

# **18<sup>th</sup> ANNUAL REPORT 2003 - 2004**

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**Aksh · Optifibre Limited**

## **C O N T E N T S**

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**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, 2004.

**FINANCIAL RESULTS**

(Rs. in Lacs)

| Particulars                                | Year ended<br>31.03.2004 | Year ended<br>31.03.2003 |
|--|--------------------------|--------------------------|
| Turnover                                   | 2550.69                  | 9073.94                  |
| Profit before interest & depreciation      | 161.97                   | 449.48                   |
| Interest                                   | (429.67)                 | (416.84)                 |
| Depreciation                               | (436.67)                 | (458.30)                 |
| Profit before Tax                          | (704.37)                 | (425.66)                 |
| Provision for Deferred Tax                 | (223.22)                 | (219.16)                 |
| Net Profit after Deferred Tax              | (481.15)                 | (206.50)                 |
| Prior year adjustment (Net)                | (3.54)                   | (7.96)                   |
| Balance brought forward from Previous Year | 811.66                   | 1990.89                  |
| Profit available for appropriation         | 326.97                   | 1776.43                  |
| <b>Appropriations :</b>                    |                          |                          |
| Dividend                                   | -                        | -                        |
| Income Tax (Earlier Year)                  | 4.32                     | (25.56)                  |
| Surplus carried to Balance Sheet           | 322.65                   | 1801.99                  |

**PERFORMANCE OF THE COMPANY**

Due to continuing slump in the Optical Fibre and Cable industry, Company turnover reduced to Rs.25.51 Crores (Previous year Rs.90.74 crores) and suffered a loss of Rs.4.81 Crores (Previous year loss of Rs.2.06 Crores). This decline has resulted from dip in net sales realization in Domestic/export market mainly due to continuing recession. Sluggish demand coupled with high-unutilized manufacturing capacity levels have brought about a precipitous fall in international as well as domestic prices of Optical Fibre Cable/Optical Fibre.

The efforts in 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 trying to further reduce cost by implementing new cost control measures.

With improvement in market conditions vis-a-vis increase in net sales realization and cost control efforts, your Company expect better results during the financial year 2004-05.

**BUSINESS OUTLOOK**

With demand in domestic sector for optical fiber, financial year 2004-2005 seems to be promising.

**NEW PRODUCTS IN PIPELINE**

Company has developed a new aerial optical fibre cable called Droplite. Droplite is lightest, self-supporting rugged but flexible Aerial Optical Fiber Cable. Cable is for indoor as well as for outdoor installation (UV protected). The cable is fast and easy to lay - 2 km can be installed within 4 hours. The cable can be used for Cable TV, Telephony, Internet Services and LAN / WAN Networking.

**EXPORTS**

During the year, foreign exchange earnings through exports amounted to Rs. 8.04 crores as against Rs. 6.19 crores in the previous year, representing an increase of approx. 30% over the last year. Company has commenced exports to Japan for FTTH market.

**ISO 9001-2000 ACCREDITATION**

Your Company's manufacturing facilities in Plants I & II at Bhiwadi and Plant -III at Ringus, continue to hold the prestigious ISO 9001:2000 certification.

**DIRECTORS**

The Board has appointed Shri Sanjay Kalra as a director of the Company in casual vacancy caused due to resignation of Shri D.K.Jain with effect from 20<sup>th</sup> January, 2004 to function as Director of the Company.

A brief resume of Shri Sanjay Kalra, nature of his expertise in specific functional areas and names of Companies in which he holds the directorship and the membership/ Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement, are given in the section on Corporate Governance elsewhere in the Annual Report.

The Board has approved and revised remuneration of Shri B.R. Rakhecha, Whole Time Director of the Company. The proposal for his revised remuneration effective from 1st April 2004 will be placed at the ensuing Annual General Meeting for the consideration of shareholders.

In accordance with the requirements of the Companies Act, 1956, and Articles of Association of the Company, Mr. John Levack and Mr. Popatlal F. Sundesha, Directors, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

**AUDITORS**

Your Company's Statutory Auditors, M/s P. C. Bindal & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed.

The Notes on Accounts appearing in Schedule "N" and referred to in the Auditors' Report are self-explanatory, and therefore do not call for any further comments or explanations.

**EMPLOYEE STOCK PURCHASE SCHEME**

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

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits during the year as per the provisions of Section 58-A of the Companies Act, 1956, and the rules made there under, and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

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

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, are set out in the Annexure 'A' and form an integral part of this report.

**PARTICULARS OF EMPLOYEES**

As required under the provisions of Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of employees are set out in Annexure "B" and form an integral part of this report.

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing agreement, a report on the Corporate Governance is given in the Annexure 'C' and forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of loss of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- prepared the Annual Accounts on a going concern basis.

**DISCLOSURE UNDER CLAUSE 43 OF THE LISTING AGREEMENT**

Your Company came out with Initial Public Offer during the year 2000-2001 and raised a sum of Rs.3576 Lacs through Book Building process and gave certain financial projections in the Prospectus. As per clause 43 of the Listing Agreement, the status of Projected vs Actual Performance is given below :

For the period ended on 31.3.2004

**Projected Profitability as per Prospectus Vs Actual**

| (Rs. in Millions)            |         |             |            |
|------------------------------|---------|-------------|------------|
| Particulars                  | Promise | Performance | Variations |
| Total Income (Net of Excise) | 2463    | 242         | (2221)     |
| PBT                          | 328     | (70)        | (398)      |
| Taxation                     | 126     | (22)        | (148)      |
| PAT                          | 202     | (48)        | (250)      |
| Dividend Including Tax       | 31      | 0           | (31)       |
| Net Cash Accruals            | 217     | (20)        | (237)      |
| Equity Share Capital         | 102     | 110         | 8          |
| Reserves & Surplus           | 923     | 520         | (403)      |
| Net Worth                    | 1024    | 623         | (401)      |
| Total Debt Equity Ratio      | 0.21    | 0.67        | 0.46       |

**SUBSIDIARY COMPANY**

During the Year under review, Aksh Network Limited has ceased to be subsidiary of the Company with the allotment of 1,20,000 (One Lac Twenty Thousand Only) equity shares of Rs. 5/- each, to the persons other than Aksh Optifibre Ltd.. As on date the Company is holding 45.45 % of the Equity Share Capital of Aksh Network Limited.

Therefore, Section 212 of the Companies Act, 1956, is not applicable to the Company.

**ACKNOWLEDGMENT**

Your Directors place on record their appreciation of the significant contribution made by all the employees, for their competence, hard work, solidarity, cooperation and support.

Your Directors thank all its Customers, Vendors, Investors, Financial Institutions and Bankers for their continued support and confidence.

For & On behalf of the Board

Place : Gurgaon  
Dated : 29th July, 2004

(KAILASH S. CHOUDHARI)  
Managing Director



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**ANNEXURE 'A' TO DIRECTORS' REPORT**  
**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**  
**FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY****(a) Energy conservation measures taken**

The Company is engaged in the process of energy conservation by adopting improved efficient maintenance practices.

Company has switched to Light Diesel Oil in place of High Speed Diesel Oil during the financial year ended 31st March, 2004.

**(b) Additional investments and proposals, if any, being implemented for reduction of energy.**

None

**(c) Impact of measures of 'a' and 'b' above for reduction of energy consumption and consequent impact on the cost of production of goods.**

Switching from HDO to LDO has resulted in saving of around ten percent in terms of costs.

**(d) Total energy consumption and energy consumption per unit of production as per form 'A' of the Annexure in respect of Industries specified in the schedule thereto.**

Not Applicable

**(b) Recurring****(c) Total****(d) Total R & D Expenditure as a percentage of total turnover.**

Its not possible to show separately capital expenses incurred on R & D activities as the same are used for normal operations also and hence considered as part of normal capital expenditure.

**Technology Absorption, Adaptation and Innovation****1. Efforts in brief, made through towards technology absorption, adaptation and innovation.**

Not Applicable

**2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.**

Not Applicable

**3. In case of imported technology, the following information may be furnished ;****(a) Technology**

None

**(b) Year of Import**

Not Applicable

**(c) Has the technology been fully absorbed**

Not Applicable

**(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.**

Not Applicable

**B. TECHNOLOGY ABSORPTION****Research and Development (R & D)****1. Specific area in which R & D is carried by the Company**

The Company has developed a new aerial optical fibre cable for indigenous and export market which can be installed indoor as well as outdoor. The cable finds wide applications in the areas such as Cable TV, Telephony, Internet Services and LAN/WAN Networking. Apart from above, the Company has carried out R & D activities in the area of FTTH. The Company has developed blown fibre technology, which has potential in European market.

**2. Benefits derived as a result of the above R & D.**

The above products are in stage of field testing and are yet to be commercially launched.

**3. Future plan of action.**

To continue R & D work for upgradation of technology of the existing products, continuing with the efforts of developing new products to meet market needs.

**4. Expenditure on R & D.****(a) Capital****C. FOREIGN EXCHANGE EARNINGS AND OUTGO****(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans;**

During the year, the Company explored new overseas markets, to identify potential customers and products requirements. As a result, Company is able to focus its R & D activities to develop products specifically to meet overseas market requirements. The efforts made by the Company have yielded positive results in form of increased exports.

**(b) Total foreign exchange used and earned**

The information on foreign exchange earnings and outgoings is furnished in the Notes to the Accounts.

For and on behalf of the Board of Directors

Place : Gurgaon  
Date : 29th July, 2004

(KAILASH S. CHOUDHARI)  
MANAGING DIRECTOR

**ANNEXURE 'B' TO THE DIRECTORS' REPORT**

**INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975**

| Sl. No.   | Name             | Designation/<br>Nature of Duties | Qualifications  | Exp. (Yrs) | Date of Joining | Remuneration (Rs) | Age (Yrs) | Previous Employment/<br>Position Held |
|---|------------------|----------------------------------|-----------------|------------|-----------------|-------------------|-----------|---------------------------------------|
| <b>A. EMPLOYED THROUGH OUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING TO RS. 2,400,000 PER ANNUM OR MORE</b> |                  |                                  |                 |            |                 |                   |           |                                       |
| <b>NO EMPLOYEE</b>  |                  |                                  |                 |            |                 |                   |           |                                       |
| <b>B. EMPLOYED FOR PART OF THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING TO RS. 200,000/- PER MONTH OR MORE</b> |                  |                                  |                 |            |                 |                   |           |                                       |
| 1.  | Chetan Choudhari | COO                              | BE(Electronics) | 10         | 1-10-2003       | 1,207,200/-       | 34        | Aksh Broadband Ltd.<br>President      |

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE AT AKSH  
CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPARENCY AND ACCOUNTABILITY.

## Company's Philosophy on Code of Corporate Governance

Your Company has an unwavering commitment towards achieving business excellence and to add shareholder value by following desired disclosure practices. The Company strives to achieve the above by adhering to corporate norms in which high standards of ethical behaviour, individual accountability and transparent disclosure are shared by its Board of Directors, its management and employees. Transparency, accountability responsibility and professionalism are the essential characters and guiding principles for all decisions, transactions and policy matters. The Company continuously endeavour to improve on these aspect on an ongoing basis.

The importance of Corporate Governance has always been recognized by your company and is manifested in the company's vision. A report, in line with the requirement of the stock exchange, practice followed by the company and detailing mandatory and other voluntary compliances for the year ended March 31st, 2004 are given below:

## I. BOARD OF DIRECTORS

Our Board of Directors comprises of one promoter director being the Managing Director, one Executive Director and four non-executive directors, which are independent and are not responsible for the management of the company's business. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board also include approving corporate philosophy and mission; participating in the formulation of strategic business plans; reviewing and approving financial plans and budgets; monitoring corporate performance against strategic business plans including overseeing operations; ensuring compliance with laws and regulations; keeping the shareholders informed regarding plans, strategies and performance and other important matters.

Five Board Meetings were held during the financial year 2003-2004. The Composition of Board of Directors, their attendance at the Board Meetings held during the year and at the Last Annual General Meeting as also number of other directorships and chairmanships/ memberships of committees of each director held in various companies as at 31st March, 2004 is shown in table below:

| Name                      | Date of Appointment | Date of Resignation/ Cessation | Designation        | StatusWhether Independent or not | No. of meetings held during the last financial year | No. of Meetings attended | Number of Memberships in Boards of other Companies | Whether attended the Last AGM |
|---------------------------|---------------------|--------------------------------|--------------------|----------------------------------|---|--------------------------|--|-------------------------------|
| Dr. Kailash S. Choudhari  | 01-06-1993          | N.A.                           | Managing Director  | Executive and Not Independent    | 5   | 5                        | 3  | YES                           |
| Sh. Popat Lal F. Sundesha | 18-05-1996          | N.A.                           | Director           | Independent                      | 5   | 5                        | 3  | YES                           |
| Sh. Rudolf Meier          | 01-02-2000          | N.A.                           | Director           | Independent                      | 5   | -                        | 2  | NO                            |
| Sh. John W.E. Levack      | 04-06-2002          | N.A.                           | Director           | Independent                      | 5   | 3                        | 10   | YES                           |
| Sh. B R Rakhecha          | 29-07-2002          | N.A.                           | Executive Director | Executive and Independent        | 5   | 4                        | -  | NO                            |
| *Sh. D. K. Jain           | 22-07-2003          | 20-01-2004                     | Director           | Independent                      | 5   | 3                        | -  | YES                           |
| Sh. Sanjay Kalra          | 20-01-2004          | N.A.                           | Director           | Independent                      | 5   | 1                        | 2  | NA                            |

\* Mr. D.K Jain was appointed as an Additional Director & was regularised in the Annual General Meeting held on 22nd July, 2003. He resigned from the post on 20-1-2004. Mr. Sanjay Kalra was appointed as Director in the casual vacancy caused due to the resignation of Mr. D. K. Jain on 20-01-2004.

None of the Directors of your Company is a member of more than 10 Committees or act as the Chairman of more than five Committees across all the Companies in which they are directors.

**Transaction of the non-executive Director viz-a-viz the Company.**

During the year under review, the Company has not entered into any kind of pecuniary relationship/ transactions with any of the non-executive director(s).

## II. AUDIT COMMITTEE

The Audit Committee comprises of four non-executive independent directors. Viz. Mr. Popatlal F. Sundesha (Non- Executive independent Director), Mr. Rudolf Meier (Non- Executive independent Director), Mr. John Levack (Non- Executive independent Director) and Mr. Sanjay Kalra (Non- Executive independent Director). The constitution of the Committee meets with the requirements of Section 292A of the Companies Act, 1956 as well as the Listing Agreements.

The audit committee is responsible for the effective supervision of the financial reporting processes; reviewing with the management the financial statements and ensuring their compliance with accounting standards, stock exchange and other legal requirements; reviewing with the internal and external auditor the internal control systems, assessing their adequacy and ensuring compliance with internal controls; reviewing findings of internal audit and ensuring follow up action on significant findings; and reviewing quarterly, half yearly and annual accounts.

The committee provides the overall direction on the risk management policies. The Committee has full access to financial data and to members of the Company staff.





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During the financial year 2003-04, 4 audit committee meetings were held and the attendance of the members at the meetings was as follows:

| Name                     | Designation | No. of Meetings Held | No. of Meetings attended |
|--------------------------|-------------|----------------------|--------------------------|
| Sh. Popatlal F. Sundesha | Chairman    | 4                    | 4                        |
| Sh. Davinder Kumar Jain  | Member      | 4                    | 4                        |
| Sh. John Levack          | Member      | 4                    | 3                        |
| Sh. Rudolf Meier         | Member      | 4                    | -                        |

During the year Committee has met four times on May 17th, 2003, July 21st, 2003, October 23rd, 2003 and January 20th, 2004.

All the above meetings were also attended by the Chief Financial Officer.

During the year, the Committee reviewed

- Quarterly and yearly financial statements before they are submitted to the Board of Directors.
- Internal audit and statutory Auditors' Audit Report.
- Internal Audit function.
- Internal controls to ensure that the accounts of the Company are properly maintained and that the transactions are in accordance with the prevailing laws and regulations.
- Management information system
- Accounting implications of the major transactions.
- Legal requirements including Stock Exchange requirements concerning the Financial Statements.
- Compliance with the Accounting Standards etc.

The Committee also considered the appointment of Internal Auditors and statutory auditors, their terms of reference, scope of work and powers etc. and have also reviewed the reports submitted by them and actions taken on various items discussed in the previous Audit Committee Meetings.

The minutes of the Audit Committee are put before the Board members for discussions and their consideration.

### III SHAREHOLDER/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders' Grievance Committee comprising of Mr. Popatlal F Sundesha, Chairman, Dr. Kailash S. Choudhari and Mr. Rudolf Meier as the co-members. This Committee reviews the matters concerning the redressal of shareholders' grievances like transfer of shares, non-receipt of dividend warrants etc.

We at Aksh, ensure that the Investors' Grievances are minimal and the same are redressed promptly. For the same, we have an "Online Investor Grievance Redressal System" at the Investors' Corner on our Website whereby the investor can login and lodge his grievance, which instantly reaches us and we ensure that the same is redressed at the earliest and to the satisfaction of the shareholders.

#### Investors' Services - complaints received till 31-03-2004

| Particulars   | Received | Attended to | Pending |
|---|----------|-------------|---------|
| Revalidation/Correction/Non Receipt of Dividend Warrant | 91       | 91          | 0       |
| Annual Reports  | 8        | 8           | 0       |
| Demat/Remat Related                                     | 5        | 5           | 0       |
| Change of Bank Details/ Address                         | 7        | 7           | 0       |
| Stop Transfer/Issuance of Duplicate Share Certificate   | 1        | 1           | 0       |

### IV SHARE ALLOTMENT-CUM-TRANSFER COMMITTEE

Due to resignation of Mr. Umrao Khivsara, Chief Financial Officer from the Company, it became imperative to reconstitute the share allotment cum transfer committee and to delegate the powers of approval of share transfers, transposition, issue of duplicate share certificates, approval of demat/ remat of share certificates etc. to officials of the Company in accordance with Clause-49 VI D of the listing agreement. Therefore, Board of Directors reconstituted the Share Allotment cum Transfer Committee by appointing Mr. Chetan Choudhari, Chief Operating Officer and Mr. Barinder Singh Maur, Process Member CS & L severally to approve the aforesaid matters by issuing a certificate every fortnightly on 15th day and 28th day of every month.

During the year, authorized officials approved transfers/ transmissions/ demat/ remat/ issue of duplicate certificates every fortnightly and placed its report for the consideration of Board of Directors.

### V ESPS COMPENSATION COMMITTEE.

ESPS COMPENSATION COMMITTEE comprises of Mr. Kailash S. Choudhari, Chairman of the Committee, Mr. John Levack and Mr. Popatlal F Sundesha as other committee Members.

ESPS Committee has the full and conclusive authority:

- to determine the eligible employees of the Company to whom the Shares shall be granted under the terms and provisions of the Employees Stock Purchase Scheme; to interpret the Scheme ; to prescribe, amend and rescind rules and regulations relating to the Scheme ; to determine the terms and conditions of respective Grant letters and to make all other determinations necessary or advisable for the proper administration of the Plan;

For administering the ESPS, the "Aksh Employee Welfare Trust" was constituted which hold shares for the benefit of Employees. After the shares are vested after a period of one year on achieving certain set goals, the same get transferred from the trust to the respective employees who exercise the vested shares. During the year no shares have been granted, hence not vested.

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

## VI FINANCE COMMITTEE

Finance Committee comprises of Dr. Kailash S Choudhari, Chairman and Mr. Popatlal F Sundesha.

During the year four meetings of Finance Committee were held. The decisions taken by the Finance Committee were ratified by the Board of Directors

## VII REMUNERATION COMMITTEE

The Remuneration Committee determines on behalf of the Board and shareholders as per the agreed term of reference, the remuneration of all the directors and other payments that are required to be paid by the Company to the Directors.

The committee comprises of Mr. Popatlal. F. Sundesha (Non- Executive and Independent Director), Mr. Rudolf Meier (Non- Executive and Independent Director) Mr. John Levack (Non- Executive and Independent Director) and Mr. Sanjay Kalra. Mr. Barinder Singh Maur, Process Member CS & L acts as the Secretary to the Committee.

No meeting of the remuneration committee was held during the year under review.

## VIII REMUNERATION OF DIRECTORS

### Non-Executive Directors

Non-executive Directors are paid only the sitting fees for attending the meetings of the Board of Directors within the limits as prescribed under the Companies Act, 1956.

### Managing Director/Executive Director

- (1) The details of the remuneration paid to Dr. Kailash S. Choudhari, Managing Director (re-appointed as Managing Director w.e.f 1st April, 2003) during the Financial Year 2003-04 are as follows:

| (Amt in Rs.) |   |                         |           |
|--------------|---|-------------------------|-----------|
| Basic        | Contribution to Provident and other Funds | Perquisites/Allowance * | Total     |
| 3,600,000    | 750,286                                   | 1,973,077               | 6,323,363 |

### 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

### Conveyance and telephone expenses are reimbursed on actual basis

\* Perquisites include provision for Gratuity Rs. 173,077/-

Since the company had no profits during the year under review, no commission was paid to the Managing Director of the Company.

- (2) The details of the remuneration paid to Mr. B.R. Rakhecha, Executive Director, during the Financial Year 2003-04 are as follows:

| (Amt in Rs.) |   |                       |           |
|--------------|---|-----------------------|-----------|
| Basic        | Contribution to Provident and other Funds | Perquisites/Allowance | Total     |
| 955,839      | 134,891                                   | 382,335               | 1,473,065 |

### Conveyance and telephone expenses are reimbursed on actual basis

**Note :** No director of the Company including the Managing Director is entitled to the shares of the Company under the Employee Stock Purchase Scheme.

## IX GENERAL BODY MEETINGS

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

| Year    | Date of AGM | Venue  | Time       |
|---------|-------------|--|------------|
| 2002-03 | 22-07-2003  | F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan). | 11:00 A.M. |
| 2001-02 | 04-06-2002  | F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan). | 11:00 A.M. |
| 2000-01 | 02-06-2001  | F-1080, RIICO Industrial Area, Phase-III, Bhiwadi - 301 019 (Rajasthan). | 11:00 A.M. |



**Attendance of Directors at AGMs during the last four financial years**

|            |   |
|------------|---|
| 30-06-2000 | : At this Meeting four Directors were present out of seven Directors. |
| 02-06-2001 | : At this meeting six Directors were present out of seven Directors   |
| 04-06-2002 | : At this meeting two Directors were present out of seven Directors.  |
| 22-07-2003 | : At this meeting four Directors were present out of six Directors    |

For the year ended March 31, 2004, no ordinary or special resolutions were passed by the shareholders through postal ballot.

**X DISCLOSURES**

- During the year under review the Company has not entered into any transaction of the material nature with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.

**XI APPOINTMENT/ REAPPOINTMENT OF THE DIRECTORS**

Mr. Sanjay Kalra (Non Executive Director) was appointed as Director on 20.1.2004 in casual vacancy caused due to the resignation of Mr. Davinder Kumar Jain (Non-Executive Director).

Mr. Sanjay Kalra, is a member of Institute of Chartered Accountants of India and having a work experience of more two decades in the areas of finance, accounts and administration. He is also a director with Binary Semantics Ltd. and Veeshal Private Co Ltd.

Further, Mr. John Levack and Mr. Popatlal F Sundesha, Directors, shall retire by rotation at the ensuing Annual General Meeting. Mr. John Levack and Mr. Popatlal F. Sundesha being eligible, offers themselves for re-appointment.

Mr. John Levack has been on Company's Board since 2002. He is director with Electra Partner Asia Ltd, a private equity business which has office in HongKong. He was a founder member of this business when it was established as a joint venture between Jardine Fleming and Electra in 1995. In 2002 the Jardine Fleming interest was brought by Electra Partners Limited, the manager of Electra Investment Trust plc and Electra European Fund.

Prior to Electra Partner Mr. Levack worked for 12 years with 3i plc. The last 4 years of this period were spent running a joint venture in India. Before that he had a number of different jobs within the 3i European business.

Mr. Popatlal F. Sundesha has been on the Board of the Company since 1996. Mr. Sundesha is an exporter of repute based at Mumbai and has wide range of experience in the field of Marketing, finance and general administration. He has been awarded President's award in exports along with Apparels Export Promotion Council Award for six years. Mr. Sundesha is also a Director in Fulchand Finance Pvt. Ltd., Regal Computer Systems Pvt. Ltd. and Aksh Broadband Ltd., a associate Company of Aksh Optifibre Limited.

**XII MEANS OF COMMUNICATION****Quarterly Results**

The Company published quarterly financial results in "The Financial Express" (all editions) and "Jalte Deep" (Hindi- Jaipur edition) as per the details given below :-

| Quarter                 | Date of Board Meeting | Date of Publication |
|-------------------------|-----------------------|---------------------|
| April - June 2003       | July 21, 2003         | July 23, 2003       |
| July - September 2003   | October 23, 2003      | October 25, 2003    |
| October - December 2003 | January 20, 2004      | January 22, 2004    |
| January - March 2004    | April 30, 2004        | May 2, 2004*        |

\*The result for the Quarter January-March 2004 was published in Seema Sandesh- Jaipur edition

**XIII GENERAL SHAREHOLDER INFORMATION :**

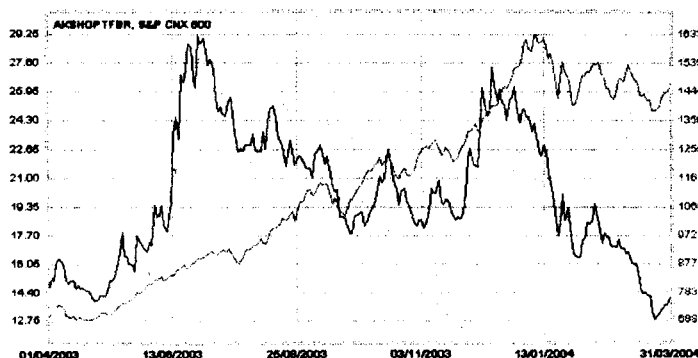
- Date, Time and Venue of the Annual General Meeting** : 30th September, 2004 at 10.00 A.M., at the Registered Office of the Company, at F-1080, RIICO Indl. Area, Phase-III, Bhiwadi - 301 019
- Financial Calendar** : April 1st 2003 to March 31, 2004
- Book Closure Dates** : 29th & 30th September 2004
- Listing on Stock Exchanges** : The Jaipur Stock Exchange Limited  
Stock Exchange Building, J.L.N. Marg, Malviya Nagar, Jaipur  
Tel : 0141-2720367, 2720714, 2720997, 2720716 Fax : 0141-2720715  
E-mail: jsel@datainfosys.net  
The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 013, India  
Tel : 022-272 1233/ 272 1234, Fax : 022-2722082/ 2723132, Website : www.bseindia.com  
The National Stock Exchange of India Ltd.  
Exchange plaza, 5th Floor, Plot No. C/1, G Block Bandra Kurla Complex,  
Bandra (E), Mumbai - 400013, India  
Tel : 022- 6598100- 8114, Fax : 022-6598237/ 6598238, Website: www.nse-india.com
- Stock Code** : '532351' on The Stock Exchange, Mumbai.  
'AKSHOPTFBR' at the National Stock Exchange of India Ltd., Mumbai

6. **Share Transfer Agents** : **MCS LIMITED**  
Sri Venkateshwara Bhawan, W-40, Okhla Indl. Area, Phase II, New Delhi-110 020  
Tel : 011-26384909-10, Fax : 011-26384907, E-mail : mcsdel@del6.vsnl.net.in
7. **Investors' queries/requests for transfer, transmission, issue of duplicate share certificates etc. to be sent to** : **MCS LIMITED**  
K/A : Mr. S. K. Gupta  
Mr. Umesh Gupta

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

8. Stock Market data relating to shares listed on BSE and NSE for the period April 2003 - March, 2004
- a) Monthly high and low quotations as well as the volume of shares traded at the Stock Exchange, Mumbai (BSE) and National Stock Exchange Ltd.

| Date           | BSE        |           |              | NSE        |           |              |
|----------------|------------|-----------|--------------|------------|-----------|--------------|
|                | High (Rs.) | Low (Rs.) | Volume (Nos) | High (Rs.) | Low (Rs.) | Volume (Nos) |
| April 2003     | 17.20      | 13.85     | 79784        | 17.35      | 13.75     | 190909       |
| May 2003       | 18.60      | 16.95     | 90442        | 18.80      | 13.60     | 465546       |
| June 2003      | 31.10      | 16.35     | 1177222      | 31.40      | 16.55     | 3413998      |
| July 2003      | 31.00      | 21.25     | 536646       | 31.10      | 20.80     | 1891251      |
| August 2003    | 25.85      | 21.50     | 516295       | 26.40      | 21.50     | 1658193      |
| September 2003 | 23.85      | 17.50     | 526109       | 23.70      | 17.50     | 1460121      |
| October 2003   | 22.95      | 18.00     | 332614       | 23.35      | 18.00     | 696230       |
| November 2003  | 22.00      | 17.75     | 338248       | 21.90      | 17.60     | 901156       |
| December 2003  | 28.30      | 21.00     | 1884631      | 29.90      | 20.80     | 4586689      |
| January 2004   | 26.30      | 17.30     | 562456       | 26.00      | 17.05     | 1095450      |
| February 2004  | 20.60      | 16.10     | 353567       | 19.75      | 16.15     | 465636       |
| March 2004     | 17.40      | 12.50     | 296237       | 17.50      | 12.30     | 531025       |



— Price: ... S&P CNX 500

Source www.nseindia.com

#### 9. Distribution of shareholding as on 31st March, 2004

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| Upto 5000                 | 11820               | 92.66             | 2669299            | 12.11             |
| 5001-10000                | 506                 | 3.97              | 778217             | 3.53              |
| 10001-20000               | 199                 | 1.56              | 584316             | 2.65              |
| 20001-30000               | 88                  | 0.69              | 449976             | 2.04              |
| 30001-40000               | 33                  | 0.26              | 235679             | 1.07              |
| 40001-50000               | 21                  | 0.16              | 193088             | 0.88              |
| 50001-100000              | 36                  | 0.28              | 512778             | 2.33              |
| 100000 and above          | 53                  | 0.42              | 16614539           | 75.39             |
| <b>TOTAL</b>              | <b>12756</b>        | <b>100.00</b>     | <b>22037892</b>    | <b>100.00</b>     |