

Message from the CEO



when
growth is
exponential,
the only
way to
go is up



Rajiv Naik
Chief Executive Officer

almost 1000% every 2 to 3 years. Unfortunately, equipment supplies fall woefully short to accommodate this kind of growth. It is a proven fact that, of all the technologies known today, only optical fibre offers immense potential for catering to this demand in bandwidth. A single fibre is capable of streaming bandwidth in excess of 1 terabit per sec. No other technology comes anywhere near to this rate.

This has resulted in bandwidth guzzlers consuming / laying more and more fibre, leading to the evaporation of all known resources of optic fibre. Anything connected with fibre optics is in short supply.

Market Scenario

The projected demand for optical fibre in the world is 110 million fibre kilometres (fkm) in 2001 and 290 million fkm in 2006. In India, the demand is expected to be 2.2 million fkm in 2001-02.

These facts are clearly reflected in the Company's Annual Results. Our Turnover has gone up by 42% as compared with last year, and the PAT by an amazing 227%.

The coming year will witness even more phenomenal growth. We envisage a growth in Sales Turnover by over 250% and PAT by over 500%. This growth will be due to your Company's additional capacities in the manufacture of fibre, cables and FRP rods.

The Aksh business can now be divided into four broad categories

I take this opportunity to thank the entire Aksh team for inviting me into their fold, at a time that promises tremendous opportunity and challenge for the Company.

I join the Aksh family with great pleasure and anticipation. A shared vision to excel at every step is what motivated me and others to join Aksh. We all look forward to the exciting times ahead, offering unprecedented potential and exponential growth.

Team Aksh has a huge bank of rich, relevant and vibrant experience in the field of fibre optics, which I am sure will inculcate robust and more than substantial growth for all Stakeholders, as well as for the Company.

External Environment

As we all are aware, the insatiable demand for bandwidth throughout the world presents huge opportunities of growth. Bandwidth demand is growing at a rate of

— Fibre, Cables, FRP Rods and FTTH.

• **Fibre** : The fibre team has been strengthened by the induction of Mr. Ashok Agarwal, who brings with him a wealth of invaluable and rare experience. We shall be commissioning dual draw towers this year which will add approximately 3.6 million fkm to our existing capacity.

A long term supply contract has been entered into with M/s. Shin-Etsu, Japan, at very competitive prices. Furthermore, it will be our endeavour to manufacture Modified Chemical Vapour Deposition (MCVD) based preforms for approx. 1 million fkm initially.

• **Cables** : Capacity has been augmented by de-bottlenecking, achieved with the addition of a high-speed sheathing line, promising approximately 75% growth. We are looking to close this year with approx. 1.2 million fkm of cabled fibre.

• **FRP rods** : Today I am proud to say that we are on the road to becoming a truly a global Company as regards FRP Rods. In the coming year, Aksh will be the largest producer of FRP Rods in the world! We expect to build at least 750,000 kms of FRP rods this year.

• **FTTH cables** : A patent has been applied for in India and USA, for this extremely light Fibre To The Home Cable, which is lightning-proof, crush-proof, termite-proof and rodent-proof. It can be installed in ducts, directly buried and strung aerially, and is completely nonmetallic. To enter this lucrative market a large capacity and a huge investment is required, while the expected market potential is 60-75

million km by 2006.

It gives me great pleasure to share with our esteemed Stakeholders that we are now ready to achieve our ultimate vision of Fibre To Home which will provide opportunity for strategic tie-ups with media companies or content-providers on a revenue-sharing basis for (a) Video on Demand, comprising of Music on Demand, Films on Demand, Education, Security, ISP, Video Conferencing, Entertainment, etc. (b) IP (Internet Protocol) and VoIP (c) Telephony.

This opens up several doors of perception, each heralding the dawn of true and all-encompassing convergence. As regards business opportunities, financial investments or the general environment, we are today poised at the brink of a revolution, where Aksh is the ultimate role-model in the path to transformation and enhancement of the quality of life in a global village. The FTTH project will manufacture a cable suitable for Rural Telephony (with additional equipment), which will be explored shortly.

All this will not be possible without your continued support and confidence in Aksh, and we look forward to having you as our partners on the road to sure success.

Here's wishing all our valued Stakeholders and the entire Aksh family more growth than ever!

With warm regards,

Rajiv Naik
Chief Executive Officer