

AKSH OPTIFIBRE LIMITED

A-32, 2nd Floor,
Mohan Co-operative Industrial Estate, Mathura Road,
New Delhi-110044, INDIA
Tel.: +91-11-26991508, 26991509
Fax : +91-11-26991510
Email : aksh@akshoptifibre.com
Website : www.akshoptifibre.com
CIN NO. : L24305RJ1986PLC016132

July 4, 2020

To

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai – 40005	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Bombay-400 001
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Subject: Clarification / update

Dear Sir,

A) This is in furtherance to the letter dated 17th September 2019, submitted by the Company to Stock Exchanges, wherein the Company had informed the stock exchange that Company has received certain letters from one of the shareholder representing Indian Investor Protection Council, alleging certain non-disclosures and irregularities on commercial/financial transactions by the promoters with the alleged purported related parties.

It was also informed that in line with prudent Corporate Governance practices, all complaint letters received from shareholder were placed before the Stakeholders Relationship Committee of the company. Committee had taken cognizance of the allegations made by the shareholder and had initiated the process to check the authenticity of the allegations being made.

Further the complaint letters were also placed before the Audit Committee and Board of Directors, wherein the Stakeholders Relationship was delegated the power to investigate.

In this regard, we further wish to inform that pursuant to the directions of Stakeholders Relationship Committee, an Independent External Auditor was appointed to check the records and provide its report on the allegations of related party.

Pursuant to the extensive audit conducted by Independent External Auditors, they submitted their report before Stakeholders Committee Meeting on 3rd July 2020.

Stakeholders Relationship Committee consisting of four Independent Directors on the Board of the Company adopted the report of Independent External Auditor and concluded that none of the alleged purported related Company (total 13) is related to Company and/or its Directors. Company and its earlier/current Directors/KMPs are in compliance of law and allegations of related party are baseless.

B) During the meeting, Committee members raised certain queries about Mr. Arvind Gupta. Committee asked about the shareholding details of Mr. Gupta in the Company and any transaction/agreement entered with Mr. Gupta.

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Committee was apprised that on 13th May 2019, a consultancy agreement was entered with the proprietorship Company of Mr. Gupta, Company had supplied material to BSNL and its payments for approx. Rs. 73 crores were pending for many months. Mr. Gupta assured that he has connections and shall arrange the payment within 10 days. As per the agreement, if the payment would be received by 23rd May 2019 (within 10 days) then Company would pay him commission @one percent (Rs. 73 lacs) and if payment would be received by 31st May 2019, then Company would pay him commission @one-half percent (Rs.36.50 lacs). However, since no payment was received hence no commission was paid and agreement expired on 31st May 2019.

Committee members noticed that the first complaint letter from Mr. Gupta about alleged related parties was received on 4th June 2019.

Committee members also noticed that Mr. Gupta had purchased 10,000 shares of the Company during third week of June 2019.

Committee was also apprised that on 24th January 2020, a proposal was moved in the Nomination & Remuneration Committee of the Company to appoint Mr. Arvind Gupta as Director and professional consultant at a fee of Rs. 10 (ten) Lac per month. The proposed resolution was not passed by the Committee.

Committee further noted that Mr. Arvind Gupta was appointed as Independent Director of the Company on 13th February 2020. It was also noted that as on date of appointment as Independent Director, Mr. Gupta was holding 80,000 equity shares of the Company, he had purchased 110,000 equity shares of the Company in March 2020 and as on 31st March 2020, he was holding 190,000 equity shares of the Company.

Members discussed about insider trading regulations & provisions and expressed concerns on purchase of shares after becoming Independent Director.

C) Company has noticed that post the meeting of Stakeholders Relationship Committee happened on 3rd July 2020, for adoption of External Auditor Report and expressing concern about other Independent Director (Mr. Arvind Gupta), instantly on 4th July 2020, the alleged complaints of Mr. Arvind Gupta has been released by media, for the reasons best known to Mr. Arvind Gupta and media.

This letter may also be construed in reference to such media publications.

Thanking you,
for **Aksh Optifibre Limited**

Sd/-
Anuja Bansal
Chairman of Stakeholders
Relationship Committee and
Independent Director

Sd/-
Gaurav Mehta
Chief-Corporate Affairs &
Company Secretary

Sd/-
Pramod Kumar Srivastava
Chief Executive Officer

Sd/-
Sudhir Kumar Jain
Chief Financial Officer

***Note:** Due to ongoing COVID -19 pandemic outbreak, this intimation is being submitted without signature of the authorised persons in SD/- mode.*

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