colleagues.



Your Company also participated in the annual **Convergence 2002** exhibition at Pragati Maidan, New Delhi, where the concepts of **gramdoot** (enabling e-Governance and Rural Convergence) and Fibre to the Home (FTTH) were showcased.



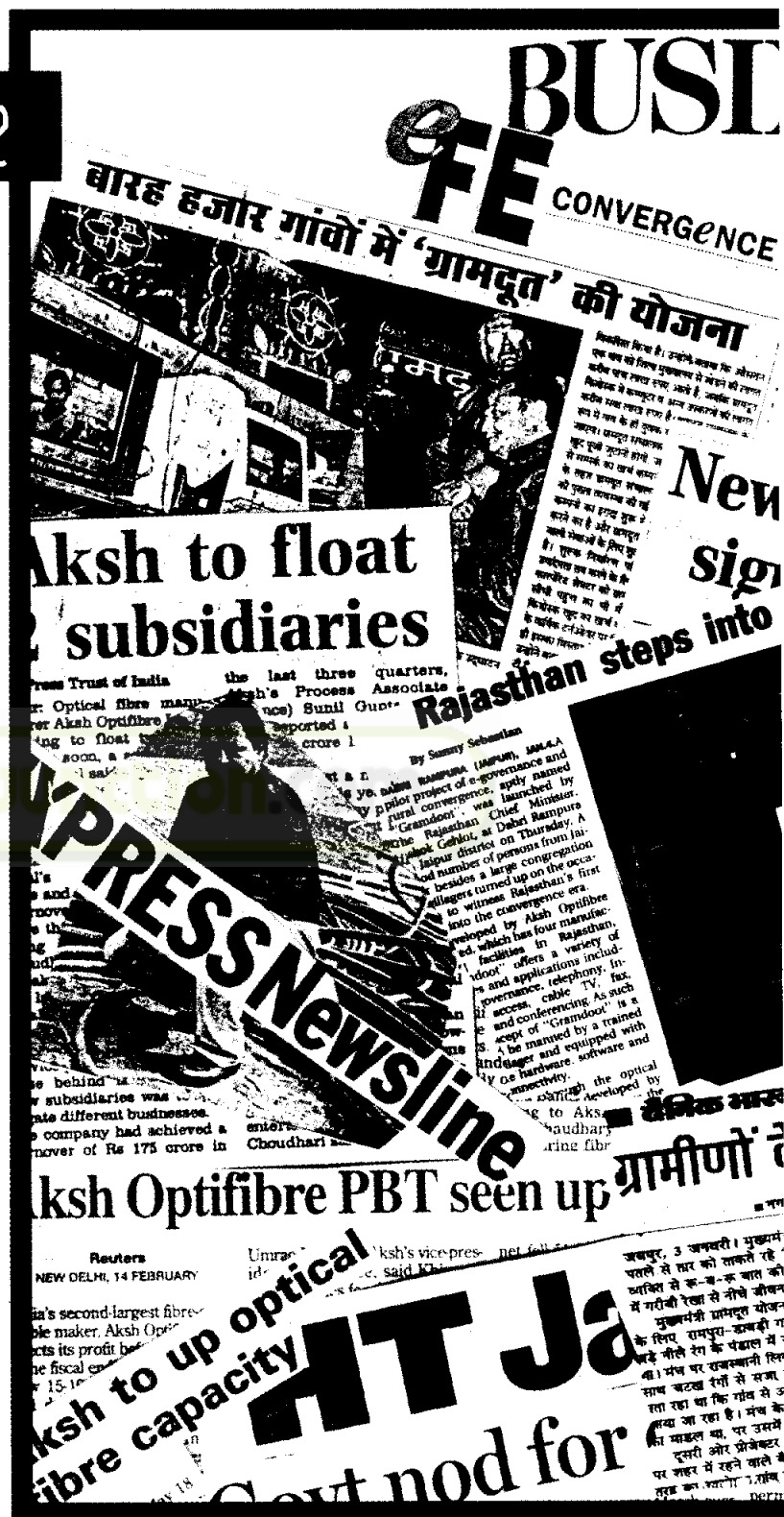


FTTH will soon be available to everybody in urban India, enabling telephony, internet and cable TV through one cable... the legendary Proof Cable, @ 100 Mbps! At the whim and fancy of each user, the world's entire knowledge, plus entertainment galore, can be accessed at the click of a mouse... instantly, quite literally! Imagine an entire movie downloaded in just a few seconds!!



Aksh, the Cynosure

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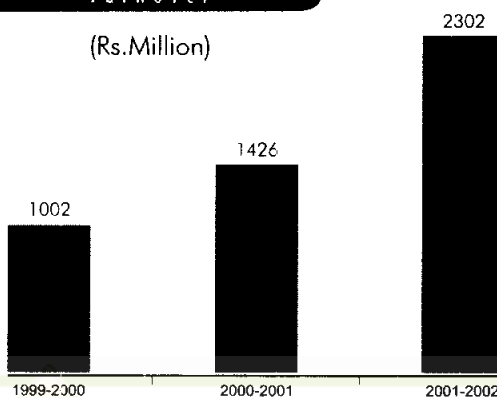


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Figures that Speak

Turnover

(Rs.Million)

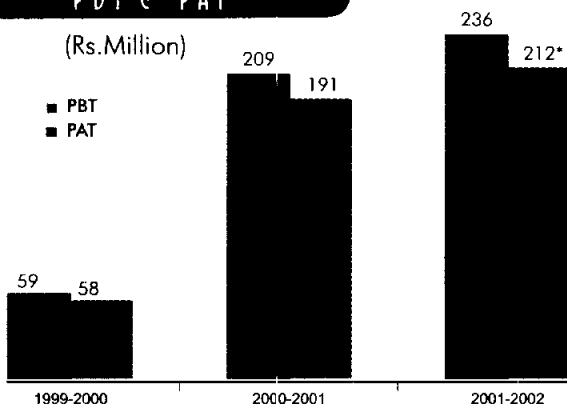


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PBT & PAT

(Rs.Million)

■ PBT
■ PAT

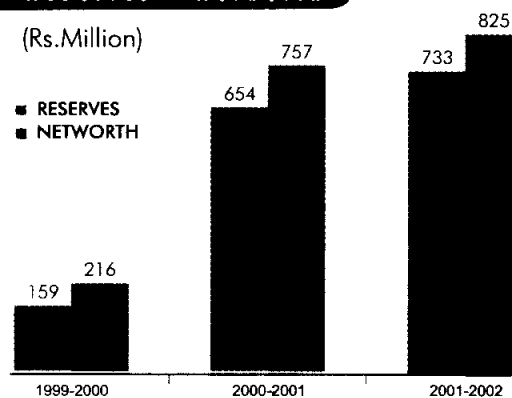


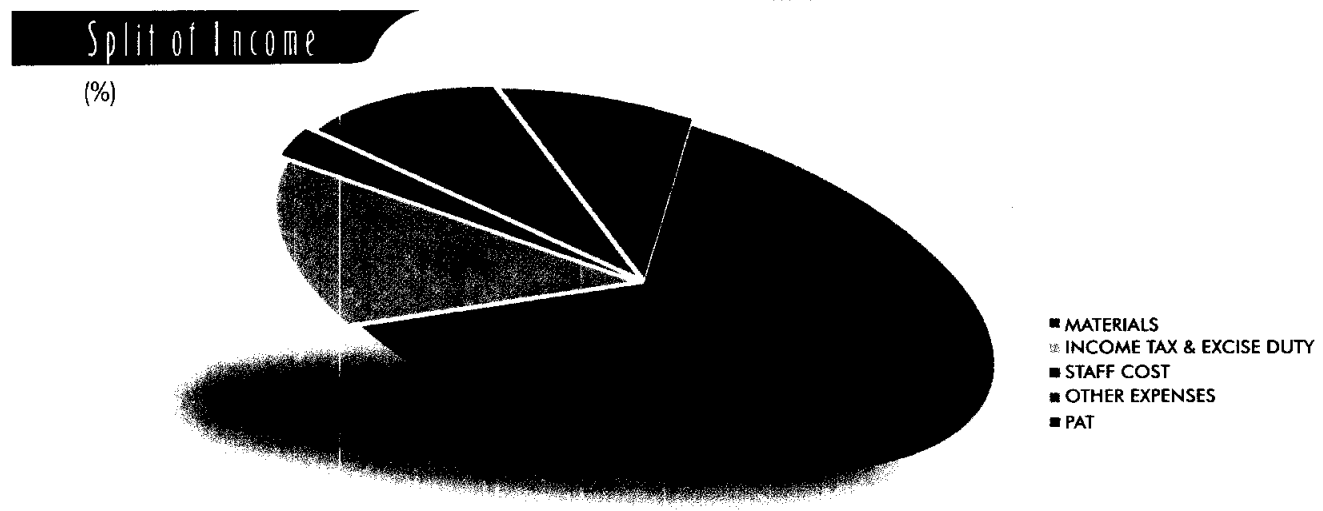
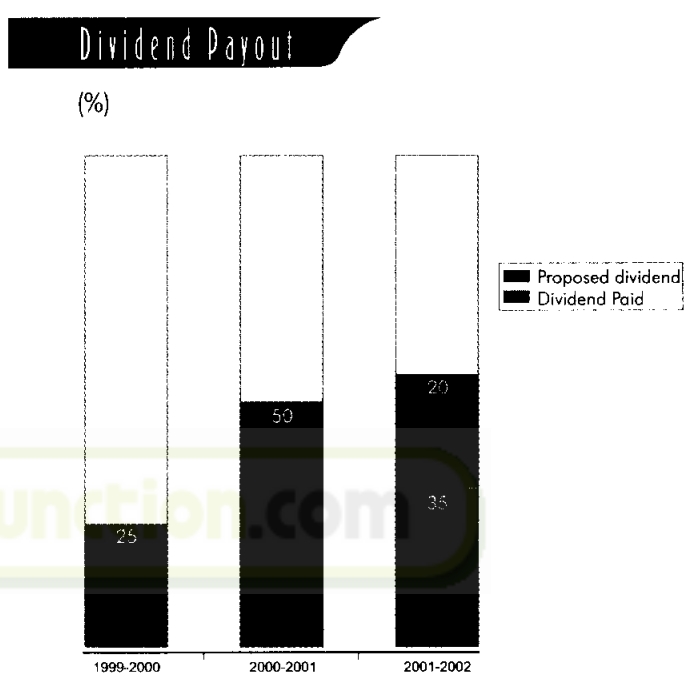
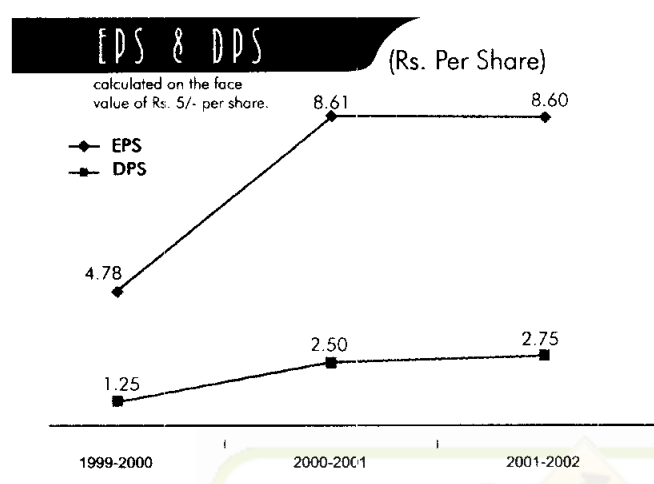
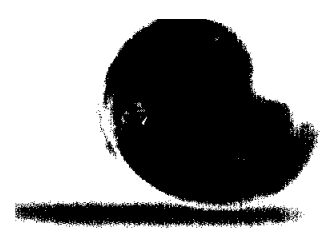
* The PAT for the year 2001-02 is calculated before making the Provision for deferred tax, to make the figures comparable.

Reserves & Networth

(Rs.Million)

■ RESERVES
■ NETWORTH





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, 2002.

FINANCIAL RESULTS

	Rs. in Lacs	
Particulars	Year ended 31.03.2002	Year ended 31.03.2001
Turnover	23020.60	14255.29
Profit before interest & depreciation	3216.91	2580.24
Interest	(308.98)	(255.59)
Depreciation	(543.17)	(232.15)
Profit before Tax	2364.76	2092.50
Provision for Taxation	(244.00)	(180.00)
Profit after Tax	2120.76	1912.50
Provision for Deferred Tax	(226.33)	0.00
Net Profit after Deferred Tax	1894.43	1912.50
Prior year adjustment (Net)	(2.47)	0.58
Profit available for appropriation	2939.81	2336.21
Appropriations:		
Dividends		
■ Interim	385.69	330.53
■ Final (recommended)	220.38	220.38
Dividend Tax	39.34	96.19
Income Tax (Earlier Year)	13.00	1.00
Transfer to Debenture Redemption Reserve	100.50	0.00
Transfer to General Reserve	190.00	192.00
Surplus carried to Balance Sheet	1990.89	1496.11

PERFORMANCE OF THE COMPANY

The Company's overall turnover at Rs.230.21 crores, recorded a growth of 62% over the previous year's turnover of Rs.142.55 crores. Your Company also achieved a Net Profit before tax of Rs.23.65 crores for the year ended 31st March, 2002, as against Rs.20.92 crores during the previous year, reflecting a growth of 13%. The Profit after tax for the year ended 31st March, 2002, is Rs.21.21 crores as against Rs.19.12 crores during the previous year. However, after making the provision for deferred tax liability in accordance with AS-22, the Profit After Tax is Rs.18.94 crores.

BUSINESS OUTLOOK

Global outlook for the optic fibre & optic fibre cable industry indicates a flat growth while the domestic outlook indicates 20-25% growth. Entry of new domestic players would further add to the demand supply mismatch. However, Aksh continues to enjoy the benefit of being the sole player in India to have in-house Optical Fibre and FRP manufacturing facilities, which gives the Company a substantial edge over other players.

The Company has now achieved domestic market leadership in the arena of manufacturing Fibre Reinforced Plastic Rods, the product has now achieved acceptability abroad as well.

During the year, your Company has developed and commercially launched Proof Cable, which has tremendous potential and can revolutionise the Telecom Sector in a big way. The Company has passed on the Gramdoot initiative to its wholly-owned subsidiary Aksh Broadband Limited for splicing implementation, thereby creating a captive market of its Proof Cable and related Products. These new initiatives will drive the growth of your Company, in the top as well as the bottom line. The Company plans to achieve market leadership in the Optic Fibre Cable and FRP Rods Industry.

Your Company plans to transfer the Plant, Machinery and Equipment from Plant-IV at Jaitpura, to Plant-III at Ringus, consolidating the manufacturing activities.

SALE OF TECHNICAL KNOW-HOW

During the year, by virtue of its expertise and to move up the value chain, your Company has developed "Gramdoot," a revolutionary concept designed to bridge the digital divide between rural India and the rest of world, by providing e-governance and rural convergence through an optical fibre network. All the proprietary rights of technical information and specification have been transferred to the subsidiary company Aksh Broadband Limited, thereby earning Rs. 1.5 crores as technology transfer fees.

DIVIDENDS

During the year, your Company paid two Interim Dividends aggregating to Rs.1.75 per share. Your Directors now recommend a Final Dividend of Rs.1.00 per share, making a total Dividend payout of Rs.2.75 per share or 55% on the face value of Rs.5/- per share, for the financial year 2001-2002. If approved at the forthcoming Annual General Meeting, the Dividend shall be paid out of the profits of the Company, to those shareholders whose names appear on the Register of Members as on 4th June, 2002, subject to the provisions of all applicable Laws.

EXPORTS

During the year, foreign exchange earnings through exports amounted to Rs 14.34 crores, as against Rs.24.06 crores in the previous year, representing a decrease of 40% over the last year. The decrease in exports is due to the global slowdown, coupled with the losing of a major export order to US. The Company plans to regroup and recover all the lost ground this year.