

**SYNTEL TELECOM LIMITED**

**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of SYNTEL TELECOM LTD will be held on Monday, the 28<sup>th</sup> September, 2015 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 :


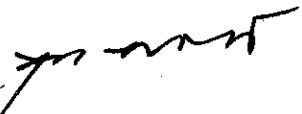

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2015 and Profit & Loss Accounts for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vipen Malhotra (holding DIN 02658059), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/S Sorab S. Engineer & Co., Chartered Accountants (ICAI Registration No.110417W) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

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

Registered Office,  
Arvind Ltd Premises,  
Naroda Road,  
Ahmedabad – 380 025.

BY ORDER OF THE BOARD

  
Jagdish G. Dalal /   
(Directors) 

Date: 11<sup>th</sup> May, 2015  
Place: Ahmedabad

**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, 2015.

**1. FINANCIAL RESULTS**

During the year under review, the company has made a profit of Rs. 18.02 lacs and the same is carried to the Balance sheet.

**2. DIVIDEND**

In view of the accumulated losses, your directors do not recommend any dividend on equity shares for the year 2014-15.

**3. SHARE CAPITAL**

The paid up equity capital as on March 31, 2015 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, 2015 was Rs. 20.94 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.

## **9. NUMBER OF MEETINGS OF THE BOARD**

During the year, four Board Meetings were convened and held.

## **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) The directors 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) The directors 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) The directors had prepared the annual accounts on a going concern basis;
- e) The directors 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 were 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**

The Company's Auditors M/s Sorab S Engineer and Co, Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint Auditors and to fix their remuneration.

**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.

FOR AND ON BEHALF OF THE BOARD

  
Jagdish G. Dalal

  
Vipen Malhotra

(Directors) 

Date: 11<sup>th</sup> May, 2015

Place: Ahmedabad

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

**EXTRACT OF ANNUAL RETURN**

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 Equipments	64202	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)**

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
	Physical	Total	% of total shares	Physical	Total	% of total shares	
<b>Promoter:</b>							
Body Corporate	500000	500000	100	500000	500000	100	500000
Total	500000	500000	100	500000	500000	100	500000

**SHARE HOLDING 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	500000	100	NIL	500000	100	NIL	NIL

**CHANGE IN PROMOTER'S SHAREHOLDING:**

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

**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.

**Shareholding of Directors & KMP:**

No Directors & KMP are holding any shares in the company.

**V. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		100,00,000		
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		100,00,000		
<b>Change in Indebtedness during the financial year</b>				
Additions		1,16,520		
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		100,00,000		
ii) Interest due but not paid		1,16,520		
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		101,16,520		



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

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	N.A	N.A	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:**

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
1	Independent Directors	N.A	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**

Sl. No.	Particulars of Remuneration		Key Managerial Personnel				Total
			CEO	Company Secretary	CFO	Total	
1	<b>Gross Salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	N.A	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 / COMPPOUNDING 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.



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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SYNTEL TELECOM LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SYNTEL TELECOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

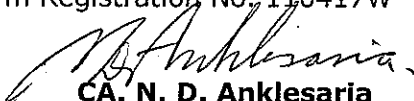
**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2014
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*M. S. Ch.*

Ahmedabad  
May 11, 2015

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

  
**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

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

**ANNEXURE TO THE AUDITORS' REPORT**

**Re: 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,

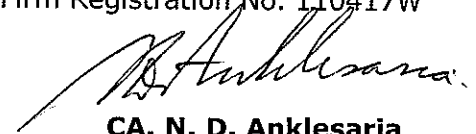
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the Fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the clauses (iii)(a) and (iii)(b) of paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company.
- (v) The Company has not accepted any deposits from the public to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and directions issued by R.B.I. would apply.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records for the products of the Company under section 148 (1) of the Companies Act, 2013 in respect of the Company's products. Consequently, requirement of clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues with the appropriate authorities. 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, 2015 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, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax and Cess which have not been deposited on account of any dispute.

*M.S.B.*

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

- (c) There are no amounts which are required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has not incurred any cash losses during the financial year nor in the immediately preceding financial year. The accumulated losses of the Company as at 31<sup>st</sup> March, 2015 are more than 50% of its net worth.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institutions.
- (xi) The Company has not taken any Term Loans during the year.
- (xii) Based upon the audit procedures performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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



**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

Ahmedabad  
May 11, 2015

**Syntel Telecom Limited**  
**Balance Sheet as at 31st March 2015**

(Rs. in Lacs)

Particulars		Note No	As at 31st March 2015	As at 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders funds</b>				
	(a) Share capital	2	5.00	5.00
	(b) Reserves and surplus	3	116.54	134.56
<b>2 Non-current liabilities</b>				
	(a) Long-term borrowings	4	100.00	100.00
	(b) Deferred Tax Liability	5	0.21	0.21
<b>3 Current liabilities</b>				
	(a) Trade payables		130.95	3.55
	(b) Other current liabilities	6	1.97	71.16
<b>4 Short Term Provisions</b>				
		7	0.39	-
	<b>TOTAL</b>		<b>121.98</b>	<b>45.36</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
	(i) Tangible assets		19.70	26.68
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
		8	19.70	26.68
	(b) Long-term loans and advances	9	0.25	2.91
<b>2 Current assets</b>				
	(a) Trade receivables	10	79.98	2.21
	(b) Cash and Cash Equivalents	11	20.94	11.51
	(c) Short-term loans and advances	12	1.00	1.53
	(d) Other current assets	13	0.11	0.52
	<b>TOTAL</b>		<b>121.98</b>	<b>45.36</b>

Summary of Significant Accounting Policies

1

Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith

As per our report of even date attached  
 For Sorab S. Engineer & Co.  
 Chartered Accountants  
 Firm Registration No. 110417W

For and on behalf of the Board

CA N.D. Anklesaria  
 Partner  
 Membership No.10250  
 Ahmedabad

Jagdish Dalal  
 Director  
 Ahmedabad  
 Dated

Vipen Malhotra  
 Director  
 May 11, 2015



**SYNTEL TELECOM LIMITED**

**Statement of Profit and Loss for the year ended 31st March 2015**

(Rs in Lacs)

Particulars		Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I.	Revenue from operations	14	459.38	357.02
II.	Other income	15	0.18	0.16
III.	<b>Total Revenue (I + II)</b>		<b>459.56</b>	<b>357.18</b>
IV.	Expenses:			
	Purchases of Stock in Trade	16	427.02	340.63
	Other expenses	17	1.93	7.62
	Finance Charges - Interest Exps Inter Business Unit		1.30	-
	Depreciation on Tangible Assets and Amortization		6.98	2.32
	<b>Total expenses</b>		<b>437.23</b>	<b>350.57</b>
V.	<b>Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>22.33</b>	<b>6.61</b>
VI.	Exceptional Items		-	-
VII.	<b>Profit/(Loss) before extraordinary items and tax (V - VI)</b>		<b>22.33</b>	<b>6.61</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit/(Loss) before tax (VII- VIII)</b>		<b>22.33</b>	<b>6.61</b>
X	Tax expense:			
	(1) Current tax		4.31	0.15
	(2) Deferred tax		-	-
	(3) Short /(excess) provision of Income Tax of earlier years (Net)		-	-
XI	<b>Profit/(Loss) for the year (IX-X)</b>		<b>18.02</b>	<b>6.46</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
XII	Earnings per equity share:(in Rs.)			
	Nominal Value per Share Rs.10/- (Previous Year Rs.10)			
	Before Extraordinary Items			
	Basic		36.03	12.92
	Diluted		36.03	12.92
	After Extraordinary Items			
	Basic		36.03	12.92
	Diluted		36.03	12.92

Summary of Significant Accounting Policies

1

Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith

As per our report of even date attached  
For SORAB S. ENGINEER & CO.  
Chartered Accountants  
Firm Registration No.110417W

For and on behalf of the Board

*(Signature)*  
C.A. N. D. ANKLESARIA  
Partner  
Membership No. 10250  
Ahmedabad

*(Signature)*  
Jagdish Dalal  
Director  
Ahmedabad

*(Signature)*  
Vipen Malhotra  
Director

DATED: MAY 11, 2015

**SYNTEL TELECOM LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Rs. In Lacs)

	31-Mar-15		31-Mar-14	
<b>CASHFLOW FROM FROM OPERATING ACTIVITIES</b>				
<b>PROFIT / ( LOSS ) Before TAX AND EXTRAORDINARY ITEM</b>	22.33	22.33	6.61	6.61
Adjustment for:				
Depreciation	6.98		2.32	
Interest expenses				
Income tax refund of earlier years				
Profit / (Loss) on sale of assets (Net)				
Interest income				
Dividend Income	-	6.98	-	2.32
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES AND EXTRA -ORDINARY ITEMS</b>				
Adjustment for :				
Trade and other receivables	(78.10)		(3.31)	
Inventories				
Trade payable	127.40		(0.09)	
Other Current Liabilities	(69.18)		7.73	
<b>CASH GENERATED FROM OPERATIONS</b>				
Direct taxes refund / (paid)	-		-	
<b>NET CASH FROM OPERATING ACTIVITIES</b>		(19.88)		4.33
		9.43		13.26
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets				
Purchase of investments			21.68	
Sale of fixed assets				
Sale of Investments				
Interest received				
Dividend received				
<b>NET CASH USED IN INVESTING ACTIVITIES</b>				21.68
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
Received from issuance of share capital				
From long term borrowings				
From short term borrowings				
Interest paid				
<b>NET CASH USED IN FINANCING ACTIVITIES</b>				
<b>NET CASH INCREASE IN CASH AND CASH EQUIVALENTS ( A-B+C )</b>		9.43		(8.42)
Cash and cash equivalents as on 01-04-2014	11.51	-	19.93	-
Cash and cash equivalents as on 31-03-2015	20.94	9.43	11.51	(8.42)

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

For **SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Regn No.110417W

**CA N.D. ANKLESARIA**

Partner

Membership No.10250

**Jagdish Dalal**

Director

**Vipen Malhotra**

Director

DATE: MAY 11, 2015

## Syntel Telecom Limited

### Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015.

#### Company Background

The Company has got dealership of video conferencing units of CISCO. The Company is selling the products through its holding company Arvind Ltd. - Telecom Division.

#### 1. Significant Accounting Policies:

##### (a) Basis of accounting:

The Financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 2013 and comply with the Accounting Standards specified under Section 133 of the said Act read with Rule 7 of the Companies (Accounts) Rules 2014.

The preparation of financial Statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-Current classification of Assets and Liabilities.

##### (b) Revenue Recognition

Sales are recognized based on passage of title to goods which generally coincide with dispatch.  
Sales are stated net of returns and Taxes.

##### (c) Fixed assets and Depreciation/Amortisation:

- (1) All fixed assets are at cost of acquisition less depreciation/amortisation. Cost comprises the Purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (2) Depreciation has been provided on the straight line method at the rates prescribed in Schedule II to the Companies Act, 2013 .
- (3) Depreciation on additions to fixed assets has been provided on a prorata basis from the date of such additions.
- (4) Minor assets individually costing Rs.5,000 or below are fully depreciated in the year of acquisition on pro-rata basis.



(d) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalisation during the year.

(e) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at on the basis of weighted moving average method.

(f) Investments:

1. Long-term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, where applicable.
2. Current Investments are stated at lower of cost and fair value.

(g) Impairment of Assets:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

(h) Employee benefits:

The Company does not have any employees.

(i) Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognised in the Profit and Loss Account, there being no liability incurred in foreign exchange for the purpose of acquiring fixed assets.



(j) Taxation:

Provision for taxation has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years.

Tax expense consists of both current as well as deferred tax liability. Current Tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Asset is recognized and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

(k) Earning per share

The Company reports basic and diluted earning per share (EPS) in accordance with Accounting Standard 20 Earnings per share.

(l) Contingent Liabilities and Contingent Assets

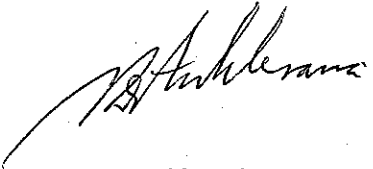
Provision is made for all known liabilities. Contingent liabilities if any are not recognized but are disclosed in the accounts by way of a note.

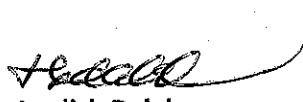
Contingent Assets are neither recognized nor disclosed in the Financial Statements.

*MS*

As per our report of even date attached  
For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm Registration No. 110417W

For and on behalf of the Board

  
CA N.D. Anklesaria  
Partner  
Membership No.10250  
Ahmedabad

  
Jagdish Dalal  
Director  
Ahmedabad  
Dated

  
Vipen Malhotra  
Director

May 11, 2015

Note 2: Share Capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amt (Rs. In Lacs)	Number	Amt (Rs. In Lacs)
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	50,000	5.00	50,000	5.00
<b>Issued</b>				
Equity Shares of Rs. 10/- each	50,000	5.00	50,000	5.00
<b>Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs. 10/- each	50,000	5.00	50,000	5.00

a. Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Amt (Rs. In Lacs)	No. of Shares	Amt (Rs. In Lacs)
Shares outstanding at the beginning of the year	50,000	5	50,000	5
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5	50,000	5

b. Rights, Preferences and Restrictions attached to Shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

Out of total equity shares issued by the Company, shares held by its holding company, ultimate holding company and its subsidiaries/associates are as below:

Name of the Promoter	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Amt (Rs. In Lacs)	No. of Shares	Amt (Rs. In Lacs)
Arvind Limited (Holding Company)	50,000	5	50,000	5

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Arvind Limited	50,000	100.00%	50,000	100.00%

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has neither issued any Shares nor bought back any Shares during the last 5 years.

f. Unpaid calls

As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2015

g. As per records of the Company, no shares have been forfeited by the Company during the year.

*M. S. G.*

**Note 3: Reserves and Surplus**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
<b>a. Debit Balance in Statement of Profit and Loss.</b>		
Opening balance	- 134.56	- 141.02
(+) Net Profit/(Net Loss) for the year	18.02	6.46
Closing Balance	- 116.54	- 134.56
<b>Total</b>	<b>- 116.54</b>	<b>- 134.56</b>

**Note 4: Long Term Borrowings**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
<b>Unsecured</b>		
(a) From Holding Company	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

No Repayment Schedule or Rate of Interest has been stipulated

**Note 5: Deferred Tax Liability**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
Deferred Tax Liability	0.21	0.21
<b>Total</b>	<b>0.21</b>	<b>0.21</b>

**Note 6: Other Current Liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
(a) Other current liabilities	1.25	1.42
(b) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	0.36	0.05
Tax Deducted at Source	0.24	0.16
Salary and Reimbursements	-	-
To Associate Concerns	0.12	69.21
Advances from Customers	-	0.32
<b>Total</b>	<b>1.97</b>	<b>71.16</b>

**Note 7: Short Term Provisions**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
Provision for Income Tax ( Net of advance Tax Rs. 4.07 Lacs)	0.39	-
<b>Total</b>	<b>0.39</b>	<b>-</b>

*MEG*

**SYNTEL TELECOM LIMITED**

**Note 8 TANGIBLE ASSETS**  
Own Assets

Particulars	GROSS BLOCK						DEPRECIATION FUND				NET BLOCK	
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	For the year	Deductions	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	As on 31.03.2014	
	Plant and Equipment	32.45	0.00	0.00	32.45	7.10	5.87	0.00	12.97	19.48	25.35	25.35
Office Equipment	0.87	0.00	0.00	0.87	0.74	0.12	0.00	0.86	0.01	0.13	0.13	
Furniture & Fixtures	4.18	0.00	0.00	4.18	2.98	0.99	0.00	3.97	0.21	1.20	1.20	
<b>Total</b>	<b>37.50</b>	<b>0.00</b>	<b>0.00</b>	<b>37.50</b>	<b>10.82</b>	<b>6.98</b>	<b>0.00</b>	<b>17.80</b>	<b>19.70</b>	<b>26.68</b>	<b>26.68</b>	
<b>Previous Year</b>	<b>15.82</b>	<b>21.68</b>	<b>0.00</b>	<b>37.50</b>	<b>8.50</b>	<b>2.32</b>	<b>0.00</b>	<b>10.82</b>	<b>26.68</b>	<b>26.68</b>	<b>26.68</b>	

*M.S. Co.*



**Note 9: Long Term Loans and Advances**  
**(Unsecured, considered good)**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt. (Rs. in Lacs)	Amt. (Rs. in Lacs)
a. Security Deposits To Others	0.25	0.25
b. Advance tax paid (Net of Provision - Previous Year Rs. 0.15 Lacs)	-	2.66
<b>Total</b>	<b>0.25</b>	<b>2.91</b>

*M. S. Rao*

Note 10: Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Considered Good	-	2.21
Considered doubtful	-	0.48
	-	2.69
Less: Provision for Doubtful Debts	-	0.48
	-	2.21
Others	79.98	-
<b>Total</b>	<b>79.98</b>	<b>2.21</b>

*M. S. G.*

**Note 11: Cash and Cash Equivalents**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
<b>Cash and cash equivalents</b>				
a. Cash on Hand		0.13		0.11
b. Balances with Banks in Current Accounts with Scheduled Banks	18.84		9.96	
with Unscheduled Banks	-	18.84	-	9.96
		<b>18.97</b>		<b>10.07</b>
<b>Other Bank Balances</b>				
a. Bank Deposits		1.97		1.44
		1.97		1.44
<b>Total</b>		<b>20.94</b>		<b>11.51</b>

**Note 12: Short term loans and advances  
( Unsecured, considered good )**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
<b>Advances Recoverable in Cash or in Kind</b>				
To Employees	-		-	
To Others	-	-	0.54	0.54
Balances with Government Authorities		1.00		0.99
<b>Total</b>		<b>1.00</b>		<b>1.53</b>

*M. A. B.*

**Note 13: Other Current Assets**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amt (Rs. in Lacs)	Amt (Rs. in Lacs)
Interest Accrued on Bank Deposits	0.11	0.52
<b>Total</b>	<b>0.11</b>	<b>0.52</b>

**Note 14: Revenue from operations**

(Rs in Lacs)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	<b>Sale of Products</b>	
Sale of Traded Product/ Licences	459.38	341.67
<b>Other Operating Revenues</b>		
Sale of Services	-	15.35
<b>Total</b>	<b>459.38</b>	<b>357.02</b>

**Note 15: Other Income**

(Rs in Lacs)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Interest Income	0.17
Interest others	0.01	-
<b>Total</b>	<b>0.18</b>	<b>0.16</b>

**Note 16: Purchases of Stock in Trade**

(Rs in Lacs)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Purchases of Traded Goods / Licences	427.02
Purchases of Services	-	14.61
<b>Total</b>	<b>427.02</b>	<b>340.63</b>

Note 17: Other Expenses

(Rs. in Lacs)

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014	
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
License Fees		-		0.53
Travelling and Conveyance Expenses		0.09		0.03
Legal & Professional Charges		0.97		2.64
<b>Payments to Auditors</b>				
Audit Fees (including Service Tax)	0.84		0.84	
For Tax Audit	-		-	
For Other Services	-		-	
Reimbursement of Expenses	-		-	
		0.84		0.84
Miscellaneous Expenses		0.03		3.58
<b>Total</b>		<b>1.93</b>		<b>7.62</b>

*M. S. S.*

**Syntel Telecom Limited**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015.**

**18. Purchase of Stock in Trade :**

	31.3.2015 Rs. in Lacs	31.3.2014 Rs. in Lacs
Video Conferencing Equipment	427.02	326.01

**19. Sale of Products :**

	31.3.2015 Rs. in Lacs	31.3.2014 Rs. in Lacs
Video Conferencing Equipment	459.38	341.67

**20. C.I.F. value of Imports :**

NIL NIL

**21. Expenditure in Foreign Currency**

NIL NIL

**22. Earnings in Foreign Currency:**

NIL NIL

**23. Earning Per Share**

	Year ended 31 March'2015 Rs.In Lacs	Year ended 31 March'2014 Rs.In Lacs
I Profit /(Loss) after tax	18.02	6.46
II Weighted average number of Equity shares (Nos)	50,000	50,000
III Earning per share (Rs.) (Basic and Diluted)	36.03	12.92
IV Face value per share (Rs.)	10	10

*Mr. G.*

## 24. Impairment of Assets

In the opinion of the Board, all assets other than fixed assets have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated. There is no impairment of Fixed Assets as stated under AS – 28 on 'Impairment of Assets'.

## 25. Related party Disclosures

As per Accounting Standard on Related Party Disclosures (AS 18), the related parties of the Company are as follows:-

- (a) Names of related parties and nature of relationship:

Holding Company – Arvind Ltd.

(b) Nature of Transactions	(Rs. In Lacs)	
	31-03-2015	31-03-2014
Sale of Goods	459.38	341.67
Services rendered	NIL	15.35
Expenditure reimbursed by Arvind Ltd	NIL	8.98
Advance received from Arvind Ltd	NIL	18.48

- (c) Balance outstanding as at 31<sup>st</sup> March, 2015 Rs. 79.98 Lacs ( Previous year Cr. Rs.172.14 Lacs)

## 26. Micro & Small Enterprises Dues

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:

- (a) Amount due and outstanding to suppliers as at the end of the accounting year.  
(b) Interest paid during the year.  
(c) Interest payable at the end of the accounting year.  
(d) Interest accrued and unpaid at the end of the accounting year.  
have not been given

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

## 27. Segment Reporting

The Company is engaged only in Telecom business and there are no separate reportable segments as per Accounting Standard 17.

*M. S. Ch*

28. The figures for the previous year have been regrouped/restated wherever necessary to conform to the classification of the current year.

As per our report of even date attached

For and on behalf of the Board

For Sorab S. Engineer & Co.

Chartered Accountants

*M.S. S.*  
Firm Registration No. 110417W

*N.D. Anklesaria*  
CA N.D. Anklesaria

Partner

Membership No.10250

Ahmedabad

*Jagdish Dalal*  
Jagdish Dalal

Director

Ahmedabad

Dated

*Vipen Malhotra*  
Vipen Malhotra

Director

May 11, 2015