

# AUDITORS' REPORT

## TO THE MEMBERS OF AKSH OPTIFIBRE LIMITED

Report on the Accounts for the year ended on 31<sup>st</sup> March, 2001 is in compliance with Section 227(2) of the Companies Act, 1956.

We have audited the attached Balance Sheet of Aksh Optifibre Limited (formerly known as Aksh India Limited) as at 31<sup>st</sup> March, 2001, and also the annexed Profit & Loss Account for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
  2. Further to our comments in the Annexure referred to in paragraph (1) above :
    - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
    - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
    - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2001, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2001 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to Notes to Accounts in Schedule "N" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2001, and
    - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

For **P. C. BINDAL & CO.**  
*Chartered Accountants*

**P. C. BINDAL**  
*Partner*

Place : Gurgaon  
Dated : 14th April, 2001

# ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets of the Company have been physically verified by the management during the year and no serious discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The Stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year and/or at the end of year, except for certain stocks lying with third parties for which we have relied on certificates. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information & explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from examination of books.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous year, except for the changes as required by professional pronouncements made by the "Institute of Chartered Accountants of India", referred to in note 5 of Schedule 'N'.
7. In our opinion, the rates of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956, are, prima facie, not prejudicial to the interest of the Company. We are informed that there are no Companies under the same management as defined Under Section 370(1B) of the Companies Act, 1956.
8. The Company has not granted any loan, secured or unsecured to the parties listed in the register maintained Under Section 301 of the Companies Act, 1956.
9. Subject to note No. 10 of Schedule 'N' in respect of loans and advances in the nature of loans given by the Company, the repayment of principal and interest, where charged, are generally in accordance with the stipulated terms.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the anticipated loss arising on items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956, and the rules made thereunder with regard to the deposits accepted from the public. There were no outstanding public deposits at the end of the year.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company's operations do not generate any by-products.
15. The Company has an adequate internal audit system commensurate with the size and nature of its business.
16. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31<sup>st</sup> March, 2001, for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of Employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial Company within the meaning of Section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activities, we are informed that there are no damaged stocks.

For **P. C. BINDAL & CO.**  
*Chartered Accountants*

**P. C. BINDAL**  
*Partner*

Place : Gurgaon  
Dated : 14th April, 2001