

**SORAB S. ENGINEER & CO. (Regd.)**  
**CHARTERED ACCOUNTANTS**

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OPP. OLD RESERVE BANK OF INDIA,  
ASHRAM ROAD,  
AHMEDABAD-380 009

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Syntel Telecom Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Syntel Telecom Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements. This control is not a subject of the audit.

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## **SORAB S. ENGINEER & CO. (Regd.)**

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

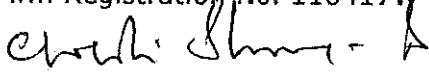
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which would impact its financial position;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W



**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
April 28, 2018

**SORAB S. ENGINEER & CO. (Regd.)**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SYNTEL TELECOM LIMITED**

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence this clause is not applicable.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Company is not engaged in production, processing, manufacturing and mining activities. Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the Order are not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.



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- (viii) The Company has no borrowings from Financial Institutions, Bank, Government or Debenture Holders. Consequently, requirements of clause (viii) of paragraph 3 of the Order are not applicable.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, no managerial remuneration has been paid/provided in the Financial Statements during the year. Consequently, requirements of clause (xi) of paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W



**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
April 28, 2018

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SYNTEL TELECOM LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Syntel Telecom Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

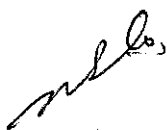
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

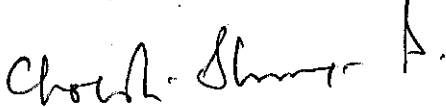
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W



**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
April 28, 2018

# SYNTEL TELECOM LIMITED

## NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of SYNTEL TELECOM LTD will be held on Wednesday, the 26<sup>th</sup> September, 2018 at 11.30 a.m. at the Registered office of the Company at Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025 to transact the following Business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2018 and Profit & Loss Account for the period ended on that date and Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vipen Malhotra (holding DIN 02658059), who retires by rotation in terms of the provision of Section 152 of the Companies Act, 2013 and being eligible, offers himself for reappointment.
3. To ratify the appointment of M/S Sorab S. Engineer & Co., Chartered Accountants (ICAI Registration No.110417W) as the Statutory Auditors of the Company and to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of Sorab S. Engineer & Co., Chartered Accountants (ICAI Registration No.110417W) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable laws, Mr. Sanjeev Thaker (DIN: 08066075), who was appointed as an Additional Director of the Company with effect from 7<sup>th</sup> February, 2018 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of this ensuing Annual General Meeting of the Company and in respect of whom the Company has received notice in writing under Section 160 of the Act proposing the candidature of Mr. Sanjeev Thaker for the



office of Director be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**

**Registered Office:**  
Arvind Mills Premises,  
Naroda Road,  
Ahmedabad – 380 025.

**BY ORDER OF THE BOARD**

  
**Hiren Rao**  
Director  
DIN: 01210051

  
**Vipen Malhotra**  
Director  
DIN: 02658059

Date: 28<sup>th</sup> April, 2018  
Place: Ahmedabad

**Explanatory statement under Section 102 of the Companies Act, 2013:**

**Item no. 4**

Mr. Sanjeev Thaker (DIN: 08066075) was appointed as an Additional Director with effect from 7<sup>th</sup> February, 2018 by the Board in accordance with the Section 161 of the Companies Act 2013 (the "Act"). As per Section 161 of the Act, Mr. Sanjeev Thaker (DIN: 08066075) holds office upto the date of the ensuing AGM on 26<sup>th</sup> September, 2018. The Company has received requisite notice in writing under Section 160 of the Act proposing the candidature of Mr. Sanjeev Thaker to be appointed as a Director at the ensuing AGM liable to retire by rotation.

The Board commends the resolution at item No. 4 for approval of members. Mr. Sanjeev Thaker may be deemed to be concerned or interested in the said resolution relating to their appointment. No other Directors are in any manner concerned or interested in the said resolution.

# SYNTEL TELECOM LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Annual Report along with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS:

During the year under review, the Company has made a profit of Rs. 175.00 lacs and the same is carried to the Balance sheet.

### 2. DIVIDEND:

Your directors do not recommend any dividend on equity shares for the year 2017-18.

### 3. SHARE CAPITAL:

The paid up equity capital as on March 31, 2018 was Rs.5 Lacs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### 4. FINANCE:

Cash and cash equivalents as at March 31, 2018 was Rs. 29.88 Lacs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under check through continuous monitoring.

### 5. DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loans, given any guarantee or provided any security or made any investments during the financial year under Section 186 of Companies Act, 2013.

### 7. SUBSIDIARIES AND JOINT VENTURES:

The Company does not have any subsidiaries/joint ventures within the meaning of the Companies Act, 2013.

### 8. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vipen Malhotra retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

During the year under review, Mr. Sanjeev Thaker (DIN: 08066075) appointed as the Additional Director of the Company with effect from 7th February, 2018 and Mr. Jagdish Dalal (DIN : 00009785) resigned as the Director of the Company with effect from 8th February, 2018.

**9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, eight Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**11. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding

conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity.

There were no foreign exchange earnings or outgo during the period under review.

**14. AUDITORS:**

M/s Sorab S. Engineer & Co, Chartered Accountants (ICAI Registration No.110417W), were appointed as Statutory Auditors of the Company at the last AGM held on 28<sup>th</sup> September, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditor is required to be ratified by Members at every Annual General Meeting. Accordingly, a Resolution seeking Member's ratification for the appointment of M/s Sorab S. Engineer & Co, Chartered Accountants, Statutory Auditors, is included at item No. 3 of the notice convening the Annual General Meeting.

**15. EXTRACT OF THE ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure-A".

**16. PARTICULARS OF EMPLOYEES:**

The Company does not have any employee covered under the provisions of Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**17. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation, the Company has received from its bankers and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

**Registered Office:**  
Arvind Mills Premises,  
Naroda Road,  
Ahmedabad – 380 025.

**BY ORDER OF THE BOARD**

  
**Hiren Rao**  
Director  
DIN: 01210051

  
**Vipen Malhotra**  
Director  
DIN: 02658059

Date: 28<sup>th</sup> April, 2018  
Place: Ahmedabad

**Annexure – A to the Directors' Report  
FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

I	CIN	U30006GJ1985PLC008289
ii	Registration Date	26.11.1985
iii	Name of the Company	Syntel Telecom Limited
iv	Category / Sub-category of the Company	Company Limited by Shares
V	Address of Registered office and contact details	Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India. Contact: +91 79 30138000 Fax : +91-79-30138668
Vi	Whether listed Company	Unlisted Public Company
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sr. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Video Conferencing Equipment and Internet Protocol Electronic Private Automatic Branch Exchange ( IP EPABX)	4652	100%

**III. PARTICULARS OF HOLDING,SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN/LLPIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Arvind Limited	L17119GJ1931PLC000093	Holding	100%	2(46)

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Promoter:									
Body Corporate	0	50000	50000	100	0	50000	50000	100	0
Total	0	50000	50000	100	0	50000	50000	100	0

##### ii) Shareholding Of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
	No. of Shares	% of shares of the Company	% of shares pledged encumbered to total shares	No. of Shares	% of shares of the Company	% of shares pledged encumbered to total shares	
Arvind Limited	50000	100	0	50000	100	0	0
Total	50000	100	0	50000	100	0	0

##### iii) Change In Promoter's Shareholding:

There is no change in promoter's shareholding during the year.

##### iv) Shareholding Pattern Of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

This is not applicable as Syntel Telecom Limited is wholly owned subsidiary of Arvind Limited.

##### v) Shareholding Of Directors & Key Managerial Personnel:

No Directors & Key Managerial Personnel are holding any shares in the company.

**V. INDEBTEDNESS**

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans Arvind Ltd	Unsecured Loans Arvind Ruf and Tuf Pvt Ltd	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	100,00,000	0	100,00,000
ii) Interest due but not paid	0	11,80,461	0	11,80,461
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	111,80,462	0	111,80,462
<b>Change in Indebtedness during the financial year</b>				
Additions	0	542,64,635	203,77,13,700	209,19,78,335
Reduction	0	0	203,77,13,700	203,77,13,700
<b>Net Change</b>	0	542,64,635	0	542,64,635
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	622,25,000	0	622,25,000
ii) Interest due but not paid	0	32,20,096	0	32,20,096
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	654,45,097	0	654,45,097

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	N.A	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others (specify)				
5	Others, please specify				
	<b>Total (A)</b>				
	<b>Ceiling as per the Act</b>				



**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		N.A	N.A	N.A	
1	Independent Directors	N.A	N.A	N.A	N.A
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify				
	<b>Total (1)</b>				
	Other Non-Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>				
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>				

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	<b>Gross Salary</b>	CEO	Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	<b>Total</b>				

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

During the financial year, there is no imposition of any Penalty or Punishment or Compounding fees by any authorities (RD/NCLT/Court) on the Company or its Directors or other Officers under any Sections of the Companies Act, 2013.

**Syntel Telecom Limited**  
**Balance Sheet as at March 31, 2018**

Particulars	Notes	As at March 31, 2018 In Rs.	As at March 31, 2017 In Rs.
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	5	15,02,603	17,46,206
(b) Financial assets			
(i) Investments	6	1,48,50,000	-
(ii) Other financial assets	6	2,56,000	25,000
(c) Other non-current assets	7	-	-
<b>Total non-current assets</b>		<b>1,66,08,603</b>	<b>17,71,206</b>
<b>II. Current assets</b>			
(a) Inventories	8	2,77,22,115	1,71,01,590
(b) Financial assets			
(i) Trade receivables	6	2,95,27,553	5,02,23,010
(ii) Cash and cash equivalents	6	29,87,589	11,39,041
(iii) Bank balance other than (ii) above	6	2,25,840	2,25,840
(iv) Loans	6	7,78,10,674	-
(iv) Others financial assets	6	17,26,653	13,681
(c) Current tax assets (net)		20,94,855	
(d) Other current assets	7	21,470	23,19,535
<b>Total current assets</b>		<b>14,21,16,748</b>	<b>7,10,22,697</b>
<b>Total Assets</b>		<b>15,87,25,352</b>	<b>7,27,93,903</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	5,00,000	5,00,000
Retained earnings	10	2,54,37,770	79,37,761
<b>Total equity</b>		<b>2,59,37,770</b>	<b>84,37,761</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
(a) Financial liabilities			
(b) Deferred tax liabilities (net)	21	96,736	1,28,385
<b>Total non-current liabilities</b>		<b>96,736</b>	<b>1,28,385</b>
<b>II. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	8,00,75,573	1,11,80,462
(ii) Trade payables	11	2,37,26,883	4,69,36,347
(iii) Other financial liabilities	11	2,43,39,323	-
(b) Other current liabilities	12	45,49,067	29,15,929
(c) Current tax liabilities (net)	13	-	31,95,019
<b>Total current liabilities</b>		<b>13,26,90,845</b>	<b>6,42,27,757</b>
<b>Total equity and liabilities</b>		<b>15,87,25,352</b>	<b>7,27,93,903</b>
		-	-0

**Summary of Significant Accounting Policies**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For Sorab S. Engineer and Co.

Chartered Accountants

Firm Registration No. 110417W



CA Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 28th April 2018

For and on behalf of the Board of Directors of

Syntel Telecom Limited

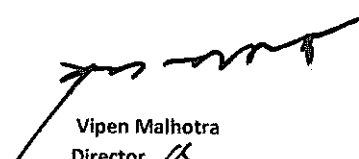


Hiren Rao

Director

DIN: 01210051

Date : 28th April 2018



Vipen Malhotra

Director

DIN: 02658059

Date : 28th April 2018

Syntel Telecom Limited  
Notes to the Financial Statements

Note 5 : Property, plant and equipment

Fixed Assets	Plant & machinery	Furniture & fixture	Office equipment	Computer, server & network	Total
As at March 31, 2017	24,20,512	4,17,600	87,398	10,58,988	39,84,497
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2018	24,20,512	4,17,600	87,398	10,58,988	39,84,497
Depreciation and Impairment					
As at April 1, 2016	2,23,501	-	-	-	2,23,501
Depreciation for the year	2,34,658	-	-	-	2,34,658
As at March 31, 2017	7,47,381	3,97,081	86,028	10,07,801	22,38,291
Depreciation for the year	2,33,037	2,967	198	7,400	2,43,602
As at March 31, 2018	9,80,418	4,00,048	86,226	10,15,201	24,81,893
Net Block					
As at March 31, 2018	14,40,094	17,552	1,172	43,786	15,02,604
As at March 31, 2017	16,73,131	20,519	1,370	51,187	17,46,206



Syntel Telecom Limited  
Notes to the Financial Statements

Note 6 : Financial assets

6 (a) Investments

	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Non-current investment</b>		
Investment in LLP's		
Enkay Converged Technologies LLP	1,48,50,000	
<b>Total Investments</b>	<b>1,48,50,000</b>	<b>0</b>

6 (a) Trade receivables

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Current</b>		
Unsecured, considered good	2,95,27,553	5,02,23,010
Less : Allowance for doubtful debts	-	-
<b>Total Trade and other receivables</b>	<b>2,95,27,553</b>	<b>5,02,23,010</b>
<b>Non-current</b>		
<b>Current</b>	<b>2,95,27,553</b>	<b>5,02,23,010</b>

6 (b) Loans

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Current</b>		
Unsecured considered good		
Loans to related parties	7,78,10,674	-
	<u>7,78,10,674</u>	-
<b>Total Loans</b>	<b>7,78,10,674</b>	<b>-</b>

6 (c) Cash and cash equivalent

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
Balance with Bank		
Current accounts and debit balance in cash credit accounts	29,76,680	11,26,559
Cash on hand	10,909	12,482
<b>Total cash and cash equivalents</b>	<b>29,87,589</b>	<b>11,39,041</b>

6 (d) Other bank balance

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
Deposits with original maturity of more than three months but less than 12 months	2,25,840	2,25,840
<b>Total other bank balances</b>	<b>2,25,840</b>	<b>2,25,840</b>
<b>Total cash and cash equivalents</b>	<b>32,13,429</b>	<b>13,64,881</b>

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**6 (e) Other financial assets**

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>(Unsecured, considered good)</b>		
<b>Non-current</b>		
Security deposits	2,56,000	25,000
	<b>2,56,000</b>	<b>25,000</b>
<b>Current</b>		
Security deposits		-
Income receivable	14,93,139	-
Accrued Interest	27,200	13,681
Foreign exchange forward contracts (Cash flow hedge)		-
Receivable other than trade	2,06,314	-
	<b>17,26,653</b>	<b>13,681</b>
<b>Total Other Financial Assets</b>	<b>19,82,653</b>	<b>38,681</b>

<b>Financial assets- At amortised cost</b>		
(i) Trade receivables	2,95,27,553	5,02,23,010
(ii) Loans	7,78,10,674	-
(ii) Cash and cash equivalents	29,87,589	11,39,041
(iii) Bank balance other than (iii) above	2,25,840	2,25,840
(iv) Others financial assets	19,82,653	38,681
<b>Total Financial Assets</b>	<b>11,25,34,309</b>	<b>5,16,26,572</b>

**Note 7 : Other Current Assets**

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Non-current</b>		
Tax paid in advance (net of provision)	-	-
Investment in LLP	-	-
Security Deposits	-	-
	<b>-</b>	<b>-</b>
<b>Current (Unsecured, considered good)</b>		
Advance to suppliers	21,470	11,470
Sales tax / VAT / service tax receivable (net)	-	23,08,065
	<b>21,470</b>	<b>23,19,535</b>
<b>Total</b>	<b>21,470</b>	<b>23,19,535</b>

**Note 8 : Inventories (At lower of cost and net realisable value)**

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
Stock In Trade	2,77,22,115	1,71,01,590
<b>Total</b>	<b>2,77,22,115</b>	<b>1,71,01,590</b>

**Syntel Telecom Limited**  
Notes to the Financial Statements

**Note 9 : Equity share capital**

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	In Rs.	No. of shares	In Rs.
<b>Authorised share capital</b>				
Equity shares of Rs.10 each	50,000	5,00,000	50,000	5,00,000
<b>Issued and subscribed share capital</b>				
Equity shares of Rs.10 each	50,000	5,00,000	50,000	5,00,000
<b>Subscribed and fully paid up</b>				
Equity shares of Rs.10 each	50,000	5,00,000	50,000	5,00,000
<b>Total</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

**9.1. Number of Shares held by each shareholder holding more than 5% Shares in the company**

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Limited	50,000	100.00	50,000	100.00



Syntel Telecom Limited  
Notes to the Financial Statements

Note 10 : Other Equity

Balance	As at March 31, 2018 In Rs.	As at March 31, 2017 In Rs.
<b>Surplus in statement of profit and loss</b>		
Balance as per last financial statements	79,37,761	-51,70,125
Add: profit for the year	1,75,00,009	1,31,07,886
Add / (Less): OCI for the year	-	-
	<u>2,54,37,770</u>	<u>79,37,761</u>
Less: Appropriation	-	-
Balance at the end of the year	<u>2,54,37,770</u>	<u>79,37,761</u>
<b>Total reserves &amp; surplus</b>	<b>2,54,37,770</b>	<b>79,37,761</b>
<b>Total Other equity</b>	<b>2,54,37,770</b>	<b>79,37,761</b>

Note 11 : Financial liabilities

11 (a) Long-term Borrowings

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Long-term Borrowings (refer note below)</b>		
<b>Unsecured</b>		
From Related parties	-	1,11,80,462
	-	<u>1,11,80,462</u>
<b>Total long-term borrowings</b>	<b>-</b>	<b>1,11,80,462</b>

Synte Telecom Limited  
Notes to the Financial Statements

**Short-term Borrowings (refer note below)**

Unsecured		
Under Buyer's Credit Arrangement	1,46,30,471	-
Intercorporate Deposits		
From Related Parties	6,54,45,102	-
From Others		-
<b>Total short-term borrowings</b>	<b>8,00,75,573</b>	-
<b>Total borrowings</b>	<b>8,00,75,573</b>	<b>1,11,80,462</b>

Note : Loan taken from the related party carries interest rate of 8.00% ( March 31, 2017 : 8.00%). Outstanding balances , at the year-end are unsecured and settlement occurs in cash.

**11 (b) Trade payable**

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
<b>Current</b>		
Acceptances		
Other trade payable (Refer note below)	2,37,26,883	4,69,36,347
	2,37,26,883	4,69,36,347
<b>Total</b>	<b>2,37,26,883</b>	<b>4,69,36,347</b>

a Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

b The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise. have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.



Syntel Telecom Limited  
Notes to the Financial Statements  
11 (c) Other financial liabilities

Particulars	March 31, 2018	March 31, 2017
	In Rs.	In Rs.
<b>Current</b>		
Book overdraft	1,98,58,047	-
Other financial liabilities	44,81,276	-
	<u>2,43,39,323</u>	-
<b>Total</b>	<b>2,43,39,323</b>	-
<b>Financial liabilities- At amortised cost</b>		
(i) Borrowings	10,44,14,896	1,11,80,462
(ii) Trade payables	2,37,26,883	4,69,36,347
<b>Total</b>	<b>12,81,41,778</b>	<b>5,81,16,809</b>

Note 12 : Other liabilities

Particulars	March 31, 2018	March 31, 2017
	In Rs.	In Rs.
<b>Current</b>		
Advance from customers	3,35,109	69,284
Statutory dues including provident fund and tax deducted at source	35,85,718	20,43,858
Income received in advance (unearned income)	6,28,240	8,02,787
	<u>45,49,067</u>	<u>29,15,929</u>
<b>Total</b>	<b>45,49,067</b>	<b>29,15,929</b>

Note 13 : Current Tax Liabilities:

Particulars	March 31, 2018	March 31, 2017
	In Rs.	In Rs.
Provision for Income Tax (Net)	-	31,95,019
<b>Total</b>	<b>-</b>	<b>31,95,019</b>

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**Syntel Telecom Limited**  
**Statement of profit and loss for the period ended March 31, 2018**

Particulars	Notes	Year ended March 31, 2018 In Rs.	Year ended March 31, 2017 In Rs.
<b>Income</b>			
Revenue from operations			
Sale of Products	14	23,21,53,866	20,43,92,130
Other Operating Income	14	2,28,54,425	-
Operating Income	14	-	23,75,058
<b>Revenue from operations</b>		<b>25,50,08,291</b>	<b>20,67,67,188</b>
Other income	15	4,37,03,808	1,72,770
<b>Total income (I)</b>		<b>29,87,12,099</b>	<b>20,69,39,958</b>
<b>Expenses</b>			
Purchase of stock-in-trade	16	23,88,93,934	20,17,72,517
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	(1,06,20,525)	(1,71,01,590)
Finance costs	18	4,41,70,378	11,10,709
Depreciation and amortisation expense	19	2,43,602	2,34,658
Other expenses	20	17,22,546	13,19,792
<b>Total expenses (II)</b>		<b>27,44,09,935</b>	<b>18,73,36,086</b>
<b>Profit / (Loss) before exceptional items and tax (III)=(I-II)</b>		<b>2,43,02,164</b>	<b>1,96,03,872</b>
Exceptional items (IV)		-	-
<b>Profit / (Loss) before tax (V) = (III-IV)</b>		<b>2,43,02,164</b>	<b>1,96,03,872</b>
<b>Tax expense</b>			
Current tax	21	67,00,000	62,13,830
Deferred tax	21	(31,649)	2,76,066
Short/(Excess) provision of Income Tax of earlier years (net)		1,33,804	6,090
<b>Total tax expense (VI)</b>		<b>68,02,155</b>	<b>64,95,986</b>
<b>Profit / (Loss) for the period (VII) = (V-VI)</b>		<b>1,75,00,009</b>	<b>1,31,07,886</b>
<b>Other comprehensive income (VIII)</b>			
		-	-
<b>Total Comprehensive Income / (Loss) for the period, net of tax (VII+VIII)</b>		<b>1,75,00,009</b>	<b>1,31,07,886</b>
<b>Earning per Equity share [nominal value per share Rs. 10/- (March 31, 2017 : Rs. 10/-) ]</b>			
Basic	23	350.00	262.16
Diluted	23	350.00	262.16

**Summary of Significant Accounting Policies**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For Sorab S. Engineer and Co.

Chartered Accountants

Firm Registration No.110417W

*Chokshi Shreyas B.*

CA Chokshi Shreyas B.

Partner

Membership No.100892

28/04/2018

For and on behalf of the Board of Directors of  
 Syntel Telecom Limited

*Hiren Rao*  
 Hiren Rao  
 Director  
 DIN: 01210051

*Vipen Malhotra*  
 Vipen Malhotra  
 Director  
 DIN: 02658059

Syntel Telecom Limited  
Notes to the Financial Statements

Note 14 : Revenue from operations

Particulars	Period ended March 31, 2018	Period ended March 31, 2017
	In Rs.	In Rs.
Sale of products	23,21,53,866	20,43,92,130
Other Operating Income	2,28,54,425	-
Annual Maintenance Contract	-	43,813
Professional Service Charges	-	9,90,000
Installation Charges	-	13,41,245
Sub Total	-	23,75,058
<b>Total</b>	<b>25,50,08,291</b>	<b>20,67,67,188</b>

Note 15 : Other income

Particulars	Period ended March 31, 2018	Period ended March 31, 2017
	In Rs.	In Rs.
Interest income	4,35,42,587	90,457
Foreign Exchange Gain	1,61,221	-
Miscellaneous income	-	82,313
<b>Total</b>	<b>4,37,03,808</b>	<b>1,72,770</b>

*all*

Syntel Telecom Limited  
Notes to the Financial Statements  
Note 16 : Purchases of stock-in-trade

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
Electronic items	23,88,93,934	20,17,72,517
<b>Total</b>	<b>23,88,93,934</b>	<b>20,17,72,517</b>

Note 17 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
<b>Stock at the end of the year</b>		
Stock-in-trade	2,77,22,115	1,71,01,590
Work-in-Progress	-	-
	<b>2,77,22,115</b>	<b>1,71,01,590</b>
<b>Stock at the beginning of the year</b>		
Stock-in-trade	1,71,01,590	-
	<b>1,71,01,590</b>	<b>-</b>
<b>(Increase) / Decrease in stocks</b>	<b>(1,06,20,525)</b>	<b>(1,71,01,590)</b>
<b>Total</b>	<b>(1,06,20,525)</b>	<b>(1,71,01,590)</b>

Note 18 : Finance costs

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
Interest expense	4,41,70,378	11,10,709
<b>Total</b>	<b>4,41,70,378</b>	<b>11,10,709</b>

Note 19 : Depreciation and amortization expense

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
Depreciation on Tangible assets (Refer Note 1)	2,43,602	2,34,658
<b>Total</b>	<b>2,43,602</b>	<b>2,34,658</b>

Note 20 : Other expenses

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
Insurance	63,251.0	-
Rent	1,92,500	-
Freight, insurance & clearing charge	5,87,868	4,08,956
Commission , Brokerage,Discount	36,369	-
Legal & Professional charges	2,62,376	6,97,153
Conveyance & Travelling expense	1,507	11,931
Auditor's remuneration	2,69,130	1,25,000
Bank charges	2,10,840	8,246
Miscellaneous expenses	98,704	68,506
<b>Total</b>	<b>17,22,546</b>	<b>13,19,792</b>

Payment to Auditors (Net of service tax)

Particulars	Period ended March 31, 2018 In Rs.	Period ended March 31, 2017 In Rs.
<b>Payment to Auditors as</b>		
Statutory Auditors	1,50,000	1,25,000
For tax audit	45,000	-
For Other certification work	74,130	-
<b>Total</b>	<b>2,69,130</b>	<b>1,25,000</b>

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Income tax

	2017-18 In Rs.	2016-17 In Rs.
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current income tax	67,00,000	62,13,830
Short/(Excess) provision of Income Tax of earlier years (net)	1,33,804	6,090
<b>Deferred tax</b>		
Deferred tax expense	(31,649)	2,76,066
<b>Income tax expense reported in the statement of profit and loss</b>	<b>68,02,155</b>	<b>64,95,986</b>

**A) Current tax**

Particulars	2017-18 In Rs.	2016-17 In Rs.
Accounting profit before tax from continuing operations	2,43,02,164	1,96,03,872
Tax @ 27.55% (March 31, 2017: 34.608%)	66,95,246	67,84,508
Adjustment in respect of Depreciation	4,754	(10,305)
Short/(Excess) provision of Income Tax of earlier years (net)	1,33,804	(6,090)
MAT credit Adjustments		(2,65,761)
Other adjustments		(6,366)
Incremental allowance for R&D expense		-
Incremental allowance for investment in new plant (Investment allowance)		-
Other non-deductible expenses		-
Deferred tax not recognised on investment in subsidiary		-
Other adjustments		-
<b>At the effective income tax rate of 28.12% (March 31, 2017 :33.14%)</b>	<b>68,33,804</b>	<b>64,95,986</b>
	28.12%	33.14%

**B) Deferred tax**

Particulars	March 31, 2018 In Rs.	March 31, 2017 In Rs.
Accelerated depreciation for tax purposes	96,736	1,28,385
Impact of fair valuation of Land	-	-
Others	-	-
Provision for doubtful debt (including allowance for ECL)	-	-
Creditor allowable on payment basis	-	-
Expenditure allowable over the period (Section 35D / 35DD)	-	-
Unused losses available for offsetting against future taxable income	-	-
Unused tax credit available for offsetting against future taxable income	-	-
MAT credit entitlement	-	-
<b>Deferred tax expense/(income)</b>	<b>96,736</b>	<b>1,28,385</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>96,736</b>	<b>1,28,385</b>
Reflected in the balance sheet as follows		
Deferred tax Liability	96,736	1,28,385
MAT credit entitlement	-	-
<b>Deferred tax (assets)/liabilities (net)</b>	<b>96,736</b>	<b>1,28,385</b>
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>In Rs.</b>	<b>In Rs.</b>
<b>Reconciliation of deferred tax (assets) / liabilities, net</b>		
Opening balance as of April 1	1,28,385	(1,47,681)
Tax income/(expense) during the period recognised in profit or loss	(31,649)	2,76,066
Tax income/(expense) during the period recognised in OCI	-	-
<b>Closing balance as at March 31</b>	<b>96,736</b>	<b>1,28,385</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

22. Disclosure pursuant to Related Party

(a) Name of Related Parties and Nature of Relationship :

Subsidiary	Enkay Converged Technologies LLP
Holding Company	Arvind Limited

(b) Disclosure in respect of Related Party Transactions :

Particulars	(Amount in Rs.)	
	Year ended	
	March 31, 2018	March 31, 2017
<b>Transactions</b>		
<u>Sale of Goods/ Services</u>		
Enkay Converged Technologies LLP	28,97,778	-
Arvind Limited	18,43,41,261	12,48,51,126
<u>Purchases</u>		
Arvind Limited	33,57,271	1,27,01,558
<u>Loan Given</u>		
Enkay Converged Technologies LLP	7,65,85,500	-
<u>Loan Taken</u>		
Arvind Limited	6,34,05,461	-
<u>Interest Income</u>		
Arvind Limited	4,21,64,383	
Enkay Converged Technologies LLP	13,61,306	
<u>Interest Expenses</u>		
Arvind Limited	22,66,267	10,49,209
Arvind Ruf & Tuf Private Limited	4,41,70,378	

Particulars	(Amount in Rs.)	
	Year ended	
	March 31, 2018	March 31, 2017
<b>Balances as at year end</b>		
<u>Capital Investment</u>		
Enkay Converged Technologies LLP	1,48,50,000	-
<u>Trade Receivables</u>		
Enkay Converged Technologies LLP	7,78,10,674	-
<u>Receivable in respect of loan</u>		
Enkay Converged Technologies LLP	12,87,836	
<u>Payable in Respect of Loan</u>		
Arvind Limited	6,54,45,102	4,27,589

Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances , at the year-end are unsecured and settlement occurs in cash.

2) Loans in INR taken from the related party carries interest rate of 8.00% (March 31, 2017 : 8.00% ).

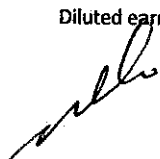
(d) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: Rs.Nil )

*Handwritten signature*

Note 23 : Earning per share

Particulars	2017-18 In Rs.	2016-17 In Rs.
<b>Earing per share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	1,75,00,009	1,31,07,886
Total no. of equity shares at the end of the year	50,000	50,000
<b>Weighted average number of equity shares</b>		
For basic EPS	50,000	50,000
For diluted EPS	50,000	50,000
Nominal value of equity shares	10	10
Basic earning per share	350.00	262.16
Diluted earning per share	350.00	262.16



**Note 24 : Fair value disclosures for financial assets and financial liabilities**

The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The management assessed that fair values for loan from holding company would approximate their carrying values. This is due to the interest rates for similar loan have not changed significantly as at March 31, 2018, March 31, 2017 and March 31, 2016 compared to the interest rates at which such loan have been availed.





**Note 25 : Financial Instruments risk management objectives and policies**

The Company's principal financial liabilities, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include trade and other receivables and cash & short-term deposits that derive directly from its operations.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial Instruments affected by market risk include deposits, trade and other receivables, borrowings and trade and other payables. However, exposure to various market risk is not material and hence, Market risk is assessed by the company at low level.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The company monitors its credit exposure to its counterparties via their credit ratings (where applicable) and through its policy, thereby limiting its exposure to any one party to ensure there is no significant concentration of credit risk.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.



**Syntel Telecom Limited**

Notes to the Financial Statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand			
	Less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
<b>Year ended March 31, 2018</b>				
Interest bearing borrowings*	1,46,30,471	-	6,54,45,102	-
Trade payables	2,37,26,883	-	-	-
	<b>3,83,57,354</b>	<b>-</b>	<b>6,54,45,102</b>	<b>-</b>
<b>Year ended March 31, 2017</b>				
Interest bearing borrowings*	4,69,36,347	-	1,11,80,462	-
Trade payables	4,69,36,347	-	1,11,80,462	-
	<b>9,38,72,694</b>	<b>-</b>	<b>2,23,60,924</b>	<b>-</b>

**Note 26 : Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	In Rs.	In Rs.
Interest-bearing loans and borrowings (Note 15)	8,00,75,573	1,11,80,462
Trade and other payables (Note 15)	2,37,26,883	4,69,36,347
Less: cash and cash equivalent (including other bank balance) (Note 6 (C) )	-29,87,589	-11,39,041
<b>Net debt</b>	<b>10,08,14,867</b>	<b>5,69,77,768</b>
Equity share capital (Note 9)	5,00,000	5,00,000
Other equity (Note 10)	2,54,37,770	79,37,761
Total capital	2,59,37,770	84,37,761
Capital and net debt	12,67,52,637	6,54,15,529
Gearing ratio	80%	87%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and March 31, 2016.

**Note 26 : Standards issued but not yet effective**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The LLP is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

**Ind AS 115 - Revenue from contracts with customers**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"

**Note 27 : Regrouped, Recast, Reclassified**

Figures of the earlier year have been regrouped to make them comparable with those of current year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

**1. Corporate Information**

Syntel Telecom Limited (“the Company”) is a public company in India and is incorporated under the provisions of the Companies Act. The registered office of the company is located at Arvind Mills Premises, Naroda Road, Ahmedabad - 380025.

The Company has got dealership of video conferencing units of CISCO and digital / IP EPABX of Alcatel including data networking products. The Company is selling its CISCO products through its holding company – Arvind Limited – Telecom Division and Alcatel products through Arvind Limited – Telecom Division as well as its distribution network.

The financial statements were authorised for issue in accordance with a resolution of the directors on 28<sup>th</sup> April, 2018.

**2. Statement of Compliance and Basis of preparation**

**2.1 Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”) and other relevant provision of the Act.

**2.2 Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

**2.3 Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the nearest rupee as per the requirement of Schedule III, except when otherwise indicated.

### **3. Summary of Significant Accounting Policies**

The following are the significant accounting policies applied by the company in preparing its financial statements:

#### **3.1. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **Operating cycle**

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

#### **3.2. Use of estimates and judgements**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



### 3.3. Foreign currencies

The company's financial statements are presented in INR, which is also the company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency rates at the date the transaction first qualifies for recognition.

### 3.4. Fair value measurement

The company measures financial instruments such as Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 3.5. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred.

#### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

#### Depreciation

Depreciation on property, plant and equipment is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery other than Lab equipment and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery other than Lab equipment is provided on straight line basis over the useful lives of the assets as estimated by management based on internal assessment. The management estimates the useful lives as follows:

Assets	Useful Life
Plant & Machinery other than Lab equipment	10 Years

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at cost eligible under Ind AS 16 less accumulated amortisation and accumulated impairment losses, if any.

### **3.6. Borrowing cost**

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 capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

### **3.7. Inventories**

Inventories of Stock-in-trade are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **3.8. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

#### **Interest income**

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.





### 3.9. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a) Financial assets

##### (i) Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### (ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- **Financial assets at amortised cost :**  
A financial asset is measured at amortised cost if:
  - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

- **Financial assets at fair value through other comprehensive income**  
A financial asset is measured at fair value through other comprehensive income if:
  - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

**(iii) Derecognition of financial assets**

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(iv) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

**b) Financial Liabilities**

**(i) Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings from related parties.

**(ii) Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

• **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**(iii) Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.



When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3.10. Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **3.11. Taxes**

Tax expense comprises of current income tax and deferred tax.

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction 2either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

### 3.12. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### **3.13. Provisions**

#### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **4. Significant accounting estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **4.1. Estimates and assumption**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.



### **Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience.

### **Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Property, plant and equipment**

Refer Note 3.5 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**As per our report of even date attached**

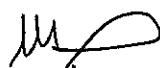
**For and on behalf of the Board**

**For Sorab S.Engineers & Co.**  
**Chartered Accountants**  
**Firm Registration No. 110417W**

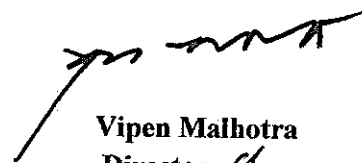


**CA Chokshi Shreyas B.**  
**Partner**  
**Membership No.: 100892**

28/04/2018



**Hiren Rao**  
**Director**  
**DIN: 01210051**



**Vipen Malhotra**  
**Director**  
**DIN: 02658059**

**SYNTEL TELECOM LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Amount in Rs.			
	31-Mar-18		31-Mar-17	
<b>CASHFLOW FROM FROM OPERATING ACTIVITIES</b>				
Net change in Reserves and Surplus		1,74,68,360.10		1,31,07,886.00
Adjustment for:				
Depreciation	2,43,601.86		2,34,658.00	
Interest expenses	4,41,70,378.00		11,10,709.00	
Taxes of earlier years	1,33,804.00		-	
Interest income	(4,37,03,807.83)		-	
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES AND EXTRA -ORDINARY ITEMS</b>		8,43,976.03		13,45,367.00
Adjustment for :				
Trade and other receivables	6,49,84,358.45		(4,99,57,433.00)	
Inventories	(1,06,20,524.82)		(1,71,01,590.00)	
Trade payable	(2,32,09,464.46)		4,28,51,834.00	
Other Current Liabilities	(2,13,92,935.41)		31,36,312.00	
Direct taxes refund / (paid)	(22,28,659.04)		30,44,379.00	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A</b>	75,32,774.72		(1,80,26,498.00)
		2,58,45,110.85		(35,73,245.00)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	-		(2,34,885.00)	
Change in Other bank balances	-		(14,326.00)	
Purchase of investments (Investment in LLP)	(1,48,50,000.00)		-	
Deposits given	(2,31,000.00)		-	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B</b>	(1,50,81,000.00)		(2,49,211.00)
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
From short term borrowings	6,88,95,111.34		-	
Loans given	(7,78,10,674.00)		-	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>C</b>	(89,15,562.66)		-
<b>NET CASH INCREASE IN CASH AND CASH EQUIVALENTS (A-B+C)</b>		18,48,548.19		(38,22,456.00)
Cash and cash equivalents as on 01-04-2017		11,39,041.00		49,61,497.00
Cash and cash equivalents as on 31-03-2018		29,87,589.19		11,39,041.00

Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors of  
 Syntel Telecom Limited

For SORAB S. ENGINEER & CO.

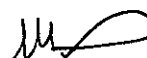
Chartered Accountants  
 Firm Regn No.110417W



CA Chokshi Shreyas B.  
 Partner

Membership No.100892

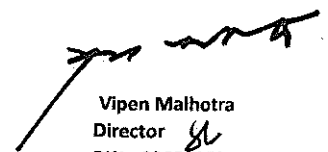
Date : 28th April 2018



Hiren Rao  
 Director

DIN: 01210051

Date : 28th April 2018



Vipen Malhotra  
 Director

DIN: 02658059

Date : 28th April 2018



Equity share capital

Balance	Amount
	Note 9 :
at April 1, 2015	5,00,000
Issue of Equity Share capital	-
at March 31, 2016	5,00,000
Issue of Equity Share capital	-
at March 31, 2018	5,00,000


Other equity

Particulars	Attributable to the equity holders of the parent				Total	Non-controlling interest	Total other equity
	Retained Earnings	Other Reserves					
		Foreign currency monetary item translation	Net gains / (loss) on hedging instruments in a cash flow hedge	Net gain / (loss) on FVOCI equity instruments			
Note 10	Note 10	Note 10	Note 10				
Balance as at April 1, 2016	(51,70,125)	-	-	-	(51,70,125)	-	(51,70,125)
Profit for the period	1,31,07,886	-	-	-	1,31,07,886	-	1,31,07,886
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	1,31,07,886	-	-	-	1,31,07,886	-	1,31,07,886
Dividend 2014-15	-	-	-	-	-	-	-
Provision on final dividend 2014-15	-	-	-	-	-	-	-
Interim Dividend 2015-16	-	-	-	-	-	-	-
Provision on Interim dividend 2015-16	-	-	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-	-	-
Transfer from Revaluation reserve	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
Provision on hedge reserve	-	-	-	-	-	-	-
Adjustments on demerger	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Other movement (edit / modify based on)	-	-	-	-	-	-	-
Provisions: Appropriations	-	-	-	-	-	-	-
Balance as at March 31, 2017	79,37,761	-	-	-	79,37,761	-	79,37,761
Balance as at April 1, 2017	79,37,761	-	-	-	79,37,761	-	79,37,761
Profit for the period	1,75,00,009	-	-	-	1,75,00,009	-	1,75,00,009
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive income for the period	1,75,00,009	-	-	-	1,75,00,009	-	1,75,00,009
Provisions: Appropriations	-	-	-	-	-	-	-
Balance as at March 31, 2018	2,54,37,770	-	-	-	2,54,37,770	-	2,54,37,770

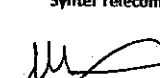
The accompanying notes are an integral part of the financial statements.

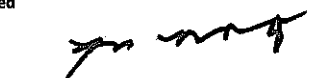
As per our report of even date

SORAB S. ENGINEER & CO.  
Chartered Accountants  
Firm's Registration No. 110417W

  
Chokshi Shreyas B.  
Partner  
Membership No. 100892  
Ahmedabad

For and on behalf of the Board of Directors of  
Syntel Telecom Limited

  
Hiren Rao  
Director  
DIN: 01210051  
Place: Ahmedabad

  
Vipen Malhotra  
Director  
DIN: 02658059  
Place: Ahmedabad