

## AKSH OPTIFIBRE LIMITED

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CIN NO. : L24305RJ1986PLC016132

September 17, 2019

To

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

Dear Sir,

This is in reference to the recent spate of events, more particularly the downward movement in the share price of the Company over the last two months. In this regard, the company management would like to highlight and clarify to the general public and investors at large the following events.

1. SEBI vide its order dated 28<sup>th</sup> June 2019, passed an order against the Company/one of the promoter and Directors, debarring them from accessing the capital market for a period of five years and six months, respectively. The order was in relation to the GDR issue raised by the company in the year 2010.
2. Consequent to the above order, one of the Independent Director of the Company resigned on 22<sup>nd</sup> July 2019.
3. Subsequently, in August 2019, two other Independent Directors and one Non-Executive Directors of the Company have also resigned citing their personal reasons.
4. Company has also received certain letters from one of the shareholder representing Indian Investor Promoter Council, alleging certain non-disclosures and irregularities on commercial/financial transactions by the promoters with the alleged purported related parties.
5. Company has been passing through financial crisis coupled with slowdown in Company's business owing to worldwide challenging phase arising out of oversupply situation created due to stagnated demand of optical fibre in Chinese market.
6. In view of the slowdown in business, some of the employees including persons at key positions have left the Company over the last one year.

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With respect to the above mentioned points, as good corporate governance, the Company has made adequate disclosures from time to time, wherever necessary and would like to further submit as under:

1. Against the SEBI order, in consultation and advise of Legal Counsel, the company/promoters/directors have already filed an appeal in SAT (Securities Appellate Tribunal) challenging the said order.
2. The company has initiated the necessary steps for the appointment of Independent Directors and shall endeavour to appoint the requisite number of Independent Directors as statutorily required within the stipulated time period as prescribed under the law.
3. In line with prudent Corporate Governance practices, all complaint letters received from shareholder were placed before the Shareholders relationship committee of the company. Committee has taken cognizance of the allegations made by the shareholder and has initiated the process to check the authenticity of the allegations being made. All the concerned parties have been approached to provide the necessary details and information/clarification against the allegations.
4. The financial constraint being faced by the Company is largely due to delays in payment from one of the large PSU customer. The Company has initiated necessary steps for recovery of such dues including writing letters to concerned authorities. It is expected that the funds should be received within short span of time, which should normalise the financial situation of the Company.

With regard to Industry outlook, the Company is hopeful that it is temporary in nature and should improve with the commencement of 5G in China and other countries.

5. The Company has already appointed a senior personnel at Executive Director level, who is a stalwart of OFC industry and brings with him a rich professional experience of 28+ years. Company is also in process of identifying the talent and recruiting people at other key positions.

We would like to assure that the company management and its employees are fully committed and are prepared to face the current challenging times. We are fully confident that Aksh Team will sail through this difficult time as we have done in the past and would come back strongly, as an organization.

Apart from what is being mentioned above, there is no other price sensitive news/information that the company and its management have that require a disclosure to its stakeholders.

Thanking you,  
**for Aksh Optifibre Limited**

**Gaurav Mehta**  
**Chief-Corporate Affairs & Company Secretary**

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