

# **24th ANNUAL REPORT 2010-2011**



AKSH OPTIFIBRE LIMITED

iCONTROL IPTV IS A DIGITAL TV SERVICE.

# 160

LIVE CHANNELS



# 7

DAYS  
AUTO RECORDING

WATCH LAST 7 DAYS TV SHOWS & MOVIES  
WHENEVER YOU WANT.

ALL CONTENT AUTO RECORDED BY iCONTROL.

# 70

CHANNELS  
WITH  
COOL & CHILL



PAUSE, REWIND & FAST FORWARD LIVE PROGRAMS.

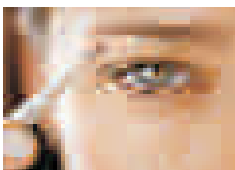
# 400

DVD QUALITY MOVIES. WATCH THEM WHENEVER  
YOU WANT WITH PAUSE, REWIND & FAST FORWARD.



# 1000

VIDEO CLIPS ON BOLLYWOOD, SCIENCE, LIFESTYLE,  
HEALTH & BEAUTY, ART & CRAFT FOR KIDS AND  
FAMILY.



iCONTROL IPTV AND DTH CAN BE SEEN ON THE SAME TV.  
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**Chairman**

Dr. Kailash S. Choudhari

**Whole-time Director**

Mr. Chetan Choudhari

**Directors**

Mr. P.F. Sundesha

Mr. B.R. Rakhecha

Mr. Narendra Kumbhat

Mr. Arun Sood

Mr. Amrit Nath

Mr. D. K. Mathur

**Company Secretary**

Mr. Gaurav Mehta

**Auditors**

P.C. Bindal & Co.

**Bankers**

Union Bank of India,

ICICI Bank Limited

**Registrar and Transfer Agents**

MCS Limited, F-65, First floor,

Okhla Industrial Estate, Phase-I, New Delhi-110020

**Registered Office**

F-1080, RIICO Industrial Area, Bhiwadi,

Rajasthan-301019

**Corporate Office**

J-1/1, B-1 Extension, MCIE, Mathura Road,

New Delhi-110044.

**Network Operating Centers****Delhi**

A-16, MCIE, Mathura Road, New Delhi-44.

**Chandigarh**

SCO-186 Sector-38 C&D, Chandigarh-36

**Jaipur**

M-18 Flatted Software Complex , EPIP Jaipur -22

**Mumbai**

702, Corporate Arena, Kamla Nagar Road, Behind Mahindra

Gardens off S.V. Road , Goregaon (W)

Mumbai-400 062

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## NOTICE

**Notice** is hereby given that the **24<sup>th</sup>** Annual General Meeting of the Aksh Optifibre Limited will be held at 11.00 A.M. on Friday 15<sup>th</sup> July, 2011 at the Registered Office of the Company at F-1080, RIICO Industrial Area, Phase-III, Bhiwadi (Rajasthan)- 301 019, to transact the following businesses:

### ORDINARY BUSINESS:

1. To Consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended on that date and the Report of the Board of Director's & Auditors' thereon.
2. To appoint a Director in place of Mr. B.R. Rakhecha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.F. Sundesha, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. P.C. Bindal & Co, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as fixed by the Board of Directors, in addition to any reimbursement of out of pocket expenses in connection with the audit of accounts of the Company".

### SPECIAL BUSINESS:

5. 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 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Amrit Nath, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation".
6. 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 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory

modification(s) or re-enactment thereof for the time being in force) Mr. Chetan Choudhari, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation".

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) of the Companies Act, 1956 read with Schedule XIII of the said Act, and such other permissions, consents / approvals from various authorities as may be applicable / required, the Company hereby accords its consent to the appointment of Mr. Chetan Choudhari as a Whole Time Director of the Company, liable not to retire by rotation, for a period of 3 years w.e.f. 1<sup>st</sup> September 2010 up to 31<sup>st</sup> August, 2013 on **NIL** remuneration with liberty to the Board to alter or vary the terms and conditions of appointment, including remuneration, in such manner as agreed to between the Board and Mr. Chetan Choudhari subject to all necessary statutory approvals, if applicable".

**By Order of the Board**

Gaurav Mehta

**Company Secretary**

**Place : New Delhi**

**Date : 21.05.2011**

### Notes:-

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 8<sup>th</sup> July, 2011 to 15<sup>th</sup> July, 2011(both days inclusive).

4. Members/ proxies should fill in the attendance slip for attending the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. 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, M/s MCS Ltd, at F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 quoting their Folio Number(s).
6. 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, at least 10 days before the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
7. The equity shares of the Company have been notified for compulsory trading in demat form and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders are requested to avail this facility and get their shares converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant to the Registrar and Transfer Agents of the Company.
8. 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 Agents of the Company, M/s. MCS Ltd, at F-65 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020.
9. Dividends from the financial year 2002-03 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they had been transferred to Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, on their due dates as per the details given hereunder:

Financial Year	Nature of Dividend	Date of transfer to Unpaid Dividend account	Due date of transfer to IEPF
2005-06	Final Dividend	04.11.2006	04.11.2013
2006-07	Final Dividend	06.03.2008	06.03.2015

Members who have not claimed/ encashed the dividend warrants for the aforesaid years 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. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed and unpaid, on its becoming due for transfer to IEPF account.

10. (a) At the ensuing Annual General Meeting, Mr. B.R.Rakhecha retires by rotation and being eligible, offers himself for re-appointment. The details pertaining to Mr. B.R.Rakhecha are as under:

Name	B.R.Rakhecha
Age	69 years
Qualification(s)	B.Com, L.L.B
Expertise in respective Area	Manufacturing & Production Management, Industrial Relations & General Management.
Date of Appointment as Director of the Company	22.07.2003
Directorships in Other Companies	Aksh Technologies Limited Shri.Rishabhna Infrastructure Pvt. Ltd
Chairman/Member of Committees of other Companies	Aksh Technologies Limited
No. of shares held	Nil
Inter-se relationship with other Directors	Nil

- (b) At the ensuing Annual General Meeting, Mr. P.F.Sundesha retires by rotation and being eligible, offers himself for re-appointment. The details pertaining to Mr. P.F.Sundesha are as under:

Name	P.F.Sundesha
Age	66 years
Qualification(s)	B.Sc.
Expertise in respective Area	Marketing, Finance & General Administration.
Date of Appointment as Director of the Company	29.06.1996
Directorships in Other Companies	Aksh Technologies Limited APAKSH Broadband Limited Kewal Kiran Clothing Limited AOL FZE Fulchand Finance Pvt Ltd
Chairman/Member of Committees of other Companies	Aksh Technologies Limited
No. of shares held	4,330,587 equity shares
Inter-se relationship with other Directors	Nil

- (c) At the ensuing Annual General Meeting, Mr. Chetan Choudhari, Additional Director, is proposed to be appointed as Director. The details pertaining to Mr. Chetan Choudhari are as under:

<b>Name</b>	<b>Chetan Choudhari</b>
Age	39 years
Qualification(s)	B.E.
Expertise in respective Area	Manufacturing, Marketing
Date of Appointment as Director of the Company	01.09.2010
Directorships in Other Companies	APAKSH Broadband Limited New Generation Networks Limited
Chairman/Member of Committees of other Companies	Nil
No. of shares held	745,864 equity shares
Inter-se relationship with other Directors	Nil

- (d) At the ensuing Annual General Meeting, Mr. Amrit Nath, Additional Director, is proposed to be appointed as Director liable to retire by rotation. The details pertaining to Mr. Amrit Nath are as under:

<b>Name</b>	<b>Amrit Nath</b>
Age	68 years
Qualification(s)	MA (Econ.)
Expertise in respective Area	International Banking/ Financial Services
Date of Appointment as Director of the Company	17.09.2010
Directorships in Other Companies	Nil
Chairman/Member of Committees of other Companies	Nil
No. of shares held	Nil
Inter-se relationship with other Directors	Brother in law of Mr. Arun Sood, Director

**Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 ("The Act")**

The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 5 to 7 mentioned in the accompanying Notice dated 21.05.2011.

**Item no.5**

Mr. Amrit Nath was appointed as an Additional Director of the Company w.e.f. 17.09.2010 by the Board of Directors. In terms of the provisions of Section 260 of the Act, Mr. Amrit Nath holds office upto the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member under provisions of Section 257 of the Act along with the requisite deposit signifying the intention to propose the candidature of Mr. Amrit Nath, as a Director liable to retire by rotation.

Mr. Amrit Nath, a qualified Economist [MA (Econ.)] from the Delhi School of Economics, with specialization in Industrial Economics, brings in a vast experience of about 40 years in International Banking/ Financial Services to Aksh Optifibre Limited.

The Board accordingly recommends the Ordinary Resolution set out at Item no. 5 of the accompanying notice for the approval of the members. None of the Directors of the company is, in any way concerned or interested except Mr. Arun Sood and Mr. Amrit Nath who may be deemed to be concerned or interested in the resolution relating to his appointment.

**Item no.6 & 7**

Mr. Chetan Choudhari was appointed as an Additional Director of the Company w.e.f. 01.09.2010, by the Board of Directors. The Board also appointed Mr. Chetan Choudhari as a Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> September, 2010 till 31<sup>st</sup> August, 2013 on **NIL** remuneration, subject to the approval of the Members. Mr. Chetan Choudhari has been with the Company since last 16 years and has held several managerial positions in the company. He is presently the Chief Executive Officer of Aksh Technologies Limited (Wholly Owned Subsidiary of Aksh Optifibre Limited) and is heading the manufacturing and exports of Optical Fibre, Optical Fibre Cables and FRP Rods.

In terms of Section 260 of the Act, Mr. Chetan Choudhari holds the office upto the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member under provisions of Section 257 of the Act along with the requisite deposit signifying the intention to propose the candidature of Mr. Chetan Choudhari, as Director.

The Board accordingly recommends the Ordinary Resolution set out at Item no. 6 & 7 of the accompanying notice for the approval of the members. None of the Directors of the Company is, in any way concerned or interested except Mr. Chetan Choudhari who may be deemed to be concerned or interested in the resolution relating to his appointment.

**By Order of the Board**

Gaurav Mehta  
**Company Secretary**

**Place : New Delhi**  
**Date : 21.05.2011**



## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended March 31, 2011 is summarized below:

(Rs. in Lacs)		
Particulars	F. Y. ended 2010- 2011	F.Y. ended 2009-2010
Turnover	508.55	830.51
Profit / (Loss) before Interest, Depreciation and Tax	(1,474.66)	(721.31)
Interest	232.02	239.32
Depreciation	919.34	1,136.29
Profit / (Loss) before Tax	(2,626.02)	(2,096.92)
Provision for Tax		
- Deferred tax	-	(711.57)
- Deferred tax Assets Reversed	2,155.12	-
Net Profit / (Loss) after Tax	(4,781.14)	(1,385.35)

### Operational Review

During the year under review, your Company attained a gross turnover of Rs. 508.55 Lacs as against Rs. 830.51 Lacs during the previous year.

The Net Loss after Tax during the year under review was Rs. 4,781.14 lacs as against Rs. 1,385.35 lacs for the previous year, due to loss arising out of foreign exchange fluctuation on account of re-statement of foreign exchange assets and liabilities of Rs. 235.33 lacs during the current year as against gain of Rs. 1533.89 lacs in the previous year and also due to reversal of deferred tax assets in excess of deferred tax liability of Rs. 2155.12 lacs.

Your Company has the largest subscriber base of IPTV customers in South East Asia and with a view to further consolidate its market position as well as ensure a steady and stable growth, the Company is expanding its IPTV under the brand "iControl" in the cities of Delhi and Mumbai and with BSNL in 20 cities of North India, viz. State of Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, Rajasthan and U.P.(West). Your Company is also offering host of ad-on services viz, Time Shift TV (Chill & Cool), Video on Demand (VoD), A-Tube (Video Yellow pages – Pull advertising), iControl Mall (on line shopping) and TV messaging.

The Company is the pioneer in the FTTH (Fibre -To- The-Home) space and has more consolidated its spot by starting its FTTH services in Jaipur, Ajmer, Faridabad, and Ambala.

The Company is operating its VoIP services under the brand "Pigeon" in the cities of Delhi & Mumbai in association with MTNL. The brand has been well established in the market and people have started using Pigeon VoIP as an effective tool for getting connected with their near and dear ones living abroad.

### Future Outlook

With the growth of infrastructure and look out of new revenue streams beyond data and voice services, it is predicted that the demand of IPTV is slated to grow upto 109 mn by 2014, with the global revenue rising to US\$ 41bn by 2014. As per the industry reports the number of IPTV subscribers is expected to increase in the markets where FTTH deployments are powering ahead. Further, with the increased demand of infrastructure, technology advancements and consumer shift from linear to non linear TV viewing, demand of IPTV is set to surge ahead in India. To tap the growing IPTV market, your Company is offering various interactive and educative services through its IPTV platform which is well accepted and appreciated by the subscribers.

The Company is also tapping international markets for gaining foothold in IPTV business. For the same purposes, the Company has incorporated a Wholly Owned Subsidiary (WoS) namely 'AOL-FZE' in the Sharjah Airport Free Zone, Sharjah (U.A.E.). The purpose is to explore new business ventures which can be operated with the present line of business, enlarge its present business operations and the like.

### DIVIDEND

In the absence of profits, your Directors are unable to recommend any Dividend for the period under review.

### SUBSIDIARY COMPANIES

During the year under review, the Company has incorporated one Wholly Owned Overseas Subsidiary namely AOL-FZE incorporated in SAIF Zone, Sharjah, Dubai (U.A.E).

During the year under review, the Company applied for winding-up of its three wholly owned subsidiaries i.e. 'Aksh Net Tel Limited', 'Spyk Global Limited', 'Aksh Infratel Limited' under Section 560 of the Companies Act, 1956 which have accordingly been dissolved.

As on date the Company has two Indian Subsidiaries, viz., APAKSH Broadband Limited, Aksh Technologies Limited and One Wholly Owned Overseas Subsidiary, viz. AOL-FZE, incorporated in SAIF Zone, Sharjah Dubai (U.A.E).

The Statement pursuant to Section 212 of the Companies Act, 1956 is annexed herewith. The Audited Statements of Accounts along with the Report of the Board of Directors and Auditors' Report thereon on the Subsidiary Companies have not been annexed in terms of general exemption granted by the Ministry of Company Affairs vide its circular no. 2/2011 dated 08.02.2011. The relevant documents of the Subsidiary Companies will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will be available for inspection during business hours at the Registered Office of the Company.

### **CONSOLIDATED FINANCIAL STATEMENTS**

As provided in the Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India (ICAI) on consolidated financial statements the consolidated financial statements are attached which form part of the Annual Report.

### **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year under review.

### **QUALIFIED INSTITUTIONAL PLACEMENT (QIP)**

During the year under review, the Company made a QIP Issue aggregating Rs. 22.5 Crore (approx.) and allotted 11,550,000 Equity Shares to eligible Qualified Institutional Buyers ("QIBs") under the qualified institutions placement under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

### **GLOBAL DEPOSITORY RECEIPTS (GDR) ISSUE**

The Company came out with a GDR issue of US\$ 25 Mn in September, 2010. The issue comprised of 1,165,750 GDRs underlying 58,287,500 Equity Shares of Rs. 5 each, one GDR equivalent to 50 paid up Equity Shares of the Company.

### **LISTING**

The Equity Shares of the Company continue to be listed at The Bombay Stock Exchange Ltd and The National Stock Exchange Ltd. FCCBs and GDRs are listed at the Luxembourg Stock Exchange. The Listing Fee has been paid to all the stock exchanges.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state:

- That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2011, the accounting standards as issued by ICAI have been followed and there are no material departures ;
- That the Directors have selected such accounting policies consulting the Statutory Auditors and has

applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the Company for the year;

- That the Directors have 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. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records;
- That the Annual Accounts have been prepared on a going concern basis.

### **DIRECTORS**

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.R. Rakhecha and Mr. P.F. Sundesha, Directors will retire by rotation, and being eligible, have offered themselves for re-appointment.

Mr. Chetan Choudhari has been appointed as an Additional Director of the Company w.e.f. 01.09.2010. Mr. Amrit Nath has been appointed as an Additional Director w.e.f. 17.09.2010. Both the Directors hold office up to the date of the forthcoming Annual General Meeting of the Company. Taking into consideration their knowledge and experience, the Board commends their appointment as Directors of the Company, liable to retire by rotation.

On 01.09.2010, in accordance with the provisions of Section 269 of the Companies Act, 1956 Mr. Chetan Choudhari has been appointed as Whole Time Director of the Company for a period of 03 (Three) years with effect from September 01, 2010 till 31<sup>st</sup> August, 2013. Taking into consideration his knowledge and experience, the Board commends his appointment as Whole-time Director of the Company.

### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, the following are annexed to this report:

- Report on the Corporate Governance and a Certificate from the Auditors of your Company regarding compliance of the conditions of Corporate Governance;
- Management Discussion and Analysis Report

### **INFORMATION PURSUANT TO SECTION 217 (2A)**

Not applicable, since no employee falls under the provisions of Section 217 (2A) of the Companies Act, 1956.

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

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology



Absorption and Foreign Exchange Earnings and Outgo are given in Annexure to this report.

## AUDITORS' REPORT

The observation of Auditors and their report read with the relevant Notes to Accounts are self-explanatory and therefore do not require further explanation.

## AUDITORS

M/s P. C. Bindal & Co., Chartered Accountants, hold the office as Auditors of your company till the conclusion of the forthcoming Annual General Meeting and have expressed their willingness to be re-appointed. Their appointment, if made, would be within the limits specified under Section 224 (1) (B) of the Companies Act, 1956.

## EMPLOYEES STOCK PURCHASE SCHEME

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

## ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation to the contribution made by the employees to the working of the company.

Your Directors also express gratitude to the Customers, Suppliers, Shareholders, Banks, Trade Partners, Service Partners and Investors for the confidence reposed in your Company and for their continued co-operation during the year under Report.

**For & on behalf of the Board of Directors**

Kailash S. Choudhari      Chetan Choudhari  
Chairman      Whole-Time Director

Place : New Delhi

Date : 21.05.2011

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

#### Particulars Regarding Conservation of Energy, Technology Absorption, Foreign Exchange, Earnings and Outgo

Information as required 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 and forming part of the Director's Report for the financial year ended 31<sup>st</sup> March, 2011 is as follows:

#### 1. CONSERVATION OF ENERGY

- |   |                |
|---|----------------|
| a. Energy conservation measures taken                             | Not Applicable |
| b. Additional investments & proposals, if any, being implemented. | Not Applicable |

- |  |                |
|--|----------------|
| c. Impact of measures of a & b above for reduction of energy consumption & consequent impact on cost of production   | Not Applicable |
| Total energy consumption and energy consumption per unit of production as perform 'A' of the Annexure in respect of Industries specified in the schedule thereto | Not Applicable |

#### 2. TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

- |   |  |
|---|--|
| 1. Specific area in which R & D is carried by the Company     | The Company is conducting R&D to make its services business more user effective. |
| 2. Benefits derived as a result of the above R&D              | The awareness of services amongst the masses has increased.                      |
| 3. Future Plan of action                                      | The Company would continue R&Ds for more customer awareness.                     |
| 4. Expenditure on R & D.                                      |  |
| i) Capital  |  |
| ii) Recurring Total   | The Company has not undertaken any major Expenditure on R& D.                    |
| iii) Total  |  |
| iv) Total R & D Expenditure as a percentage of total turnover |  |

#### 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. Information regarding Imported Technology:   |                 |
| (a) Technology imported   | 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. |

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- |  |     |
|--|-----|
| a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products, services and export plans: | Nil |
| b. Total foreign exchange used and earned  |     |
| The information of foreign exchange earnings and outflow is furnished in notes to accounts.  |     |

**For & on behalf of the Board of Directors**

Kailash S. Choudhari      Chetan Choudhari  
Chairman      Whole-Time Director

Place : New Delhi

Date : 21.05.2011

## CORPORATE GOVERNANCE REPORT

### CONTINUED DEDICATION TO CORPORATE FAIRNESS, TRANSPERENCY AND ACCOUNTABILITY

Your Company believes in conducting its affairs with the highest levels of integrity, proper authorisations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement entered into with Stock Exchanges are as under:

#### 1. Company's Philosophy On Corporate Governance

AKSH is committed to attain the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, government, lenders and the society at large. The underlying goal of the Company is to enhance its overall enterprise value and retain the trust and faith of all its valuable stakeholders, over a sustainable tenure.

Good Governance is an essential and integral part of corporate success and sustainable economic growth encouraging the efficient use of resources and equally to require accountability for the stewardship of those resources.

In addition to the adherence to its philosophy and values, the Company has also complied with the provisions of Clause 49 of the Listing Agreement of Stock Exchanges, which deals with the compliance of Corporate Governance requirements. A detail, in line with the same is as follows.

#### 2. The Board Of Directors

##### Composition:

The Company has a very balanced structure of the Board of Directors. As at the end of the current financial year the Board consisted of 8 Directors, with one Promoter Director cum Non- Executive Chairman, 4 Independent Non-Executive Directors, a Whole Time Director and 2 Non-Independent Non-Executive Directors.

During the year, Dr. Kailash S. Choudhari stepped down as Managing Director and was appointed as Non Executive Chairman cum Director of the Company. Mr. Chetan Choudhari was appointed as a Whole Time Director of the Company. Further, Mr. Amrit Nath has been appointed as an Independent Non-Executive Director of the Company.

The Company has been taking effective steps for due compliance of the provisions of Clause 49 of the listing agreement. None of the Directors are holding directorships in more than 15 Public Companies and not a member of more than 10 Committees and the Chairman of more than 5 Committees across all the Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of the shareholders. All Non-Executive Directors are liable to retire by rotation unless otherwise specifically approved by the shareholders.

The Independent Directors on the board are experienced and highly renowned persons from their respective fields. They take active part in the Board and Committee meetings which add value in the decision making process of the Board of Directors.

#### Board Functioning & Procedure

Aksh believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. Aksh believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held. The Chairman of the Board and the Company Secretary discuss the items to be included in the agenda and the agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year ended on 31<sup>st</sup> March, 2011 the Board of Directors had 14 meetings with not more than four months gap between any two meetings. The date of Board Meetings held during the year is as follows:

(i) 12<sup>th</sup> May, 2010 (ii) 17<sup>th</sup> May, 2010 (iii) 9<sup>th</sup> July, 2010 (iv) 23<sup>rd</sup> July, 2010 (v) 11<sup>th</sup> August, 2010 (vi) 14<sup>th</sup> August, 2010 (vii) 27<sup>th</sup> August, 2010 (viii) 1<sup>st</sup> September, 2010 (ix) 17<sup>th</sup> September, 2010 (x) 22<sup>nd</sup> October, 2010 (xi) 6<sup>th</sup> November, 2010 (xii) 22<sup>nd</sup> November, 2010 (xiii) 4<sup>th</sup> December, 2010 & (xiv) 24<sup>th</sup> January, 2011

The Board of Directors granted leave of absence to the absentee Directors in the respective Board Meetings.