

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashok Gupta

Chairman & Managing Director

Renu Gupta

Non-Executive Director

Hardip Singh

Non-Executive & Independent Director

Manoj Jain

Non-Executive & Independent Director

Vikas Chandra

Company Secretary & Compliance Officer

AUDITORS

RMA & Associates

BANKERS

Indusind Bank Limited

State bank of India

ICICI Bank Limited

Axis Bank Limited

REGISTERED OFFICE

317, Competent House, F-14, Connaught Place,

New Delhi-110 001.

Ph. No.: 011-41529022,23, Fax:011-41529030,

E-Mail: info@akankshacellular.com

CORPORATE OFFICE

K-20, Lajpat Nagar-II

New Delhi-110019

TRANSFER AGENT

BEETAL Financial & Computer Services (P) Limited

Beetal House, 3rd Floor

99 Madangir, Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir, New Delhi - 110062

Phone: +91-11-2996 1281(Six Lines), Fax:+91-11-29961284

Email: beetal@beetalfinancial.com

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of **AKANKSHA CELLULAR LIMITED** will be held at Community Center AGCR Enclave, New Delhi-110092 on Saturday, the 23rd Day of April, 2011 at 10:00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2010 and Profit and Loss Account of the company for the year ended on that date together with the Directors' report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Hardip Singh, who retire by rotation and being eligible and offers himself for re-appointment by way of an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 255 of the Companies Act, 1956 and other applicable provisions, if any, Mr. Hardip Singh who retires by rotation and being eligible offers himself for re-appointment be and is hereby re-appointed as Director of the company.”

3. To consider and if though fit, to pass with or without modification(s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditor of the Company for the financial year 2010-2011 by way of an Ordinary Resolution:

“**RESOLVED THAT** the retiring Auditors of the company, M/s. RMA & Associates., Chartered Accountants, being eligible and offering themselves for re-appointment be and are hereby re -appointed as Statutory Auditors for the financial year 2010-2011 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company at the remuneration as may be fixed in this behalf by the Board of Directors of the company.”

SPECIAL BUSINESS

4. To appoint Mr. Manoj Jain as Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“**RESOLVED THAT** Mr. Manoj Jain, who was appointed as an additional Director of the Company and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. To appoint Mr. Ashok Gupta as Managing Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Company hereby approves appointment of Mr. Ashok Gupta as Managing Director of the Company for a period of Five (5) years with effect from 1st April, 2011, on the terms and conditions **hereinafter mentioned:**

- I. The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.
- II. Remuneration:
 - a. Basic Salary: Rs. 5, 00, 000/- per month and as may be decided by the Board from time to time, subject to maximum ceiling of 40% increase per annum.
 - b. Bonus: As per the Company's Schemes and Incentives & Other as may be decided by the Board from time to time.
 - c. Motor Car: Provision of motor car with a chauffeur.
 - d. Medical: As per rules of the Company's Reimbursement Scheme.
 - e. Leave Travel: As per rules of the Company's Concession Scheme.
 - f. Provident: As per rules of the Company's Superannuation Scheme and other Funds.
 - g. Gratuity: As per rules of the Company's Scheme.
 - h. Club Subscription: Reimbursement of club subscription fees to two clubs.
 - i. Other allowances: Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as may be decided by the Board of Directors from time to time.
- III. Commission:

The Board will decide the amount of commission payable to the managing director based on the net profits of the Company each year, provided that the total remuneration of the Managing Director will **not exceed 5%** of the net profits of the Company in accordance of the Sections 198, 309 and schedule XIII to the Companies Act, 1956.
- IV. Minimum Remuneration:

In the event of any absence or inadequacy of net profits in any financial year, the basic salary as mentioned above shall be the minimum remuneration payable to the Managing Director.
- V. The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
- VI. The terms and conditions of the said appointment and/or Agreement may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit subject to the terms & conditions specified in Part II read with Part III of Schedule XIII of the Companies Act, 1956.
- VII. The Managing Director shall be eligible to participate in the Stock Option Plans/Stock Appreciation Rights Plans etc. as in existence/to be declared by the Company from time to time during his tenure.
- VIII. For the purposes of calculating the value of perquisites hereinabove, the same shall be evaluated as per Income Tax Act, 1961, wherever applicable or at actual cost.

- IX. The Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.
- X. Information such as brief resume, nature of expertise in specific functional areas and details of Directorship etc. as required to be furnished under clause 49(IV) of the Listing Agreement is provided in the section on Corporate Governance.

RESOLVED FURTHER THAT subject to the approval of Central Government, if necessary, in the event of any absence or inadequacy of net profit in any financial year, the aforesaid remuneration other than commission shall be paid as minimum remuneration;

RESOLVED FURTHER THAT pursuant to the Article 111(a) of Articles of Association of the Company, Mr. Ashok Gupta, shall not retire by rotation while he continuous to hold that office but he shall be counted in determining the number of directors to be retired by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

6. Change in the Name of the Company

To consider and if thought fit, to pass, with or without modification(s) following Resolution as Special Resolution for change of name of the Company: -

“**RESOLVED THAT** pursuant to section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Registrar of Companies, the name of the company be changed to ‘**Optiemus Infracom Limited**’ accordingly the name of the company wherever it occurs in the Memorandum and Articles of Association of the company be substituted by the new name.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

Notes:

1. MEMBERS ENTITLED TO ATTEND AND VOTE MAY, APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF THEMSELVES AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members/proxies are requested to bring the attendance slip duly filled in for attending the meeting along with their copy of Annual Report.
3. The register of members and share transfer books of the company will remain closed from 18.04.2011 to 23.04.2011 (both days inclusive)

4. The securities of the company are listed on the following stock exchanges namely (I) Bombay Stock Exchange Ltd, Mumbai (II) Delhi Stock Exchange Ltd. New Delhi (III) Jaipur Stock Exchange Ltd., Jaipur.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance in the meeting.

By Order of the Board of Directors
For **AKANKSHA CELLULAR LIMITED**

(Ashok Gupta)
Chairman

Place: New Delhi.

Dated: 22.03.2011

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956

Item No. 4

As required by Section 257 of the Companies Act, 1956 a notice has been received from a Member signifying his intention to propose the appointment of Mr. Manoj Jain, as Director at the forthcoming Annual General Meeting. Hence, necessary resolutions are placed before the Meeting for Members' approval.

Section 257 mandates that appointment of Director be made in the general meeting by way of an Ordinary resolution. Therefore members' approval is sought for the same.

None of the Directors of the Company is in anyway interested in the above resolution.

The Board of Directors therefore recommends the resolution for the approval of the shareholders as an Ordinary Resolution.

Name of Director	Manoj Jain
Date of Birth	16-01-1966
Qualification	B. Com
Experience	22 Years in Laws, Audit, Finance & Taxation, Project Management, Import & Exports, Stock Broking, Information Technology and , etc.
List of other Companies in which Directorship held	Goyal Achal Sampatti Vikas and Niyojan Nigam Limited North Eastern Carrying Corporation Limited
Chairman/ Member of the Committee of Board of Directors of the Companies	Goyal Achal Sampatti Vikas and Niyojan Nigam Limited North Eastern Carrying Corporation Limited

Item No. 5

According to the provisions of section 269 and other applicable provisions of the Companies Act, 1956 every Public Company which have a paid up capital of Rs. 5 Crore or more shall have a Managing Director who shall be subject to the superintendence, control and direction of the Board of Directors and he will be entrusted with substantial powers of the Management and will also perform such other duties as may from time to time be entrusted to him. The Board of Directors of the Company at its Meeting appointed Mr. Ashok Gupta as Managing Director of the Company w. e .f 1st day of April, 2011 subject to the approval of the Members in Annual General Meeting.

Mr. Ashok Gupta is directly concerned or interested in the Resolution as it related to him. Mrs. Renu Gupta, Director of the Company, being relative of Mr. Ashok Gupta, is indirectly interested or concerned in the Resolution.

None of the other Directors is interested or concerned in the aforesaid Resolution.

The Board of Directors therefore recommends the resolution for the approval of the shareholders as an Ordinary Resolution.

Item No. 6

The name of the Company shall give clear image about the nature of activities/business in which it is currently operating. The proposed name give the clear image about the vide range of activities of the Company relating to the Infrastructure and communications which are already included in the Object Clause of the Memorandum of Association of the Company.

None of the Directors of the Company is in anyway interested in the above resolution.

The Board of Directors therefore recommends the resolution for the approval of the shareholders as Special Resolution

DIRECTORS' REPORT

Dear Shareholders

Your Directors have great pleasure in presenting the 17th Annual Report on the business and operation of Akanksha Cellular Limited together with audited statements of accounts for the year ended 31st March 2010.

AMALGAMATION OF SEVEN (7) PRIVATE LIMITED COMPANIES WITH AKANKSHA CELLULAR LIMITED

Telemart Communication (India) Private Limited, Mach Communications Private Limited, Mo-Life Communication (India) Private Limited, Mo-Life Retails Private Limited, Radical Softnet Private Limited, Pacific Inet Support Private Limited, A. Design & Details (Interiors & Infrastructure) Private Limited [Transferor Companies] have been amalgamated with the Company. The Scheme of Amalgamation has been sanctioned by the Hon'ble High Court of Delhi vide order dated 27.01.2011 received on 08.03.2011. The Scheme became effective on 10.03.2011.

The amalgamation follows the Company's philosophy of creating enduring value for all its stakeholders. The amalgamation creates a platform for value-enhancing growth and reinforces the Company's position as an integrated global Company.

Such merger of companies with Akanksha Cellular Limited has enabled seamless integration of operational scale and financial synergies that existed between the Companies. Assets and liabilities of all transferor companies have been transferred to the company as per the approval granted by the Hon'ble High Court of Delhi.

The merger creates a platform for reinforcing the Company's position as an integrated energy company on global scale. The merger enhances value for shareholders of all the Companies. The Company will additionally gain from reduced operating costs arising out of the combined operations. The merger is expected to reduce the earnings volatility of shareholders of the Company as they participate in the earning of the transferor companies.

FINANCIAL RESULTS

The Board of Directors are pleased to state that during the year ended on 31st March 2010, the Company has made best use of the market forces and has taken advantage of the business opportunities that has come its way.

The assets and liabilities of all '*Transferor Companies*' and operating results of them have been incorporated in the Company's books with effect from April 1, 2008 (Appointed Date). The financial performance of the Company, for the year ended March 31, 2010 is summarized below:

Particulars	Year ended on 31.03.2010
Profit/(Loss) before Tax	12,55,54,038.00
Less : Provision for Tax : Current	3,48,02,189.00
: Deferred	93,51,075.00
Profit after Tax	8,14,00,774.00

Note: The figures for the current year include figures of Transferor Companies, which have been amalgamated with the Company and to that extent not comparable to those of previous year

Telecom industry in India has undergone a revolution in the recent years. The country is ranked second worldwide in terms of having the largest telecommunication network, after China. With the ongoing investments into infrastructure deployment, the country is projected to see high penetration of mobile subscribers.

According to a new analytical study on the sector "Indian Telecom Analysis (2008-2012)", mobile telephony continues to fuel growth of the Indian telecom sector, with mobile subscribers projected to grow at a CAGR (Compound Annual Growth Rate) of around 11% between 2009 and 2012.

The Indian mobile market has continued to witness rapid increase in its subscriber base over the past few years, largely due to the declining mobile tariffs and availability of low cost handsets in the country.

DIVIDEND

The Board is of the view that the Company should utilize its funds towards the operations to accelerate the growth rate. The Directors submit that this will increase shareholders value in long term. Accordingly the Board does not recommend any dividend payment for the year 2009-10.

PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

CHANGE IN CAPITAL STRUCTURE

During the year under review, your Company has increased its Authorised Share Capital from Rs. 40,000,000/- (Rupees Four Crore Only) divided into 4,000,000 (Forty Lakh) Equity

Shares of Rs. 10/- (Ten) each to Rs. 304,800,000/- (Rupees Thirty Crore Forty Eight Lakh Only) divided into 30,480,000 (Three Crore Four Lakh Eight Thousand) Equity Shares of Rs.10/-(Ten).

Since the merger of Telemart Communication (India) Private Limited, Mach Communications Private Limited, Mo-Life Communication (India) Private Limited, Mo-Life Retails Private Limited, Radical Softnet Private Limited, Pacific Inet Support Private Limited, A. Design & Details (Interiors & Infrastructure) Private Limited with the Company has been approved and due to single window clearance vide order no 2405/XI dated 08/03/2011 of Hon'ble High Court of Delhi the Authorised Capital has been increased from Rs. 304,800,000/- (Rupees Thirty Crore Forty Eight Lakh Only) divided into 30,480,000 (Three Crore Four Lakh Eight Thousand) Equity Shares of Rs.10/-(Ten) to Rs. 859,800,000/- (Rupees Eighty Five Crore Ninety Eight Lacs only) divided into 85,980,000 (Eight Crore Fifty Nine Lacs Eighty Thousand) Equity Shares of Rs. 10/- (Ten) each

CONVERSION OF CONVERTIBLE WARRANTS INTO EQUITY SHARES

The Board of Directors has allotted 18320050 convertible warrants to the person belonging to the non promoter group on preferential basis at a exercise price of Rs. 10/- each warrant on which the warrant holder shall have the option of applying for and being allotted Equity shares of the Company of face value of Rs.10/- each by paying the balance subscription price after adjustment the upfront payment made on the date of allotment of the warrants. The Company has received the balance amount towards the allotment of Equity shares to the persons belonging to non Promoters category on preferential basis.

DIRECTORS

During the year under review, following changes took place in the office of Directors of the Company:

Mr. Rajesh Sharma and Mr. Manoj Kumar Jain have been appointed as Additional Directors of the company. Mr. Pramod Seth had resigned from the office of the directorship of the Company during the financial year under review.

In accordance with Article 107 of the Articles of Association, Mr. Hardip Singh retire by rotation and, being eligible, has offered himself for re-appointment.

AUDITORS AND THEIR REPORT

M/s RMA & Associates, retiring auditor has presented willingness to be re-appointment as Statutory Auditor of the Company for the financial year 2010-2011. The company has received certificate from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The approval of the shareholders is sought for this resolution.

The observation made in the Auditors Report are self-explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

CORPORATE GOVERNANCE

A separate section on Corporate Governance together with a certificate from the Company's auditors confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement with the Stock Exchanges is given in **Annexure-A** and forms an integral part of this report.

EXTENSION OF ANNUAL GENERAL MEETING

The date of hearing for the scheme of merger was fixed on 24.11.2010 by the Hon'ble Delhi High Court, which was outside the time limit for holding Annual General Meeting of the Company for the financial year 2009-10 pursuant to section 166 read with 210 of the Companies Act, 1956, hence your Company has decided to apply for seeking extension of time to hold its Annual General Meeting. Accordingly, the Company made an application to Registrar of Companies, NCT of Delhi & Haryana to grant extension of period of Annual General Meeting by three months under section 166(1). At the request of the Company, the Registrar of Companies, NCT of Delhi & Haryana was pleased to grant extension for three months.

But due to a farewell reference by the full court on Wednesday i.e. 24.11.2010 at 3:00 PM the merger petition could not be heard on such scheduled date and accordingly next date of hearing was fixed by the court master as 27.01.2011. Since the management of all the Companies under merger have already decided to prepare merged financial statements for the financial year ended on 31.03.2010 and that could be possible only after the sectioning of scheme of amalgamation by the Hon'ble High Court of Delhi and also effectiveness of such scheme. Hence the Company has postponed for holding Annual General Meeting and decided to hold such meeting after effectiveness of such scheme.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding energy conservation and technology absorption as prescribed under 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, are not applicable to the company.

During the year under review, and pursuant to the approval of the scheme of merger, Transferor Companies has earned and incurred expenditure in Foreign Exchange.

Detail of Foreign Exchange used and earned as follows:-

Foreign Exchange Earning: - Rs. 773453.03

Foreign Exchange outgo: - Rs. 691903.92

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii) they have selected such accounting policies and 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 profit or loss of the company for that period;
- iii) they 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 the company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

As required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 no employee of the company was covered by these provisions at any time.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation extended to the company by commercial banks, business associates, shareholders, customers and executives.

For and on behalf of the Board of Directors
For **Akanksha Cellular Limited**

Place: New Delhi
Date:-22.03.2011

(Ashok Gupta)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

i) INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian mobile market has been continued to witness rapid increase in its subscriber base over the past few years, largely due to the declining mobile tariffs and availability of low cost handsets in the country. The country saw addition of an average of around 10 Million subscribers per month in its mobile subscriber base. With this, mobile operators in the country are now vying rural India as their next area for growth in the near future.

Over the last few years, India has shown strong economic growth. In Fiscal 2010 the growth rate for India's gross domestic product ("GDP") is estimated to have been 7.44%, and in Fiscal 2009 and 2008, GDP growth is estimated to have been 6.72% and 9.22%, respectively, according to the Central Statistical Organisation ("CSO"). Economic growth is expected to continue into the immediate future with the International Monetary Fund ("IMF") estimating India's real GDP growth at 9.4% in 2010 and 8.4% in 2011 (Source: IMF World Economic Outlook, July 2010). The McKinsey Global Institute estimates that India's real GDP will grow at a combined annual growth rate ("CAGR") of 7.3% from 2005 to 2025.

As India's economy has grown, so too has the spending power of its citizens. Real average household disposable income has roughly doubled since 1985 and a new Indian middle class has emerged, according to The 'Bird of Gold': The Rise of India's Consumer Market, a May 2007 report of the McKinsey Global Institute (the "McKinsey Report").

According to latest study on sector called, "Emerging Rural Mobile Market in India", the mobile market in rural India has significant potential with number of subscribers. The success mantra for rural mobile market in India lies in the operators' service pricing models coupled with the availability of low cost handsets that support affordable access for rural areas. It is forecasted that sales of mobile handsets in rural India will grow at CAGR of around 17% from 2009 to 2012.

ii) OPPORTUNITIES AND THREATS

a) Opportunities

According to Gartner's report, after China, India would be fastest growing mobile telephony market in Asia Pacific. Gartner reports expect that the penetration will be driven by an increased focus on rural market, cheap handsets, aggressive promotions and handset bundle offers. The low rural mobile penetration of 2% represents an immense opportunity for cellular players.

The growth in the Indian mobile handset market is likely to be driven by the replacement handset market rather than new user additions. The replacement market is expected to grow from 118 million handsets for the twelve month period ended December 31, 2010, constituting 62.77% of overall Indian mobile handset market, to 359

million handsets for the twelve month period ended December 31, 2014, constituting 89.30% of overall Indian mobile handset market. Furthermore, within the replacement handset market, the medium ASP device market is likely to grow the fastest.

India has a user base of over 500 million subscribers across the country with 10 million new users being added every month. Increasing demand from working professionals and consumers looking forward to garner more value from the same device will help the demand for converged devices grow. Also we believe that the identification of specific consumer segments and the provision of customized products and services to such segments will differentiate us from our competitors and increase customer loyalty.

Meanwhile, the company has been working to cover the untapped rural mobile market, which will be the major driver for Indian mobile market in coming years.

b) Threats

The handset industry is fiercely competitive as more and more new players enter the market. Aggressively controlled cost cutting measures taken by the end customers have shifted more focus of the Industry on the entry end segment thus impacting the average revenue per handset. However, it is believed that this impact on the mobile phone industry would be short term as India is expected to witness phenomenal growth in this sector. On the technology front, the delay in the 3G rollout in India has impacted the business opportunity from the high end segment and hence impacting average revenue per handset.

iii) OUTLOOK

The management believes that your Company has the potential to perform even better by expanding aggressively both in its retail and wholesale operations. The Company believes that its human resources are its best assets and employees are being encouraged to come out with innovative ideas and suggest better ways of doing things.

iv) RISKS AND CONCERNS

The Company operates in a globally competitive business environment. With the opening of the Indian economy and competition maintaining its market share is a major challenge. Risk related to changes in Laws and Regulations. Any change in the laws and regulations governing the telecommunication industry could adversely affect the business and financial condition of the Company.

v) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has appropriate and adequate internal control systems for its business processes at all levels with regard to efficiency of operations, accurate and prompt financial reporting, compliance with applicable laws and regulations etc. The Company continues to regularly evaluate and strengthen its Internal Control Systems to be commensurate with its size and growth.

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been benchmarked against best practices and have been designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, prevention and detection of fraud, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Company has a well defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down and implemented. The internal audit is carried out based on an internal audit plan, which is reviewed each year in consultation with the Statutory Auditors and the Audit Committee. The planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as sales, purchases, inventory, debtors, creditors, fixed assets and also their protection against unauthorized use.

The Company has an Audit Committee, which regularly reviews the findings and recommendations of the internal auditors and follows up on the implementation through action taken reports.

vi) HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Your Company continues to lay thrust on human resource development and the industrial relations at various levels remained harmonious and cordial. Over the years your Company's Human Resource policies are directed towards attaining, motivating, rewarding and retaining talent at all levels in the organization. Human Resource is recognized as most valuable asset of the Company that play vital role in attaining success for the organization.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Akanksha Cellular Limited is committed to conduct its business strictly in compliance with the applicable Laws, Rules and Regulation and highest standard of business ethics. The Company believes that good Corporate Governance is a key contributor to creating superior value for our stakeholders. It is primarily concerned with transparency, accountability, fairness, professionalism and independence of Board. The Company endeavors its best to constantly comply with this aspects in letter and sprit. The company aims to ensure that decision-making is fair and transparent and that adequate control system exists to enable the Board to effectively discharge its responsibility in addition to compliance with regulatory requirements. The company endeavors to ensure that highest standards of ethical conduct are achieved.

2. BOARD OF DIRECTORS

a) The Company has an optimum combination of Executive and Non Executive Directors in its Board. The Board consists of Five Directors, all are non-executive out of which three are independent directors. None of the independent Directors has any pecuniary relationship with the Company except entitlement to sitting fees for attending Board/Committee meetings from the company.

During the year under review, fourteen Board meetings were held on 29th April, 2009, 25th May, 2009, 19th June, 2009, 30th July, 2009, 13th August, 2009, 21st August, 2009, 1st September, 2009, 16th October, 2009, 30th October, 2009, 30th November, 2009, 23rd December, 2009, 24th December, 2009, 16th January, 2010 and 29th January, 2010.

b) The Composition of directors and their attendance at the board meetings during the year and at the last Annual General Meeting and also number of other directorships, committee memberships and chairmanships held by them

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at Last AGM	Committee Membership	Committee Chairmanships
Ashok Gupta	Promoter	Director	14	No	3	2
Renu Gupta	Promoter	Director	14	No	--	--
Hardip Singh	Independent	Director	14	Yes	3	1
Pramod Seth*	Independent	Director	10	Yes	3	1
Rajesh Sharma**	Independent	Director	02	No	3	--
Manoj Kumar Jain**	Independent	Director	01	No	1	--

are given below:

*Mr. Pramod Seth resigned as Director of the Company w.e.f 23.12.2009

**Mr. Rajesh Sharma and Mr. Manoj Jain are appointed as additional director of the Company w.e.f. 16.01.2010 and 29.01.2010 respectively.

c) Non executive director's compensation: Non executive directors have not been paid any remuneration.

3. AUDIT COMMITTEE

The Audit Committee had five meetings during the year 2009-2010. The composition of Audit Committee and attendance at its meetings is given hereunder:-

Member	Position	No of meetings Attended
Hardip Singh	Chairman	5
Ashok Gupta	Member	5
Rajesh Sharma	Member	1
Pramod Seth	Member	4*

The Company Secretary acts as Secretary of the Committee. A representative of the Statutory Auditors is invited as required. The minutes of meetings of Audit committee are placed before the Board.

*Due to resignation by Mr. Pramod Seth as Director of the Company, he is ceased to be member of the Audit Committee of the Company w.e.f 23.12.2009

The broad terms of reference of the Audit Committee cover the areas specified in clause 49 of the Listing Agreement which are stated below:

- Oversight of the Company's financial Reporting process, and its financial statements.
- Review of accounting, financial and risk management policies and practices.
- Reviewing the adequacy of the internal control systems.

4. INVESTORS'/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Investors'/Shareholders' Grievance Committee has been constituted to look into the prompt redressal of Investors' complaints like non - receipt of annual reports, issue of duplicate certificates, non - receipt of shares after transfer, pendency of dematerialisation request and other allied transactions. Presently Mr. Ashok Gupta, Mr. Hardip Singh and Mr. Rajesh Sharma are the Chairman, Member and Member respectively of the Committee.

5. SHARE TRANSFER COMMITTEE

The share transfer committee has been set up to expedite the process of share transfer. The committee is attending its meeting thrice in a month as on 10th, 20th and 30th day of every month.

6. GENERAL BODY MEETINGS

(i) The details of last three annual General Meetings of the company are as under:

Financial year (ended)	Date	Time	Venue
31st March, 2007	24th August, 2007	10.00 AM	361, Kohat Enclave, Pitampura, Delhi-34
31st March, 2008	30th September, 2008	10.00 AM	Community Centre, A.G.C.R. Enclave, Delhi-92
31st March, 2009	12th November, 2009	11.30 A.M	Community Hall, PKT – G, Near Gurudwara, Sarita Vihar, New Delhi-110076

(ii) No Special Resolution has been passed in the last three Annual General Meetings.

(ii) No special resolution is proposed to be conducted through postal ballot.

7. DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interests of the company at large.

There has not been any non-compliance of the Law nor any penalty and strictures were imposed on the company by the Stock Exchange or SEBI or any other statutory authority, on any matter relating to capital market during the last three years.

8. MEANS OF COMMUNICATION

As the quarterly and half yearly results of the company are published in one English Daily (“Money Maker”) and one Hindi Daily (“Dainik Mahalaxmi Bhagyauday”).

9. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Date and Time 23rd day of April, 2011, at 10:00 AM
 Venue Community Center, AGCR Enclave, New Delhi-110 092

ii) Financial Calendar

The Company follows April to March as its financial year.

iii) Date of Book closure

18.04.2011 to 23.04.2011 (both days inclusive)

iv) Dividend payment date

No dividend declared

v) Listing on Stock Exchanges

Bombay Stock Exchange; Delhi Stock Exchange; Jaipur Stock Exchange

vi) Stock Code

Mumbai 530135; Delhi 7988; Jaipur 553

vii) Market Price Data

The monthly high and low quotations and volume of shares traded at Bombay Stock Exchange Limited as follows:-

Financial Year 2009-2010	High	Low	No. of Shares Traded
April, 2009	4.50	2.63	59,620
May,2009	4.78	3.00	8,558
June,2009	4.63	2.93	47,984
July,2009	5.83	4.40	14,426
August,2009	5.80	4.19	17,716
September,2009	8.92	6.09	65,901
October,2009	9.09	7.01	45,904
November, 2009	13.16	6.90	72,171
December,2009	11.99	7.93	27,240
January,2010	15.04	7.74	84,278
February,2010	12.58	9.46	88,421
March, 2010	21.03	10.25	4,09,673

Since the shares of the Company have not been frequently traded in Delhi and other Stock Exchanges in the last 12 months, the data containing the highest and lowest quotation are not available.

viii) Registrar and Transfer Agent

Beetal Financial and Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99, Madangir,

New Delhi-110062

ix) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the registrar and share transfer agent of company M/s Beetal Financial and Computer Services (P) Ltd. They attend to share transfer formalities at least once in 10 days and forward the same to Akanksha Cellular limited for the share transfer committee approval. Shares held in Dematerialised form are electronically traded in depository and the registrar and share transfer agent of the Company periodically receive from the depository the beneficiary holdings so as to update the records for sending all corporate communications and other matters. Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to the depository participants under advise to the shareholders.

X) Distribution of Shareholding and shareholding pattern:

The distribution of shareholdings as on 31st March, 2010 is as below:

No. of Equity shares held	No. of Shareholders	No. of Shares	% of Total
Upto 500	1875	446573	71.35
501-1000	360	304976	13.70

1001-2000	173	274303	6.58
2001-3000	83	209428	3.16
3001-4000	27	98422	1.03
4001-5000	28	128973	1.07
5001-10000	46	343828	1.75
10001 and above	36	1943797	1.37
TOTAL	2628	37,50,300	100.00

Category wise Shareholding Pattern as on 31st March 2010 is as below:

Category	Category of Shareholder	No. of shares	% age
(A)	Promoters & Promoter Group		
1	Indian	556700	14.84
2	Foreign	0	0.00
	Sub Total (A)	556700	14.84
(B)	Public Shareholding		
1	Institutions	0	0.00
2	Non-Institutions		
-	Bodies Corporate	407413	10.86
-	Individuals	2768101	73.81
-	Clearing Member	18086	0.48
-	Trust	0	0.00
	Sub Total (B)	3193600	85.15
	Grand Total (A+B)	37,50,300	100.0%

xii) Dematerialization of Shares and Liquidity

About 60% of the shares are in dematerialised form as on 31.03.2010. The equity shares of the company are traded on BSE.

xiii) Outstanding GDRs / ADRs / Warrants or Convertible Instruments, conversion date and likely impact on equity

Akanksha Cellular Limited has not issued any GDRs/ADRs. The Company on 19th June, 2009 issued 18,320,050 (One Crore Eight Three Lakh Twenty Thousand fifty) Fully Convertible Warrants to the person belonging to non promoters category on Preferential basis. The allottees had paid 25% of the option amount at the time of allotment of warrants. The warrants will be convertible into equal number of fully paid up Equity

Share of the Company of face value of Rs.10/Equity Shares of the Company in one or more tranches, within 18 (eighteen) months from its allotment date.

xiv) Address for Correspondence

For any assistance, the shareholders can contact at the following address:

Akanksha Cellular Limited
317, Competent House,
F-14, Connaught Place, New Delhi-110001

For and on behalf of the Board of Directors

For **Akanksha Cellular Limited**

Place: New Delhi

Date:-22.03.2011

(Ashok Gupta)

Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT

To the Members

Akanksha Cellular Ltd.

We have examined the compliance of conditions of Corporate Governance by Akanksha Cellular Ltd. for the year ended 31st March 2010.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

In our opinion and according to the information and explanations given to us, we certify that the Company has complied with in all material respects the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement (s) with the Stock Exchange(s).

For RMA & ASSOCIATES
Firm Registration No: 000978N
Chartered Accountants

Pankaj Chander
Partner
Membership No-089065
Place : New Delhi
Dated: 22nd March, 2011

AUDITOR'S REPORT

To
The Members of
Akanksha Cellular Limited
New Delhi.

We have audited the attached Balance Sheet of Akanksha Cellular Limited as at March 31, 2010 and also the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We concluded our audit in accordance with auditing standards generally accepted in India. Those standard required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 (amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose annexure A Statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred in Paragraph 1 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - iii) The Balance Sheet and Profit & Loss Account and cash flow statement referred to by this report are in agreement with the books of Accounts.
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account and cash flow statement comply with the Accounting Standards as referred to in Section 211 (3C) of the Companies Act 1956.
 - v) We have no observation or comments that have adverse affect on the functioning of the company.
 - vi) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified from being appointed as Director of the company under section 274 (1) (g) of the companies act 1956.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes on Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For RMA & ASSOCIATES
Firm Registration No: 000978N
Chartered Accountants

Pankaj Chander
Partner
Membership No-089065
Place : New Delhi

Dated: 15th March'2011

Annexure to the Auditor's Report

(Referred to in paragraph (1) of our report of even date to the members of AKANKSHA CELLULAR LIMITED for the year ended 31.3.2010.)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification and same have been properly dealt with in the books of accounts
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (iv) Purchase of inventory and the major portion of the traded goods including mobile handsets are stated to be of proprietary nature, and hence, in such cases, the comparison of prices with the market rates or with purchases with other parties cannot be made. Read with the above, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) In our opinion and according to the information and explanation given to us, the company has not been taken deposit of section 58A and 58AA of the companies act 1956 and the companies (Acceptance of deposits) Rules 1975 with regard to the deposits accepted from the public, no order has been passed by the company law board or national company law tribunal or reserve bank of India or any other tribunal on the company in respect of the above said deposits.
- (vi) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, and cess on account of any dispute, are as follows:

Name of the status	Nature of Dues	Amounts (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales tax	Sales Tax on cash card & recharge coupons Interest U/s 27(2)	Rs. 41435/- Rs 28544/-	1999-2000	Deputy Commissioner Appeal-IV Sales tax
Sales Tax	Sales Tax on cash card & recharge coupons Interest U/s 27(2)	Rs 132665/- Rs 35819/-	2000-2001	Deputy Commissioner (Appeal) Sales tax
Sales Tax	Sales Tax on cash card & recharge coupons Penalty U/s 56	Rs 223568/- Rs. 1000/-	2001-2002	Deputy Commissioner (Appeal) Sales tax
Sales Tax	Sale Tax on Wrongly Input Credit taken Interest/Penalty	Rs. 2039/- Rs 4079/-	2007-2008	Asst. Commissioner of sale Tax Orissa
Sales Tax	Entry tax on zero value Goods Interest/Penalty	Rs. 62513/- Rs.125025/-	2007-2008	Asst. Commissioner of sales tax Orissa
Sales tax	Sale tax Interest Penalty	Rs. 3334677/- Rs. 826350/- Rs.3334677/-	2008-2009	Asst. Commissioner of Trade & Taxes (objection by hearing Authority)
Sales tax	Sale tax Interest	Rs. 406977/- Rs. 118168/-	2009-2010	Asst. Commissioner of ST of AP

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year However it was incurred cash loss in immediately preceding financial period of Rs 200041/-
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have outstanding dues to any financial institutions and did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xii) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- (xvi) According to information and explanation given to us, the company has not been made preferential allotment of shares to parties and companies covered in the register maintained under section 301 Of the act.
- (xvii) According to information and explanations given to us during the period the company has not issued any Debentures.
- (xviii) The Company has not raised money by way of public issue during the year.
- (xix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For RMA & ASSOCIATES
Firm Registration No: 000978N
Chartered Accountants

Pankaj Chander
Partner
Membership No-089065
Place : New Delhi **Dated: 15th March'2011**

AKANKSHA CELLULAR LIMITED
BALANCE SHEET AS ON 31/03/2010

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2010	31.03.2009
		Amount in Rs.	Amount in Rs.
<u>SOURCES OF FUNDS</u>			
1) <u>Share Holders Fund</u>			
a) Share Capital	A	749,806,013	37,503,000
b) Reserve & Surplus	B	108,689,070	1,195,719
		858,495,083	38,698,719
2) <u>Loans Fund</u>			
a) Secured Loans	C	374,968,491	-
b) Unsecured Loans	D	45,430,503	240,000
c) Deferred Tax Liability/(Assets)		22,997,756	-
TOTAL		1,301,891,833	38,938,719
<u>APPLICATION OF FUNDS</u>			
1) <u>FIXED ASSETS</u>			
a) Gross Block	E	554,966,883	-
b) Less : Depreciation		295,313,629	-
c) Net Block		-	-
		259,653,254	-
2) <u>INVESTMENTS</u>	F	99,924,022	-
3) <u>CURRENT ASSETS, LOANS & ADVANCES</u>			
a) Inventories	G		-
		271,016,830	
b) Sundry debtors	H	1,484,852,758	221,000
c) Cash & Bank Balances	I	359,789,017	702,000
d) Other Current Assets	J	199,351,880	42,227
e) Loans & advances	K		38,052,809
		320,856,173	
Sub Total (A)		2,635,866,659	39,018,036
Less : <u>Current Liabilities & Provisions</u>			
a) Liabilities	L	1,660,688,864	79,316
b) Provisions	M	34,564,513	-
Sub Total (B)		1,695,253,377	79,316
NET CURRENT ASSET (A-B)		940,613,281	38,938,719
Miscellaneous expenditure to the extent not written off or adjusted		1,701,276	-
TOTAL		1,301,891,833	38,938,719
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		N	

The Schedule referred to above form an integral part of the balance sheet

As per our report of even date

For **RMA & ASSOCIATES**

Firm Registration No: 000978N

Chartered Accountants

For and on behalf of the Board

Pankaj Chander
Partner
Membership No-089065

(Vikas Chandra)
Company Secretary

(Ashok Gupta)
Chairman &
Director

(Renu Gupta)
Director

Place : New Delhi, Dated: 15th March'2011

AKANKSHA CELLULAR LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2010

PARTICULARS	SCHEDULE	For the year ended on 31.03.2010 Amount in Rs.	For the year ended on 31.03.2009 Amount in Rs.
<u>INCOME</u>			
Turnover (Gross)	O	8,508,393,329	
Other Income	P	209,476,240	384,982
TOTAL		8,717,869,569	384,982
<u>EXPENDITURE</u>			
Cost of Goods sold	Q		-
		8,149,857,212	
Personnel Expenses	R	80,527,792	109,500
Operating & Other Expenses	S	102,303,021	476,846
Selling & Distribution Expenses	T	42,410,223	28,581
Financial Charges	U	92,504,881	5,146
Miscellaneous expenses written off		603,685	-
TOTAL		8,468,206,813	620,073
Profit/Loss before Tax Depreciation		249,662,756	(235,091)
Less : Depreciation		124,108,718	77,835
Profit /(Loss) before taxation		125,554,038	(312,926)
Prior Period Expenses		-	5,976
Net Profit / Loss after adjustment		125,554,038	(318,902)
Less: Provision for taxation			
a) Current Taxes		34,411,000	
b) Deferred Tax		9,351,075	41,026
c) wealth Tax		80,000	
d) Short / Excess provision		311,188	
Profit /(Loss) after taxation		81,400,774	(277,876)
Add : Balance B/f		1,195,719	1,473,595
Profit/Loss carried to Balance Sheet		82,596,493	1,195,719
Basic and Diluted Earnings per share of face value of Rs. 10 each (In Rupees)		1.14	(0.07)
Basic and Diluted Earnings per share of face value of Rs. 10 each (In Rupees)		1.14	(0.07)

(Before Exceptional Items)

Refer Note no 13 of Schedule 'N'

For **RMA & ASSOCIATES**
Firm Registration No: 000978N
Chartered Accountants

For and on behalf of the Board

Pankaj Chander
Partner
Membership No-089065
Place : New Delhi
Dated: 15th March'2011

(Vikas Chandra)
Company Secretary

(Ashok Gupta)
Chairman &
Director

(Renu Gupta)
Director

AKANKSHA CELLULAR LIMITED
CASH FLOW STATEMENT THE YEAR ENDED ON 31/03/2010

Particulars	March 31, 2010	March 31, 2009
A. Cash flow from operating activities		
Profit/(Loss) before tax and after prior period items (excluding deferred tax)	125,554	(244)
Adjustments for :		
Depreciation	124,109	78
Financial expenses	92,505	
Amouhnt trasferred from General Reserve	26,093	
Loss on Sale/ Discaring of Fixed Assets	613	
Profit on Sale/ Discaring of Fixed Assets	(4)	
Dividend Income	(52)	
Interest Income	(28,540)	
Operating profit before working capital changes	340,277	(166)
Movements in working capital :		
Decrease / (Increase) in inventory	(271,017)	-
Decrease / (Increase) in sundry debtors	(1,484,632)	(221)
Decrease / (Increase) in loans and advances and Other current assets	(483,814)	1,001
Increase / (Decrease) in trade and other payables, current liabilities and provisions	1,674,019	(791)
Cash generated from operations	(225,167)	(177)
Less: Net Prior Year Adjustment	-	-
Less: Direct taxes paid	-	(38)
Net cash used in Operating Activities (A)	(225,167)	(215)
B. Cash flow from Investing Activities		
Acquisition of fixed assets (including advances against capital expenditure)	(384,371)	542
Sale of Fixed Assets	(99,924)	-
Purchase of Investment	28,540	-
Dividend Income	52	-
Sale of Investment		5
Net cash used in Investing Activities (B)	(455,703)	547
C. Cash flow from Financing Activities		
Proceeds from issuance of share capital	637,438	
Proceeds from issuance of share Warrants	45,800	
Proceeds from Share Application Money	29,064	
Proceeds/(Repayment) of long term borrowings (secured loans)	374,968	240
Proceeds/repayment from unsecured loans	45,191	
Financial expenses paid	(92,505)	
Net cash from Financing activities (C)	1,039,957	240
Net change in cash and cash equivalents (A+B+C)	359,087	572
Cash and cash equivalents at the beginning of the year	702	130
Cash and cash equivalents at the end of the year	359,789	702

Notes: 1. Comparative figures have been regrouped wherever necessary.

2. The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statements notified by the Companies (Accounting Standards) Rules, 2006.

For **RMA & ASSOCIATES**

Firm Registration No: 000978N
Chartered Accountants

For and on behalf of the Board

Pankaj Chander
Partner

(Vikas Chandra)
Company Secretary

(Ashok Gupta)
Chairman &

(Renu Gupta)
Director

AKANKSHA CELLULAR LIMITED
SCHEDULE TO THE FORMING PART OF THE BALANCE SHEET

PARTICULARS	AS AT 31.03.2010 Figures in Rs.	AS AT 31.03.2009 Figures in Rs.
<u>SCHEDULE - 'A' : SHARE CAPITAL</u>		
<u>Authorised Capital</u>		
3,04,80,000/- equity share of Rs 10/- each (Previous Year 40,00,000 equity share of Rs 10/- each)	304,800,000	40,000,000
<u>Issued, Subscribed & Paidup Capital</u>		
3750300 equity Share of Rs10/- each fully paid-up (Previous Year 37,50,300 equity shares of Rs 10/- each)	37,503,000	37,503,000
Share Capital pending for allotment (<i>Refer Note 7 (iii) of Schedule 'N'</i>) (63743841/- equity shares of Rs. 10/- each fully paid-up)	637,438,410	-
Money Received against Share Warrants (<i>Refer Note 11 of Schedule 'N'</i>) (18320050 Convertible Share warrant of Rs 2.50 partly paid up (F.V Rs. 10/- each))	45,800,125	-
Share Application Money	29,064,478	-
	749,806,013	37,503,000
<u>SCHEDULE - 'B' : RESERVE AND SURPLUS</u>		
Balance As Per Last Balance Sheet of Transferor companies	152,245,562	
Less : Issue of Equity Shares to Transferor Company on post merger	(126,152,985)	
Add: Transfer From Profit & Loss A/c	82,596,493	1,195,719
	108,689,070	1,195,719
<u>SCHEDULE - 'C' : SECURED LOANS</u>		
1. TERM LOAN		
From Banks (Hypothecated by Cars)	6,009,132	
From Banks (Hypothecated by Plant & Machinery)	2,399,553	
From Other Financial Institutions (Hypothecated by Cars)	3,895,813	
2. WORKING CAPITAL LOANS		
From Banks (Hypothecated by Current Assets)	362,663,993	
	374,968,491	-
Note:		
<i>Working capital loans are secured by a first ranking pari passu charges over entire Current assets of the company including stocks of finished goods, stocks in trade, goods in transit, Book Debts and Other current assets of the company (present and future)</i>		
<u>SCHEDULE - 'D' : UNSECURED LOANS</u>		
From Directors	-	-
From Others	45,430,503	240,000
	45,430,503	240,000
<u>SCHEDULE - 'F' : INVESTMENTS</u>		

(I) Long Term Investments (at cost)**(a) Quoted
(i) In Equity Shares**

Arvind Remedies Limited	1,688,490	-
300000 Equity shars of Rs 1/- each fully paid up		
Anantraj Industries Ltd.	1,016,839	-
3001 Equity shars of Rs 2/- each fully paid up		
Gateway Distriparks Limited	1,023,721	-
10000 Equity shars of Rs 10/ each fully paid up		
GTL Infrastructure Limited	37,110	-
500 Equity shars of Rs 10/ each fully paid up		
IKF Technologies Limited	3,441,810	-
220000 Equity shars of Rs 1/- each fully paid up		
Ispat Industries Limited	54,160	-
1000 Equity shars of Rs 10/ each fully paid up		
CYBELE Industries Limited	1,089,192	-
25000 Equity shars of Rs 10/ each fully paid up		

**(b) Unquoted
(i) In Mutual Fund Units**

20000 Units of SBI Infrastructure Fund In Growth Fund	200,000	-
50000 Units of SBI Mutual Fund In Growth Fund	500,000	-
200000 Units SBI One India Fund	2,000,000	-

(ii) In Equity Shares

Delichem Agencies Pvt Ltd (40000 Equity Shares of Rs 10/- each fully paidup)	24,000	-
Delichem Hardware Pvt Ltd (41000 Equity Shares of Rs 10/- each fully paid up)	28,700	-
Delichem Pharma Pvt Ltd (18000 Equity Shares of Rs 10/- each fully paidup)	10,800	-
EMU Exports Private Limited (10000 Equity Shares of Rs 10/- each fully paid up)	6,00	-
Teleecare Network (I) Pvt. Ltd. (4417600) equity shares of Rs 10/- each fully paid up)	88,352,000	-
Telemax Links India Pvt. Ltd. (44100 equity shares of Rs 10/-each fully paid up)	441,000	-
SKG Communication Pvt Ltd (2500 Equity Shares of Rs 100/- each fully paid up)	2,500	-
Travancore Marketing Pvt Ltd (11000 Equity Shares of Rs 10/- each fully paid up)	7,700	-
	99,924,022	-

SCHEDULE - 'G' : INVENTORIES

Finished Goods	271,016,830	-
	271,016,830	-

SCHEDULE - 'H' : SUNDRY DEBTORS

(Unsecured, Considered Good)		
Less than 6 months	1,395,932,672	221,000
Others	88,920,086	-
	1,484,852,758	221,000

SCHEDULE - 'I' : CASH AND BANK BALANCES

Cash In Hand	7,762,604	168,507
Balances with schedule bank in Current Account	304,194,561	533,493
Fixed Deposits with banks	47,831,852	-
	359,789,017	702,000

SCHEDULE - 'J' : OTHER CURRENT ASSETS

Refund from Income Tax	1,187,549	
Refund from FBT	206,402	
Service Tax Input	350,390	
TDS Receivable	4,661,049	42,227
Vat Receivable	19,323,583	
Wealth Tax Refund	3,660	
Advance Income tax Paid	21,100,000	
Advance FBT Paid	49,400	
Other Receivable	151,990,116	
Prepaid Expenses	479,731	
	199,351,880	42,227

SCHEDULE - 'K' : LOANS AND ADVANCES

Loans & Advances	273,341,909	38,052,809
Security Deposits	47,514,264	
	320,856,173	38,052,809

SCHEDULE - 'L' : CURRENT LIABILITIES

Sundry Creditors	1,225,334,108	14,040
Bills Payable	397,910,273	47,932
Duties & Taxes	2,484,305	17,344
Expenses Payable	34,618,028	-
Audit Fess Payable	342,150	-
	1,660,688,864	79,316

SCHEDULE - 'M' : PROVISIONS

For Income Tax FOR A.Y 2010-11	34,411,000	-
For Wealth Tax FOR A.Y 2010-11	80,000	-
For Fringe Benefit Tax	73,513	-
	34,564,513	-

AKANKSHA CELLULAR LIMITED
SCHEDULE TO PROFIT AND LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31.3.2010 Figures in Rs.	YEAR ENDED 31.3.2009 Figures in Rs.
<u>SCHEDULE - ' O ' : TURNOVER (Gross)</u>		
Sales from Trading Activities	8,359,588,572	-
Sales from Construction Activities	148,804,757	-
	8,508,393,329	-
<u>SCHEDULE - ' P ' : OTHER INCOME</u>		
Interest received	28,540,185	14,288
Other Income	180,931,957	370,694
Profit on Sale of Fixed Assets	4,098	-
	209,476,240	384,982
<u>SCHEDULE - ' Q ' : COST OF GOODS SOLD</u>		
Opening Stock	236,541,233	-
Add :-Purchase	8,089,852,506	-
Less:- Closing Stock	271,016,830	-
Sub Total	8,055,376,909	-
Add :-Direct Expenses	94,480,303	-
Total	8,149,857,212	-
<u>SCHEDULE - ' R ' : PERSONNEL EXPENSES</u>		
Salary & Allowance	76,148,006	109,500
Staff Welfare	4,379,786	-
	80,527,792	109,500
<u>SCHEDULE - ' S ' : OPERATING & OTHER EXPENSES</u>		
Audit Fees	348,548	15,000
Books & Periodicals	475,743	965
Computer Maintenance	4,662,296	2,100
Consumable Stores	507,695	
Conveyance	7,755,052	
Demat Charges	13,236	9,380
Donation	38,806	
Electricity & Water Charges	1,276,871	220
Festival Expenses	533,388	
Filing Fees	17,990	
Freight & Cartage	11,643,469	
Generator Fuel Expenses	595,609	47,429
Incidental Expenses	57,187	
Insuarance Charges	8,828,925	
Internet & Fax Charges	1,069,904	4,000

Legal & Professional Charges	9,283,406	172,214
Loss Of Goods On Transit	133,215	-
Loss On Sale Of Fixed Asset	613,082	72,188
Loss on Sale of Investments	-	3,100
Medical Expenses	3,407	-
Meeting Expenses		
	42,655	16,850
Membership & Subscription	17,100	58,429
Octroi Expenses	681,886	-
Office Expenses	9,053,300	1,700
Rates & Taxes	610,985	25,221
Repair & Maintenance	5,307,412	6,810
Rent	9,817,756	-
Security Guard Expenses	1,697,488	-
Statutory Payments(Penalty On Income Tax & Sales Tax	2,841,729	-
Stock Exchange Expenses	196,264	-
Telephone & Mobile Charges	3,418,770	-
Travelling Expenses	12,588,558	-
Vehicle Hire, Running & Maintenance	7,200,983	16,300
Postage & Courier	948,775	24,940
	102,303,021	476,846

SCHEDULE - ' T ' : SELLING & DISTRIBUTION EXPENSES

Seminar, Training and Function Expenses	334,626	
Advertisement & Publicity	850,293	28,581
Business & Sales Promotion	25,086,262	
Promoter Expenses	9,576,313	
Printing & Stationary	4,342,676	
Commission Paid	2,220,053	
	42,410,223	28,581

SCHEDULE - ' U ' : FINANCIAL CHARGES

Bank Charges & Interest	88,365,257	5,146
LC & BG Charges	1,916,523	-
Interest on Vehicle Loans	2,223,100	-
	92,504,881	5,146

SCHEDULE-'E'

AKANKSHA CELLULAR LIMITED

DEPRECIATION SCHEDULE AS PER COMPANIES ACT, 1956

		Gross Block				Depreciation				Net Block	
Particulars	Rate of Dep. (%)	As on 1.04.2009	Additions	Deduction	As on 31.03.2010	As on 1.04.2009	Depreciation during the year	Deduction	As on 31.03.2010	As on 31.03.2010	As on 01.04.2009
<u>TANGIBLE</u>											
<u>ASSETS</u>											
Furniture & Fixture	18.10%	4916971.20	92952.00	0.00	5009923.20	1868387.96	555391.34	0.00	2423779.29	2586143.91	3048583.24
Computers	40.00%	189727151.63	231990612.36	60815.00	421656948.99	123017074.41	110781755.46	0.00	233798829.87	187858119.12	66710077.22
Land & Building		1404500.00	2655000.00	0.00	4059500.00	0.00	0.00	0.00	0.00	4059500.00	1404500.00
Motor Vehicle	25.89%	46039747.47	6522763.00	3292678.25	49269832.22	26487387.86	5472780.05	2390710.62	29569457.29	19700374.93	19552359.61
Plant & Machinery	13.91%	61414514.80	0.00	0.00	61414514.80	17115365.25	6162011.70	0.00	23277376.95	38137137.85	44299149.55
Office Equipment		11690502.02	1290726.00	427263.75	12553964.27	4105206.57	1136779.49	0.00	5241986.06	7311978.21	7585295.45
<u>INTANGIBLE</u>											
<u>ASSETS</u>											
Patent Copyright		1002200.00	0.00	0.00	1002200.00	1002200.00	0.00	0.00	1002200.00	0.00	0.00
Total		316195587.12	242552053.36	3780757.00	554966883.48	173595622.04	124108718.04	2390710.62	295313629.46	259653254.02	142599965.08

Schedule-N

Significant Accounting Policies and Notes to Accounts

1. Nature of Operations

The Company is primarily engaged in the trading of Mobile handset and mobile accessories and construction of road and highways business etc.

2. Statement of Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except otherwise stated.

b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation / Amortisation

i) Depreciation is provided using the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

ii) Leasehold improvements are depreciated over the primary lease period or its useful life whichever is lower.

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

f) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

Where the Company is lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

g) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

h) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is computed on the basis of cost of purchase inclusive of freight etc.

i) Revenue Recognition

(i) On Contracts

The Company follows the "Percentage of completion method" of accounting for all contracts in accordance with "Accounting standard 7" – "Accounting for Construction Contract" issued by the institute of chartered accountants of India. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contracts, matching revenue with expenses incurred and after considering the total contracts value and associated costs.

Discloser as required under Accounting Standard-7 for the contracts is given below:

(Amounts Rs'000)		
S.No	Particulars	As on 31.03.2010
I	Contract Revenue Recognised as revenue in the period	148804
II	Contract costs Recognised as expenses in the period	148455
III	Recognised Profits	349
IV	Income Billed But not Due*	2100
V	Progress Billing in the period	148804
VI	Amounts Due from Customers (Amounts Receivable Bill)	169649

***Working for Income Billed But Not Due during the Financial 2009-10**

Particulars	Amounts (Rs in Crs)
Contract Value	84.30
Revised Contract costs	83.33
Cost Incurred Till date as on 31/03/2010	80.33
Total Revenue up to 31/03/2010	81.27
Less: Revenue recognised up to 31/03/2009	66.38
Revenue to be recognised for the year (2009-10)	14.89
Less: Revenue Receipts during the year 2009-10	15.10
Income Billed but not due during the year 2009-10	-0.21

- Contract prices are either fixed or subject to price escalation clause. Amounts due in respect of price escalation and/or variation in contract work approved by the customers are recognised as revenue only when there are conditions in the contracts for such claims or variations and/or evidence of the acceptability of the same customers.
- Uncertified work-in-progress is recognised as revenues and is valued at the lower of cost and net realisable up to the stage of completion. Cost includes direct material, labour cost, and appropriate overheads.
- Site development including initial expenses (shown in work in progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.

(ii) On Others

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with their delivery to the customers.

Revenue from Maintenance Contracts

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

j) Foreign Currency Transactions**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

As per accounting standard –11 issued by the institute of Chartered accountants of India Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Retirement and other employee benefits

Provident Funds and Employees State Insurance Fund (Defined Contribution Schemes) are administered by Central Government of India and contribution to the said funds is charges to Profit and Loss Account or accrual basis.

l) Income Taxes

As per accounting standard-22 issued by the institute of chartered accountants of India tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably or virtually certain as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

m) Earnings Per Share

As per accounting standard -20 issued by the institute of chartered accountants of india Basic earnings per share are calculated by dividing the net profit or loss for the year / period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year / period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year / period attributable to equity shareholders and the weighted average number of shares outstanding during the year / period are adjusted for the effects of all dilutive potential equity shares.

n) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

o) Warranty

Warranty costs are provided on accrual basis on the total sales under warranty on the following basis:

Telecommunications

Warranty costs are provided on an accrual basis, taking into account the past trend of warranty claims received by the Company, to settle the obligation at the balance sheet date.

Information Technology

Warranty costs are provided at the specific rates agreed with the authorised service providers.

p) Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on geographical location of the customers.

Intersegment Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The unallocated items include general corporate income and expense items which are not allocated to any business segment.

q) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and cash in hand and short term investments with the original maturity of three months or less.

r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. Segment Information

Primary segments: Business Segments

The Company is engaged in the Telecommunications – Mobiles business and Information Technology business and Contractor business. Telecommunications–Mobiles segment represents the business of trading of mobile handsets and Information Technology business represents the business of trading, installation/erection and networking of computer hardware including maintenance and servicing thereof and Contractor business represent construction of road, highways etc..

Secondary Segments: Geographical Segment

The analysis of geographical segment is based on geographical location of the customers.

Notes on Accounts

4) Contingent Liability

Contingent liabilities are not provided for and are disclosed by way of notes:

Other Contingent Liabilities

- (i) Sales Tax case pending for 1999-2000 involving demand of Rs. 69979/-
- (ii) Sales tax case pending for 2000-2001 involving demand of Rs. 168484/-
- (iii) Sales tax case pending for 2001-2002 involving demand of Rs. 224568/-
- (iv) Sales Tax case pending for 2007-2008 involving demand of Rs. 6118/-
- (v) Sale Tax case pending for 2008-2009 involving demand of Rs 7683242/-
- (vi) Sale Tax case pending for 2009-2010 involving demand of Rs 525145/-

5) Segment information

The following table presents segment revenues, results, assets and liabilities in accordance with AS-17

	Telecommunications –Mobiles handset and accessories	Construction Business	Consolidated Total
	March 31 2010	March 31 2010	March 31 2010
Revenue			
External Revenue/Sales	8359589	148805	8508394
Unallocated corporate revenue			209476
Total revenue	8359589	148704	8717870
Results			
Segment Result	187201	349	187550
Unallocated corporate expenses (Net)	0	0	0
Operating Profit			187550
Interest Income			28540
Dividend Income			52
Interest expense			90588
Net Profit before tax			125554
Income tax (expense)			34411
Wealth Tax			80
Fringe benefit tax			0
Deferred tax charge / (credit)			9351
Other Provision			312
Net Profit after tax			81400
Other Information			
Segment Assets	2720415	277350	2997765
Unallocated corporate assets			
Total Assets	2720415	277350	2997765
Segment Liabilities	2720415	277350	2997765
Unallocated corporate liabilities			
Total Liabilities	2720415	277350	2997765
Capital Expenditure			
Depreciation\Amortisation			
Other non cash expenses			
Provision for doubtful debts and advances			
Bad debts and advances written off			

Secondary Segment Reporting (by Geographical Segments)

The following table shows the distribution of the Company's consolidated revenue and debtors by geographical market:

(Amt. in Rs. '000)

Geographical Segment	March 31 2010
Revenue from the Domestic market	77734941
Revenue from the Overseas markets	773453
Total Revenue	8508394
Debtors of Domestic market	1478212
Debtors of Overseas markets	6640
Total Debtors	1484852

Note: The Company has common assets for producing goods for Domestic Market and Overseas Markets. Hence separate figures for assets/ additions to fixed assets cannot be furnished.

6. Related parties :

Discloser as required by the accounting standard-18 "Related party Disclosures" are as given below (As certified by the management)

List of Related Parties (As certified by the Management)

Relation	Name of the related party
Ultimate Holding Company	No
Holding Company	No
Fellow Subsidiary	No
Individual/ Enterprises having significant influence over the Company	Jaisalmer Estates Private Limited Param Exports Private Limited Telex Links (I) Private Limited
Key Management Personnel (KMP)	Ashok Gupta (Director), Renu Gupta (Director)
Enterprises over which individuals having significant influence over the Company is able to exercise significant influence	Jaisalmer Estates Private Limited Param Exports Private Limited

Details of related parties transactions for the year ended March 31, 2010

Particular	Jaisalmer Estates Pvt. Ltd.	Mobiphone Network India Pvt. Ltd.	Telex Links India Private Limited	Teleshop Communication India Pvt. Ltd.
Unsecured Loans Repaid	640,000	-	-	-
Loan given	-	911,749	553,600	225,000
Interest Received	-	465,576	110,892	1,033,122

Notes: a) No amount has been provided as doubtful debts or advances/written off or written back in respect of debts due from/to above parties.

b) All the above transactions were made by the transferor companies prior to effectiveness of scheme of amalgamation . The Certified true copy of order of Delhi High Court is received on dated 08/03/2011 now these amounts has been repaid and received .

7. Accounting for Amalgamation

- (i) During the year, a company M/s A. Design and Details (Interiors & Infrastructure) Private Limited, M/s Mach Communications Private Limited ,M/s Mo-life Communication (India) private Limited , M/s Mo-Life Retails Private Limited , M/s Pacific (I) net support Private Limited ,M/s Redical Softnet Private Limited and M/s Telemart Communication (India) private Limited (i.e. called transferor companies) was merged

with M/s Akanksha Cellular limited (Transferee Company) as per the scheme of Amalgamation approved by the Hon'ble High court at New Delhi

- (ii) Certificate copy of the order of Hon'ble High court at New Delhi was filed on dated 10/03/2011 with the registrar of companies, NCT of Delhi and Haryana by erstwhile transferor company and Transferee Company.
- (iii) Pursuant to the scheme of amalgamation, the Transferee Company has agreed to allot 63743841 equity shares fully paid up of Rs 10/- each to equity shareholders of the transferor companies.
- (iv) As per clause 3.18 of part-II of the scheme of amalgamation, the business carried on by the transferor company from the appointed date till the effective date is carried on for and on behalf of the transferee company and all profits accruing to the transferor companies are profits of the transferee company . therefore, the profits of the transferor companies from 1st April'2009 to 31st March'2010 are reflected in the profit & loss a/c of the transferee company .Various items of income and expenditure of the company include corresponding figures of erstwhile transferor companies. The corresponding figures of assets and liabilities of the transferor companies as on 31st march'2010 have merged with the assets and liabilities of the transferee company.
- (v) Pursuant to the scheme of amalgamation as approved , the transferee company has taken over the entire business of erstwhile transferor companies including all assets, liabilities obligations etc. And the same has been given effect to in the accounts subject to and read with clause (iv) above , on a pooling of interest basis as prescribed by Accounting Standard (AS-14) issued by the institute of chartered accountants of India. In view of this , the figures for the current year represent the operations of the company including the operations of erstwhile transferor company whereas the figures of the previous year represent figures relating to the operations of the transferee company only. To this extent the figures for the current year are not comparable with the figures of the previous year

8. Supplementary Statutory Information

- i) Remuneration to Director and Employees

(Amt. in Rs.000)

Particulars	Employees
	Year ended March 31 2010
Salaries	76148
Contribution to Provident Fund & ESI	2908
Total	

- ii) Remuneration to the statutory auditors of the Company Rs 348548/- (Previous Year Rs. 15000/-)

8. Inventory

Additional Information of inventory in pursuant to Part II of Schedule VI to the Companies Act, 1956 is as follows:

Handset

Particulars	Current Year
Opening Stock	51740
Purchases	1587129
Sales and other issues	1592909
Closing stock	45960

Head Phone & Accessories

Particulars	Current Year
Opening Stock	384612
Purchases	1713550
Sales and other issues	1514967
Closing stock	583195

Others Inventory for Construction Activities

Item	Stock	Closing	Opening	Received	Issued	Closing
Description	Unit	Stk. Qty.	Stk. Qty.	Stk. Qty.	Stk. Qty.	Pack Qty.
Primary						
ADMIXER CHEMICAL						
ADMIXER CHEMICAL	M.T.	0.00	446.52	0.00	446.52	0.00
AGGREGATE						
AGGREGATE 10 MM	C.F.T	42350.00	169476.38	28288.00	155414.38	42350.00
AGGREGATE 20 MM	C.F.T	30002.00	128903.41	7100.00	106001.41	30002.00
AGGREGATE 40 MM	C.F.T	75487.00	24114.28	51372.72	0.00	75487.00
AGGREGATE 6 MM	C.F.T	23000.00	168960.55	1185.00	147145.55	23000.00
BITUMIN						
BITUMIN	M.T.	3000.00	167000.40	410905.62	574906.02	3000.00
BOLDER						
BOLDER	M.T.	14678.00	15002.33	106659.00	106983.33	14678.00
CEMENT						
CEMENT OPC	BAGS	30.00	1967.00	5775.00	7712.00	30.00
CEMENT PPC	BAGS	0.00	598.00	3079.00	3677.00	0.00
DIESEL						
DIESEL	LITRE	0.00	24000.32	48480.03	72480.35	0.00
DUST						
DUST	C.F.T	25000.00	17018.58	35534.00	27552.58	25000.00
ENGINE OIL						
ENGINE OIL	LITRE	0.00	213.00		213.00	0.00
GREASE						
GREASE	LITRE	0.00	569.00		569.00	0.00
HYDROLIC OIL						
HYDROLIC OIL	LITRE	0.00	240.00		240.00	0.00
EMULSION						
EMULSION	M.T.	0.00	2485.42	16369.75	18855.17	0.00
LDO						
LDO	LITRE	0.00	120452.00	68163.00	188615.00	0.00
PVC PIPE						
PVC PIPE	PCS.	0.00	4.00		4.00	0.00
PETROL						
PETROL	LITRE	0.00	42.00		42.00	0.00
POLYTHIN						
POLYTHIN	KG	0.00	500.00		500.00	0.00
RCC PIPE						
RCC PIPE 1000 MM	PCS.	0.00	8.00		8.00	0.00
RCC PIPE 1200 MM	PCS.	0.00	10.00	7.00	17.00	0.00
RCC PIPE 300 MM	PCS.	0.00	12.00		12.00	0.00
SAND						
SAND	C.F.T	14000.00	10494.73	4062.06	556.79	14000.00
STEEL						

GARDER		0.40	0.40			0.40
STEEL	K.G.	102.00	155.00	20115.00	20168.00	102.00
STEEL 10 MM	K.G.	0.00	738.00	1377.80	2115.80	0.00
STEEL 12 MM	K.G.	0.00	791.60	2228.00	3019.60	0.00
STEEL 16 MM	K.G.	0.00	336.70	1708.70	2045.40	0.00
STEEL 32 MM	K.G.	0.00	200.40		200.40	0.00
STEEL 6MM	K.G.	0.00	152.10	92.60	244.70	0.00
STEEL 8 MM	K.G.	0.00	520.20	1922.70	2442.90	0.00
STEEL PLATE	K.G.	0.00	1.40		1.40	0.00
STEEL 20MM	K.G.	0.00	1171.10		1171.10	0.00
TYRE						
TYRE	PCS.	0.00	44.00	10.00	54.00	0.00
WMM MATERIAL						
WMM MATERIAL	C.F.T	19000.00	8176.27	235382.00	224558.27	19000.00

10. Foreign Transactions

i) Earning in Foreign Currency (accrual basis): (Amt. in Rs. '000)

Particulars	Year ended March 31 2010
FOB Value of Export (Incl High seas Sales)	773453.03
Value of Imports (Incl. High Seas Sales)	687630.62
Total	

II) Expenditure in Foreign Currency (accrual basis): (Amt. in Rs. '000)

Particulars	Year ended March 31 2010
Travelling and Conveyance	4273.30

III) Profit and (Loss) Foreign Exchange Fluctuation(Amt.in Rs. '000)

Profit & (Loss) In Foreign Currency Transaction	Year ended March 31 2010
Profit In Foreign Exchange Fluctuation	11734.57

11. Issue of Fully Convertible warrants

During the year the Company has allotted 18320050 Fully convertible warrants at the Price of Rs 10/- per Warrant with an option to subscribe to equity shares on future date. The company had received Rs 2.50/ per warrant during at the time of allotment

12. The Claim received are showing net off claim paid and claim received under the miscellaneous income details are below:

Particulars	(Amounts in Rs. '000')
Claim Received (a)	332630
Claim Paid (b)	163485
Net claim received (a-b)	169145

13. Earning Per Share (EPS)

	2009-2010	2008-2009
Net Profit after tax as per Profit and (Loss) attributable to Equity Shareholders (Rs. In Thousand)	81400.77	(277.88)
Net Profit before Exceptional item (Rs. In Thousand)	81400.77	(277.88)

Weighted Average number of equity shares used as denominator for calculating EPS	71119984*	3750300
Basic and Diluted Earning per share (Rs.)	1.14	(0.07)
Basic and Diluted Earnings (before exceptional items) per share (Rs.)	1.14	(0.07)
Face value per equity share (Rs.)	10	10

- Adjusted for issue of Partly paid up Convertible share warrant in 2009-10

14. Previous period comparatives

- Previous period's figures have been regrouped where necessary to conform to current period's classification.
- The figures for the current year represent the operations of the company including the operations of erstwhile transferor companies whereas the figures of the previous year represent figures relating to the operations of the transferee company only. To this extent the figures for the current year are not comparable with the figures of the previous year.
- Schedule A to U from an integral part of the Balance sheet as at 31st March 2010 and the profit and loss account for the year ended 31st March 2010.
- Part IV of schedule VI of the Companies Act, 1956 is attached herewith.

AKANKSHA CELLULAR LIMITED
BALANCE SHEET ABSTRACT& COMPANY'S GENERAL BUSINESS PROFILE AS ON 31.03.2010

I. Registration Details

Registration No.	054086	State Code	55
CIN	L64200DL1993PLC054086		
Balance Sheet Date (dd-mm-yyyy)	31-03-2010		

II. Capital raised during the year

(Rs. In '000')

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Govt. Contribution	NIL		

III. Position of Mobilization and Deployment of Funds

Total Liabilities	1301891	Total Assets	1301891
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IV. Source of Funds

Paid up capital	37503	Reserve & Surplus	108689
Secured Loans	374968		
Unsecured Loans	45430		
Deferred Tax Liability(Net)	22998		

V. Application of Funds

Net Fixed Assets	259653	Investment	99924
Capital Work in Progress (Including Advance)	NIL	Deferred Tax Assets(Net)	NIL
Net Current Assets	940613	Miscellaneous Exp.	1701
Accumulated Losses	NIL		

VI. Performance of the Company

Turnover	8717869	Total Expenditure	8492315
Profit/(Loss) before tax	125554	Profit/(Loss) after tax	81400
Earnings per share -		Dividend rate	NIL
	Basic	1.14	
	Diluted	1.14	

VII. Name of Principal Product of the Company

(a) ITC CODE	NIL	NIL
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For **RMA & ASSOCIATES**
 Firm Registration No: 000978N
 Chartered Accountants

For and on behalf of the Board

Pankaj Chander
 Partner
 Membership No-089065
 Place : New Delhi
 Dated: 15th March'2011

(Vikas Chandra)
 Company Secretary

(Ashok Gupta)
 Chairman &
 Director

(Renu Gupta)
 Director

AKANKSHA CELLULAR LIMITED

Registered Office: 317, Competent House, F-14, Connaught Circus, New Delhi-01

PROXY FORM

Folio No.DP ID*Client ID*No of Shares

I/We.....of.....
.....being a member/members of **Akanksha Cellular Limited** hereby appoint
..... ofor
failing him/her of.....as my/our
proxy to attend and vote for me/us, and on my/our behalf, at the 17th Annual General Meeting of
the Company to be held on Saturday, the 23rd Day of April, 2011 and at any adjournment thereof.

Affix Revenue
Stamp of Re.
1/-

Dated thisday of2011.

(Signature of the Member)

For Office Use Only
Proxy No. : No. of Shares:

Note: This proxy must be deposited at the Registered office of the company at Flat No-317, Competent House, F-14, Connaught Circus, New Delhi-01 not less than forty eight hours before the time for holding the meeting.

AKANKSHA CELLULAR LIMITED

Registered Office: 317, Competent House, F-14, Connaught Circus, New Delhi-01

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTERANCE OF THE MEETING HALL)

- 1. Full name of the shareholder/proxy.....No. of Shares
- 2. Reg. Folio No.DP ID.....Client ID.....
- 3. If proxy, full name of shareholder

I hereby record my presence at the 17th Annual General Meeting held at Community Center, AGCR Enclave- New Delhi-110092 on 23rd day of April, 2011.

[Signature of the shareholder / proxy]