

SYNTEL TELECOM LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of SYNTEL TELECOM LTD will be held on Friday, the 28th September, 2012 at 11.00 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 31st March 2012 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 who retires by rotation as required under section 256 of the Companies Act, 1956 and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office up the conclusion of the next Annual General Meeting and 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 Vipen Malhotra
(Directors) 

Date: 7th May, 2012
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 31st March, 2012.

1. FINANCIAL RESULTS

During the year under review, the company has incurred a loss of Rs. 14,10,290.55 and the same is carried to Balance sheet.

2. DIVIDEND

The Directors do not recommend any dividend on equity shares for the year 2011-12 in view of the accumulated losses of the Company.

3. DEPOSITS

The Company has not accepted any deposits under the Companies Acceptance of Deposits Rules, 1975.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 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.

5. PARTICULARS OF EMPLOYEES

The Company does not have any employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

6. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- ii. Such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year ended on 31st March, 2012 and of the loss of the Company for the year;

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The attached statements of accounts for the year ended on March 31, 2012 have been prepared on a going concern basis.

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

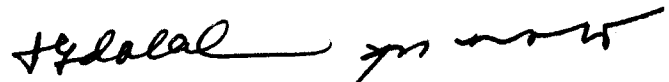
Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not being given as the Company has not undertaken any manufacturing activity.

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

8. AUDITORS:

The Company's Auditors M/s Rajni Shah & Associates, 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.

FOR AND ON BEHALF OF THE BOARD



Jagdish G. Dalal Vipen Malhotra
(Directors) &

Date: 7th May, 2012

Place: Ahmedabad

Rajni Shah & Associates

Chartered Accountants

302, Mohini II, Opp: Gandhigram Rly. Station,
Off Ashram Road, Ahmedabad - 380 009.

Auditor's Report

To,
The Members,
Syntel Telecom Limited (formerly known as Western Intercom Pvt. Ltd.)

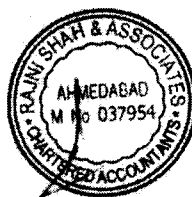
We have audited the attached Balance Sheet of **Syntel Telecom Limited**, as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) 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;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) Further to the above, we report that ***the net worth of the company is completely eroded and hence the company can not be said to be a going concern.***

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(vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view which is in conformity with the accounting principles generally accepted in India:

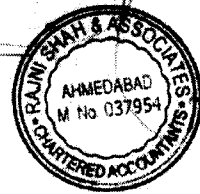
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

Place: Ahmedabad

Date: 07th May, 2012

**For, Rajni Shah & Associates
Chartered Accountants**

**Rajni M. Shah
Proprietor
M. No. 037954
Firm Reg. No. 108468W**



SYNTEL TELECOM LIMITED
Balance Sheet as at 31st March, 2012

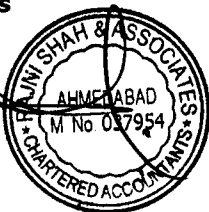
Rs.

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	500,000.00	500,000.00
(b) Reserves and surplus	2	-13,845,786.21	-12,435,495.66
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowings	3	10,012,030.00	10,012,030.00
(b) Deferred tax liabilities (Net)		20,705.00	20,705.00
(c) Other Long term liabilities			
(d) Long-term provisions			
(4) Current liabilities			
(a) Short-term borrowings	4	5,921,168.50	5,805,911.50
(b) Trade payables		363,914.21	328,821.52
(c) Other current liabilities	5	198,643.00	269,313.00
(d) Short-term provisions			
TOTAL		3,170,674.50	4,501,285.36
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	916,100.10	1,104,466.10
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances			
(e) Other non-current assets	7	0.00	47,173.90
(2) Current assets			
(a) Current investments			
(b) Inventories	8	0.00	243,000.00
(c) Trade receivables	9	207,063.43	119,467.80
(d) Cash and cash equivalents	10	1,724,388.17	1,768,079.97
(e) Short-term loans and advances			
(f) Other current assets	11	323,122.80	1,219,097.59
TOTAL		3,170,674.50	4,501,285.36

See accompanying notes to the financial statements

As per our report of even date attached

For Rajni Shah & Associates
Chartered Accountants



Rajni M Shah
Proprietor
Membership No.037954
Firm Regi No. 108468W
Ahmedabad Dated 7th May 2012

For and on behalf of the Board of

Syntel Telecom Limited

Jagdish Dalal Director
Vipen Malhotra Director
Ahmedabad Dated 7th May 2012

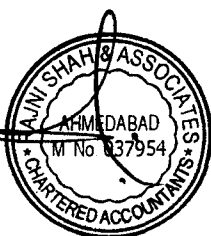
SYNTEL TELECOM LIMITED
Profit and Loss statement for the year ended 31st March, 2012

Particulars	Note No.	Rs.	
		2011-12	2010-11
I Revenue from operations			
In respect of a company other than a finance company			
Sale of services	1	1,937,084.57	502,720.05
II Other income	2	36,685.00	28,042.00
III Total Revenue (I + II)		1,973,769.57	530,762.05
4			
IV Expenses:			
Cost of materials consumed	3	790,282.00	96,758.00
Purchases of Stock-in-Trade	4	243,000.00	189,000.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		188,366.00	120,887.00
Depreciation and amortization expense	5	2,162,412.12	788,499.07
Other expenses			
Total expenses		3,384,060.12	1,195,144.07
V Profit before exceptional and extraordinary items and tax (III-IV)		-1,410,290.55	-664,382.02
VI Exceptional items		0.00	0.00
VII Profit before extraordinary items and tax (V - VI)		-1,410,290.55	-664,382.02
VIII Extraordinary Items		0.00	0.00
IX Profit before tax (VII- VIII)		-1,410,290.55	-664,382.02
X Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	0.00
XI Profit (Loss) for the period from continuing operations (VII-VIII)		-1,410,290.55	-664,382.02
XII Profit/(loss) from discontinuing operations		0.00	0.00
XIII Tax expense of discontinuing operations		0.00	0.00
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV Profit (Loss) for the period (XI + XIV)		-1,410,290.55	-664,382.02
XVI Earnings per equity share:			
(1) Basic			
(2) Diluted			

See accompanying notes to the financial statements

As per our report of even date attached

For Rajni Shah & Associates
Chartered Accountants



Rajni M Shah
Proprietor
Membership No.037954
Firm Regi No. 108468W
Ahmedabad Dated 7th May 2012

For and on behalf of the Board of

Syntel Telecom Limited

Jagdish Dalal Director
Vipen Malhotra Director

Ahmedabad Dated 7th May 2012

SYNTEL TELECOM LIMITED
Notes to Balance Sheet

1	SHARE CAPITAL	Rs.	
		As at 31-03-2012	As at 31-03-2011
1	AUTHORISED 50,000 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share	500,000.00	500,000.00
	ISSUED & SUBSCRIBED EQUITY SHARES 50,000 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share	500,000.00	500,000.00
	PAID UP EQUITY SHARES 50,000 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share fully paid up	500,000.00	500,000.00
	TOTAL	500,000.00	500,000.00
2	Reconciliation of No. of Shares		
	Particulars	Equity Shares	
		2011-2012	2010-2011
	As at April 1, 2011	50,000	50,000
	Add : Shares issued for Cash or Right Issue or Bonus Exercise of Share Option under ESOS / ESOP Shares issued in Business Combination		
	Less : Shares bought back / Redemption etc.	50,000	50,000
	As at March 31, 2012	50,000	50,000
3	Equity Shares All shares rank equally with regard to Company's residual assets, except that preference shareholders participate only to the extent of the face value of shares. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.		
4	Details of Shareholding		
	Particulars	As at 31.03.2012	As at 31.03.2011
	Number of Shares held by Holding Company Ultimate Holding Company Associates of Holding Company Subsidiaries of Holding Company Associates of Ultimate Holding Company Subsidiaries of Ultimate Holding Company Shareholders holding more than 5% shares (Specify names)	50,000	50,000
5	Dividends		

SYNTEL TELECOM LIMITED
Notes to Balance Sheet

2	RESERVES AND SURPLUS	Rs.	
		As at 31-03-2012	As at 31-03-2011
	SURPLUS i.e. BALANCE IN STATEMENT OF PROFIT & LOSS		
	As per last Balance Sheet	-12,435,495.66	-11,771,113.64
	Add : Profit/(Loss) for the year	-1,410,290.55	-664,382.02
		-13,845,786.21	-12,435,495.66
		-13,845,786.21	-12,435,495.66
	TOTAL	-13,845,786.21	-12,435,495.66
3	LONG TERM BORROWINGS		
	Loans and advances from Related Parties:		
	Arvind Ltd Loan Account	10,000,000.00	10,000,000.00
	Lalbhair Realty Finance Pvt. Ltd.	12,030.00	12,030.00
	Security :		
	(No loan has been guaranteed by Directors or others)		
	Terms of Repayment:		
	(There are no specific terms of repayment.)		
	Total	10,012,030.00	10,012,030.00
4	SHORT TERM BORROWINGS		
	UNSECURED BORROWINGS		
	a. Loans repayable on demand		
	From Banks		
	From Other Parties		
	b. Loans and advances from Related Parties		
	c. Deposits		
	d. Other Loans and Advances (Specify nature)		
	Arvind Ltd. Current Account	5,921,168.50	5,805,911.50
	TOTAL	5,921,168.50	5,805,911.50
5	OTHER CURRENT LIABILITIES		
	(a) Current maturities of long-term debt		
	(b) Current maturities of finance lease obligations		
	(c) Interest accrued but not due on borrowings		
	(d) Interest accrued and due on borrowings		
	(e) Income received in advance		
	(f) Unpaid dividends		
	(g) Application money received for allotment of securities and due for refund and interest accrued thereon		
	(h) Unpaid matured deposits and interest accrued thereon		
	(i) Unpaid matured debentures and interest accrued thereon		
	(j) Other payables (specify nature)		
	Provision for Income Tax (07-08)	4,900.00	4,900.00
	Income Accrued but not due	137,170.00	222,162.00
	TDS Payable	0.00	30.00
	Service Tax Payable	5,517.00	5,517.00
	Misc. Exps. - Provision	22,966.00	8,844.00
	Rajni Shah & Associates	28,090.00	27,860.00
	TOTAL	198,643.00	269,313.00

SYNTEL TELECOM LIMITED
Notes to Balance Sheet

6 TANGIBLE ASSETS

Rs.

Particulars	GROSS BLOCK					DEPRECIATION FUND						NET BLOCK		
	As on 01.04.2011	Adjustment due to Revaluation	Additions	Acquired through Business Combination	Disposals	As on 31.03.2012	As on 01.04.2011	Adjustment due to Revaluation	Additions	Impairment Losses/ Reversal	Deductions	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
Plant and Equipment	105,195.08	0.00	0.00	0.00	0.00	105,195.08	77,589.00	0.00	4,960.00	0.00	0.00	82,549.00	22,646.08	27,606.08
Office Equipment	1,476,587.02	0.00	0.00	0.00	0.00	1,476,587.02	399,727.00	0.00	183,406.00	0.00	0.00	583,133.00	893,454.02	1,076,860.02
Total	1,581,782.10	0.00	0.00	0.00	0.00	1,581,782.10	477,316.00	0.00	188,366.00	0.00	0.00	665,682.00	916,100.10	1,104,466.10
Previous Year	769,536.60		812,245.50			1,581,782.10	356,429.00		120,887.00			477,316.00		

SYNTEL TELECOM LIMITED
Notes to Balance Sheet

7	OTHER NON CURRENT ASSETS	Rs.	
		As at 31-03-2012	As at 31-03-2011
1	(a) Long Term Trade Receivables Secured, considered good Unsecured, considered good Doubtful Less: Provision for Doubtful Advances	0.00	47,173.90
	(b) Others (Specify Nature)	0.00	47,173.90
	TOTAL	0.00	47,173.90
8	INVENTORIES		
A	(a) Raw Materials In Transit (b) Work-in-Progress In Transit (c) Finished Goods In Transit (d) Stock-in-trade (goods acquired for trading) In Transit (e) Stores and Spares In Transit (f) Loose Tools In Transit (g) Others (specify nature). In Transit	0.00	243,000.00
	Total	0.00	243,000.00
B	Mode of Valuation of Inventories		
	Inventories	Mode of Valuation	
	Stock-in-trade (goods acquired for trading)	At lower of Cost or Net Realisable Value	
9	TRADE RECEIVABLES (Unsecured unless otherwise stated)		
1	Outstanding for a period exceeding six months Considered Good Considered Doubtful Less: Provision for Doubtful Trade Receivables	206,951.43 48,299.64 48,187.64	119,355.80 48,299.64 48,187.64
	Others (Considered Good)	207,063.43	119,467.80
	TOTAL	207,063.43	119,467.80

SYNTEL TELECOM LIMITED
Notes to Balance Sheet

10	CASH AND CASH EQUIVALENTS	Rs.	
		As at 31-03-2012	As at 31-03-2011
	(a) Balances with Banks		
	In Current Account	1,328,028.95	1,244,142.75
	In Exchange Earners Foreign Currency A/c		
	In Cash Credit Account		
	In Saving Accounts		
	In Unpaid Dividend Accounts		
	As Margin Money		
	In Fixed Deposits	382,221.00	382,221.00
		1,710,249.95	1,626,363.75
	(b) Cheques, Drafts on hand		
	(c) Cash on Hand	14,138.22	141,716.22
	(d) Others (Specify nature)		
	TOTAL (A+B+C)	1,724,388.17	1,768,079.97
11	OTHER CURRENT ASSETS		
	Specify Naure		
	License	0.00	700,000.00
	Interest accrued	72,098.00	40,339.00
	Prepaid Expenses	110,623.00	118,110.00
	Service Tax Receivable	25,397.00	22,059.00
	Service Tax Receivable (PROF)	67,948.00	196,446.00
	Cess Rceivable (Services)	760.00	663.00
	TDS	46,296.80	39,395.00
	Deposits (Others)	0.00	46,935.59
	Sundry Creditors having Debit balances	0.00	55,150.00
	TOTAL	323,122.80	1,219,097.59

SYNTEL TELECOM LIMITED
Notes to Profit and Loss Statement

Particulars	Rs.	
	2011-12	2010-11
1 REVENUE FROM OPERATIONS		
In respect of a company other than a finance company		
Sale of services :		
sale of internet telephony services	1,513,849.57	470,650.05
Gross sale of audiotex services	545,768.00	39,273.00
Less :- Discount	122,533.00	7,203.00
Net sale of audiotex services	423,235.00	32,070.00
	1,937,084.57	502,720.05
2 OTHER INCOME		
Interest Income (in case of a company other than a finance company)	36,685.00	28,042.00
	36,685.00	28,042.00
3 PURCHASE OF STOCK IN TRADE		
Stock in Trade under broad heads	790,282.00	96,758.00
	790,282.00	96,758.00
4 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Closing Inventories	0.00	243,000.00
Opening Inventories	243,000.00	432,000.00
	243,000.00	189,000.00
5 OTHERS		
Telephone Charges	267,968.00	102,119.00
Network Operating Charges	674,690.00	262,179.00
Conveyance Exps.	76,125.00	89,848.00
License Fees W/off	700,000.00	100,000.00
License Fees	99,150.00	52,665.00
Royalty on Sales	85,891.00	0.00
Miscellaneous expenses	230,498.12	159,628.07
Payments to the auditor as		
(a) auditor	19,663.00	16,545.00
(b) for taxation matters		
(c) for company law matters		
(d) for management services		
(e) for other services	8,427.00	5,515.00
(f) for reimbursement of expenses		
	2,162,412.12	788,499.07

Syntel Telecom Limited
(Formerly Known as Western Intercom Pvt. Ltd.)

2011-2012

Note No. 17

Notes forming part of the Accounts :

(A) Disclosure Of Accounting Policies:

(1) Method of Accounting:

The company has been in the business of providing Internet Telephony services during the Accounting Year 2011-12.

The Financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting with the accounting principles generally accepted in India and comply with mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India to the extent applicable and with relevant provisions of Companies Act, 1956.

(2) Fixed Assets:

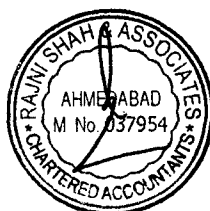
The Fixed Assets are shown at cost less depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(3) Inventories:

The balance of Minutes purchased for Internet Telephony Services are valued as Closing Inventory and also certified by Management.

(4) License fees:

Since the company is in process of surrendering the license, the remaining amount of license fees to be amortized is fully charged to Profit & Loss Account.



(5) Depreciation:

Depreciation on Fixed Assets is calculated on straight line method at the rates prescribed by Schedule XIV to the Companies Act, 1956.

(B) Other Notes :

1. Previous year's figures are regrouped wherever necessary.
2. According to the nature of the business there is neither fixed licensed capacity nor any fixed installed capacity.
3. The balances of advances / loans given / obtained and Debtors and creditors are subject to their confirmations.
4. No provision has been made for loans given and debtors which are very old and not recoverable.
5. The earning per share as prescribed by AS 20 issued by ICAI and the Companies Act, 1956 is Negative.
6. The Institute Of Chartered Accountants Of India has issued Accounting Standard 22 for recognizing Deferred Tax Asset/Liabilities. During current year, there are no material items having timing difference between financial statement and estimated taxable income. Even there is no virtual certainty of earning the income in coming years. Accordingly as per the perception of management no provision for deferred tax assets/liabilities has been made in the books of accounts.



7. Auditors' Remuneration:

	<u>2011-12</u>	<u>2010-11</u>
Audit Fees	19663.00	16545.00
Professional Fees	8427.00	5515.00

8. C.I.F Value of Imports:

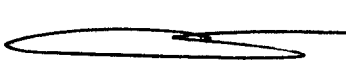
Purchase (Internet Telephony) **Rs. 7,90,282.00 (Rs. 96,758.00)**

9. Sales :

- a. Sales of Internet Telephony Service **Rs. 1513849.57 (Rs. 4,70,650.05)**
- b. Sales of Audiotex Services **Rs. 545768.00 (Rs. 39,273.00)**

10. Additional information pursuant to the provisions of Revised Schedule VI of the Companies Act, 1956 other than those mentioned above are either not applicable to the company Or are Nil and hence not reported.


**For, Rajni Shah & Associates
Chartered Accountants**


**(Rajni Shah)
Proprietor**



**Place : Ahmedabad:
Dated : 7th May 2012**

For and on behalf of the Board


(Jagdish Dalal) (Vipen Malhotra)

**Place : Ahmedabad:
Dated : 7th May 2012**