

## SHYAM TELECOM LIMITED

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Jaipur 302021, Rajasthan, India

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### **NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING**

**TIME: 11.30 A.M.**

**DAY & DATE: TUESDAY, 29<sup>TH</sup> SEPTEMBER, 2015**

**VENUE: HOTEL HILTON, PLOT NO. 42, GEEJGARH HOUSE, HAWA SADAK ROAD,  
JAIPUR-302006 (RAJASTHAN)**

To  
The Members,

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of **SHYAMTELECOM LIMITED** will be held at **HOTEL HILTON, PLOT NO. 42, GEEJGARH HOUSE, HAWA SADAK ROAD, JAIPUR-302006 (RAJASTHAN)** on Tuesday, 29<sup>th</sup> September, 2015, at 11:30 A.M. to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup> 2015 and Profit and Loss Account for the period ended on that date together with the Board of Directors' and Auditors' Report thereon and also the Audited Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit & Loss Account for the year ended on that date together with report of Auditors thereon.
2. To appoint a Director in place of Mr. Arun Khanna, (DIN NO.00041724) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 29 September, 2014, the appointment of M/s Mehra Goel & Co., Chartered Accountants (FRN : 000517N), as the Auditors of the Company to hold office till the conclusion of the Annual General Meeting in the calendar year 2017 be and is hereby approved and ratified and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the Auditors.”

## **SPECIAL BUSINESS**

### **4. TO APPROVE THE REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2015-16**

To approve the remuneration of the Cost Auditor for the Financial Year ending 31<sup>st</sup> March, 2016 and in this regard 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 148 and all other applicable provisions 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), M/s K G Goel & Associate, Cost Accountants (Registration No. 000024) appointed as Cost Auditor by the Board of Directors to conduct the Audit of the Cost records of the company for the financial year ending 31<sup>st</sup> March, 2016 at the remuneration of Rs. 40,000/- per annum to be paid to Cost Auditors be is hereby ratified and approved.

**RESOLVED FURTHER THAT** any of the Directors of the company be and is hereby authorized to do all act, and take all such steps as may be necessary papers or expedient to give effect to this resolution.”

### **5. TO APPROVE THE BORROWING POWERS TO THE BOARD UNDER SECTION 180 (I) (c)**

To consider and if thought fit, to give assent/ dissent, with or without modification(s), to the following resolution as **Special Resolution**:-

**“RESOLVED THAT** in supersession of the earlier resolutions and pursuant to the provisions of Section 180(I)(c) of the Companies Act, 2013 (as amended or re-enacted from time to time) and other applicable provisions if any, the consent of the members be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of monies for and on behalf of the Company from time to time, which together with the money already borrowed by the company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of its paid-up Capital and free reserves, provided that the total amount so borrowed by the Company shall not exceed Rs.200 Crore (Rupees Two Hundred Crores Only) or the aggregate of paid up share capital and free reserves of the Company whichever is higher.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to finalize, settle and execute such documents, deeds, writings, papers and agreements as may be required and to do all such acts, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable to give effect to the above resolution.”

### **6. TO APPROVE TRANSACTIONS WITH SISTEMA SHYAM TELESERVICES LTD.**

To consider and if thought fit, to give assent/ dissent, with or without modification(s), to the following resolution as **Special Resolution**:-

**“RESOLVED THAT** the consent of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies

Act, 2013 and the rules framed there under and pursuant to the provisions of the Securities Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, to the Board of Directors of the Company to enter into the transactions for sale, purchase of goods and to provide / avail services to / from Sistema Shyam Teleservices Limited, a related party, subject to a maximum aggregate transactions of Rs. 200 Crores in any financial year with the said related party.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

#### 7. **TO APPROVE TRANSACTIONS WITH VIHAAN NETWORKS LTD.**

To consider and if thought fit, to give assent/ dissent, with or without modification(s), to the following resolution as **Special Resolution:-**

**“RESOLVED THAT** the consent of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under and pursuant to the provisions of the Securities Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, to the Board of Directors of the company to enter into the transactions for sale, purchase of goods and to provide / avail services to / from Vihaan Networks Limited, a related party, subject to a maximum aggregate transactions of Rs. 50 Crores in any financial year with the said related party.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

#### 8. **TO APPROVE TRANSACTIONS WITH THINK OF US PRIVATE LIMITED**

To consider and if thought fit, to give assent/ dissent, with or without modification(s), to the following resolution as **Special Resolution:-**

**“RESOLVED THAT** the consent of the Members of the Company be and is hereby accorded pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under and pursuant to the provisions of the Securities Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, to the Board of Directors of the company to enter into the transactions for sale, purchase of goods and to provide / avail services to / from Think of us Private Limited, a related party, subject to a maximum aggregate transactions of Rs. 50 Crores in any financial year with the said related party.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

9. **TO AUTHORISE FOR MAKING DONATION TO BONA FIDE CHARITABLE AND OTHER FUNDS.**

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 181 of the Companies Act, 2013, Board of Directors of the Company be and are hereby authorised to contribute and/or donate, from time to time, to any bona fide charitable and other funds, amounts not exceeding in aggregate to all such funds taken together up to a sum of Rs. 50 lacs (Rupees Fifty lacs only) during any financial year of the Company.

**RESOLVED FURTHER THAT** any director or any other officer of the Company be and is hereby authorized severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By Order of the Board of Directors  
**For Shyam Telecom Limited**

**Sd/-**

**Ajay Khanna**

**Managing Director**

**DIN:00027549**

**Place :** New Delhi

**Dated:** 12<sup>th</sup> August, 2015

**NOTES:-**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses as set out in item nos. 4 to 9 is annexure herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.
3. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The enclosed proxy form, duly completed, stamped and signed, must reach at the Registered Office not later than 48 hours before the scheduled time of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Register of Members and the Share Transfer Books of the Company will be closed from 25<sup>th</sup> day of September, 2015 to 29<sup>th</sup> day of September, 2015 (both days inclusive).
7. All documents referred to in the notice are open for inspection by the members at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.



8. The Members are requested to: -
  - a. Intimate changes, if any, in their address to the Company or to the Registrar and Share Transfer Agent (RTA) of the Company.
  - b. Quote Folio number in all their correspondence with the Company.
  - c. Bring their copies of Annual Report including attendance slip at the venue for the AGM.
9. Members holding shares in physical form are requested to lodge share transfer, transmission quoting their folio number(s) to Company's RTA.
10. Members desirous of getting information from the Company are required to send their queries to the Company at its registered office well in advance so that the same may reach atleast 10 days before the date of the meeting to enable the management to keep the required information readily available at the meeting.
11. As permitted by Ministry of Corporate Affairs, we invite our members to participate in the Green Initiative by registering their email ids with the Company to enable it to send the documents such as Annual Report, Notices of General Meetings etc. by e-mail.
12. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.
13. Members/Proxies are welcome at the AGM of the Company. However the Members/Proxies may please note that no gifts/gift coupons will be distributed at the AGM.
14. Indus Portfolio Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. All investor relation communication may be sent to RTA's at the following address:  
**Indus Portfolio Pvt. Ltd.**  
G-65, Bali Nagar  
New Delhi-110015, India  
E-mail: [rnt@indusinvest.com](mailto:rnt@indusinvest.com)/[bharat.b@indusinvest.com](mailto:bharat.b@indusinvest.com)  
Ph: 91-11-47671200, 47671214  
Fax: 91-11-25449863
15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 & SH-14 to the RTA.
16. The Companies Act, 2013 and the Listing Agreement with the Stock Exchanges permits Companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/depository participants. To support this green initiative, the shareholders holding shares in physical/ demat form are requested to register/update their e-mail addresses with the Company/depository participants. Accordingly, the Annual Report for 2014-15, Notice for Annual General Meeting etc, are being sent in electronic mode to shareholders

who have registered their e-mail addresses with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

17. Electronic copy of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. Members who have not registered their email address will receive the physical copies of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company in the permitted mode.
18. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):
19. The unclaimed/unpaid dividend for the year ended 31.03.2001 has been transferred to the Investor Education and Protection Fund and no claims shall lie against the Company or the said fund in respect of such dividend which remains unclaimed or unpaid for 7 years from the date when they first became due.
20. A brief resume of Director proposed to be re-appointed with nature of their expertise, names of Companies in which they hold Directorship and Membership/Chairmanship of Board Committee, shareholder etc. as stipulated in clause 49 of the Listing Agreement is given in the Annexure to the Notice in addition to a separate section in the Corporate Governance.
21. The Shares of the Company are at present listed on Bombay Stock Exchange and National Stock Exchange. Listing Fees to all the Stock Exchanges had been paid up to 31<sup>st</sup> March 2015.
22. Members may also note that the Notice of the Twenty Second Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.shyamtelecom.com](http://www.shyamtelecom.com). The physical copies of the aforesaid documents will also be available at the Registered Office for inspection between 11.00 AM to 1.00 PM on any working day up to the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investors@shyamtelecom.com](mailto:investors@shyamtelecom.com)
23. **Voting through electronic means**  
The instructions for e-voting are as under:
  - A. In case a Member receives an email from CDSL [for members whose email ids are registered with the Company/Depository Participants(s)]:
    - (i) Launch internet browser by typing the following website: [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on Shareholder – Login
    - (iii) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)* (Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field). Sequence number is provided on the Address Slip.  In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with sequence number 1 then enter SU00000001 in the PAN field.
DOB	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
Dividend Bank Details	If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in Demat form will now reach **‘Password Creation’** menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x) Click on EVSN of “SHYAM TELECOM LIMITED”
- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” as desired. The option “YES” implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image Verification code and click on “FORGOT PASSWORD” & enter the details as prompted by the system.
- xvii) Note for non-individual shareholders & custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

Points to be remember:

- (A) Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
- (B) Those shareholders who have not cast their votes by remote e-voting, can cast their vote at the general meeting by any facility for voting available at the general meeting.

- (C) The voting period begins on 25<sup>th</sup> September, 2015 (10:00 AM) and ends on 28<sup>th</sup> September, 2015 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (E) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.
24. Mr. A N Kukreja, Practicing Company Secretary (CP No. 2318) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the Website of the Company i.e. viz. [www.shyamtelecom.com](http://www.shyamtelecom.com) and also on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com) immediately of passing of the Resolution.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement forms part of the Notice convening the 22<sup>nd</sup> Annual General Meeting:

### **Item no.4**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

**Item no. 5**

In pursuance of Section 180 (1) (c) of the Companies Act, 2013 approval of the Shareholders is required to borrow money in excess of paid-up capital of the Company and its free reserves.

None of the Directors, KMP or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director/KMP.

The Board recommends the resolution set out in Item No. 5 for the approval of members as Special Resolution.

**Item No. 6**

The Audit Committee Members and the Board of Directors of the Company in their respective meetings held on 30<sup>th</sup> May, 2015 approved the Related Party Transactions for sale, purchase of goods and to provide / avail services to / from Sistema Shyam Teleservices Limited, a related party, subject to a maximum aggregate transactions of Rs. 200 Crores in any financial year. Under the provisions of revised Clause 49 (VII) (as amended) of the Listing Agreement entered into with the Stock Exchanges, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The clause further provides that all Material Related Party Transactions shall require approval of the shareholders through Special Resolution. Since the transactions with Sistema Shyam Teleservices Limited as are estimated to be around Rs. 200 crores in any financial year, which exceeds the ten percent of the annual consolidated turnover of the company as per the audited financial statement as on 31st March, 2015, the transactions are required to be approved by the shareholders as Special Resolution. The said transactions are in the ordinary course of business of the Company and wherever required are on a cost plus appropriate mark-up in adherence with the arms length principle.

None of the Directors, KMP or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director/KMP or holds less than 2% shares of that Company either directly or indirectly.

The Board recommends the resolution set out in Item No. 6 for the approval of members as Special Resolution.

**Item No. 7**

The Audit Committee Members and the Board of Directors of the Company in their respective meetings held on 30<sup>th</sup> May, 2015 approved the related party transactions for sale, purchase of goods and to provide / avail services to / from Vihaan Networks Limited, a related party, subject to a maximum aggregate transactions of Rs. 50 Crores in any financial year. Under

the provisions of revised Clause 49 (VII) (as amended) of the Listing Agreement entered into with the stock Exchanges, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The clause further provides that all Material Related Party Transactions shall require approval of the shareholders through Special Resolution. Since the transactions with Vihaan Networks Limited as are estimated to be around Rs. 50 crores in any financial year, which exceeds the ten percent of the annual consolidated turnover of the company as per the audited financial statement as on 31st March, 2015, the transactions are required to be approved by the shareholders as Special Resolution. The said transactions are in the ordinary course of business of the Company and wherever required are on a cost plus appropriate mark-up in adherence with the arms length principle.

None of the Directors, KMP or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director/KMP or holds less than 2% shares of that Company either directly or indirectly.

The Board recommends the resolution set out in Item No. 7 for the approval of members as Special Resolution.

#### **Item No. 8**

The Audit Committee Members and the Board of Directors of the Company in their respective meetings held on 30<sup>th</sup> May, 2015 approved the related party transactions for sale, purchase of goods and to provide / avail services to / from Think of us Private Limited, a related party, subject to maximum aggregate transactions of Rs. 50 Crores in any financial year. Under the provisions of revised Clause 49 (VII) (as amended) of the Listing Agreement entered into with the stock Exchanges, a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The clause further provides that all Material Related Party Transactions shall require approval of the shareholders through Special Resolution. Since the transactions with Think of us Private Limited as are estimated to be around Rs. 50 crores in any financial year, which exceeds the ten percent of the annual consolidated turnover of the company as per the audited financial statement as on 31st March, 2015, the transactions are required to be approved by the shareholders as Special Resolution. The said transactions are in the ordinary course of business of the Company and wherever required are on a cost plus appropriate mark-up in adherence with the arms length principle.

None of the Directors, KMP or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director/KMP or holds less than 2% shares of that Company either directly or indirectly.



The Board recommends the resolution set out in Item No. 8 for the approval of members as special Resolution.

#### Item No. 9

As per Section 181 of the Companies Act, 2013, the Board of Directors of the Company can contribute to bona fide charitable and other funds any amount the aggregate of which, in any financial year shall not exceed 5% of its average net profits, as determined in accordance with the provisions of Section 198 of Companies Act, 2013 for the three immediately preceding financial years.

As required under Section 181 of Companies Act 2013 donation of Rs. 50 lacs (Rupees Fifty lacs only) requires the sanction/approval of shareholders in general meeting.

The Directors recommends the resolution for member's approval as an **Ordinary Resolution**.

None of the Directors, KMP or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director/KMP.

#### ANNEXURE FOR THE RE-APPOINTMENT

Details of Director seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	Arun Khanna
<b>Director Identification Number (DIN)</b>	00041724
<b>Date of Birth</b>	10 <sup>th</sup> May, 1951
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	29 <sup>th</sup> May, 1998
<b>Qualification</b>	B.Com, LL.B
<b>List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)</b>	Two (RMS Automation Systems Limited), AK Skill Developers Limited
<b>Memberships / Chairmanships of Audit and (excluding foreign, private and Section 8 Companies)</b>	RMS Automation Systems Limited Two (Audit Committee and Stakeholders' Relationship Committees)
<b>Stakeholders' Relationship Committees across Public Companies</b>	

By Order of the Board of Directors  
**For Shyam Telecom Limited**

**Place :** New Delhi

**Dated:** 12<sup>th</sup> August, 2015

**Sd/-**  
**Ajay Khanna**  
**Managing Director**  
DIN:00027549

The background of the cover is a collage of images. At the top, there's a large, angled view of solar panels under a blue sky. Below this, a globe is visible, showing the continents. In the foreground, there are several electronic devices: a tablet displaying a bar chart, a smartphone, and a laptop. A hand is visible at the bottom, holding a small object. The overall theme is technology and sustainable energy.

# SHYAM

**Shyam Telecom Limited**  
22nd Annual Report 2015

## **Contents**

Chairman's Letter .....	I
Form - A .....	2
Directors' Report and Management Discussion & Analysis Report .....	3
Report on Corporate Governance .....	25
Auditors' Certificate on Corporate Governance.....	38
Internal Auditors' Report .....	39
Standalone Auditors Report .....	41
Standalone Financial Statement.....	44
Shyam Telecom Inc. ....	63
Consolidated Auditors Report.....	74
Consolidated Financial Statement .....	78
Members Communique .....	95

## *Chairman's Letter*

It gives me immense pleasure to write to you at the end of the financial year, which had its share of opportunities and challenges. The year began with sky-high expectations of economic recovery resulting from the decisive political mandate but as the year progressed, it was increasingly evident that the pace of recovery would be much more gradual. Many domestic growth indicators improved during the year helped by the Government's intent to push reforms and promote investments.

The digital economy is transforming every industry. Consumers have become more connected and engaged—they want rich experiences tailored to their needs. And the convergence of mobile technology, social media, data analytics and cloud computing requires organizations to seek new digital strategies to satisfy evolving customer demands.

In the telecom sector, FY15 saw successful auctions for spectrum across 4 bands. Major incumbent operators participated aggressively to retain their spectrum holdings critical for continuity of their operations. Some also managed to garner additional spectrum in certain circles, thus consolidating their position. A total of 470.75 MHz of spectrum was put to auction by DoT, out of which 418 MHz was sold. The auctions generated revenues of Rs. 1.1 lakh crore for the Government, over 70% of which will be paid over a 12 year period.

During the year, the Government changed the governance landscape by notifying majority of the provisions of the Companies Act, 2013 and Rules thereunder. Some of the concepts like evaluation of the performance of Directors and the Board, rotation of auditors, increased responsibility of the Committees ensure higher standards of transparency and accountability and seek to align the corporate governance practices in India with global best practices.

As with any enterprise, challenges will arise. It can sometimes be difficult act quickly to changes in the marketplace, even when one is looking to preempt them. Obstacles will emerge, however I am confident that, given our proven record of innovative solutions and the skill and professionalism of our teams across the Shyam family, any challenges will be overcome.

The Company carried out its manufacturing operations from the plant situated at UV-246, Phase-IV, Udyog Vihar, Gurgaon. However the Company has vacated the said premises and resolved to outsource the manufacturing operations.

I wish to sincerely thank the entire staff of Shyam family, our Shareholders, Bankers, Lenders, Suppliers and other Stakeholders for their contribution and support over the past few years. As we look ahead I hope that the Company will sail over the weak sentiments.

Warm regards.

**Sd/-**  
**Rajiv Mehrotra**  
**Chairman**

## SHYAM TELECOM LIMITED

Regd. Office: MTS Tower, 3, Amrapali Circle, Vaishali Nagar,  
Jaipur 302021, Rajasthan, India

Ph.: 91-141-5100343, Fax: 91-141-5100310

CIN: L32202RJ1992PLC017750

e-mail id: investors@shyamtelecom.com, website: www.shyamtelecom.com

### FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Shyam Telecom Limited
2.	Annual Financial Statements for the year ended 31.03.2015	March 31, 2015
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Not Applicable

For **SHYAM TELECOM LIMITED**

Sd/-  
**AJAY KHANNA**  
MANAGING DIRECTOR

For **SHYAM TELECOM LIMITED**

Sd/-  
**ACHINTYA KARATI**  
CHAIRMAN OF AUDIT COMMITTEE

For **SHYAM TELECOM LIMITED**

Sd/-  
**GURSHARAN SINGH**  
CFO

For **MEHRA GOEL & COMPANY**  
CHARTERED ACCOUNTANTS  
REGN NO. 000517N

Sd/-  
**R.K. MEHRA**  
PARTNER  
M.No. 6102



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting their Twenty Second Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31<sup>st</sup>, 2015.

### FINANCIAL SUMMARY OF THE COMPANY

The Company's financial performance for the year under review alongwith previous year figures are given hereunder:

### FINANCIAL PERFORMANCE

(Rupees in Lacs)

PARTICULARS	Financial Year 2014-2015	Financial Year 2013-2014
Sales and Services	33,653.35	34,915.41
Loss before Tax and Exceptional Items	1,501.84	142.54
Exceptional Items	2199.66	-
Loss Before Tax	3701.50	142.54
Provisions for Income Tax		
- Current tax	-	42.50
- Deferred tax	(104.15)	(61.57)
Income tax/ Deferred Tax for earlier year	4.51	11.46
Loss After Tax	3601.86	134.93

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the year under review your Company has on standalone basis registered a turnover of Rs. 33653.35 Lacs. A net loss of Rs. 3601.86 Lacs has been made during this year as compared to net loss of Rs 134.93 Lacs in the previous year. The year to year decrease in the turnover is 3.61%. The increase in the net loss is due to reduction in turnover. The amounts of continuing and dis-continued operation of the Company have been considered.

On a consolidated basis, your Company achieved revenue of Rs. 33665.45 lacs in this year as against Rs. 35196.09 lacs in the previous year. A net loss of Rs. 2740.38 Lacs has been made during this year as compared to net loss of Rs 198.94 Lacs in the previous year.

Another factor for increase in losses is attributed to the exceptional items. The Company has made provision for writing

off loans and advances given to the subsidiary Company. Additionally provision has also been made for diminution in the value of investments.

No other material changes and commitments affecting the financial position of the Company has occurred between April 1, 2015 and the date of signing of this Report.

### DIVIDEND

No Dividend was declared for the current financial year due to consistent losses incurred by the Company.

### TELECOM INDUSTRY IN INDIA

#### AN OVERVIEW

In today's information age, the telecommunication industry has a vital role to play. It is considered as the backbone of industrial and economic development. The industry has been aiding delivery of voice and services at rapidly increasing speeds, and thus has been revolutionizing human connection.

Telecom Industry in 2014-2015 was in the value destructing phase based on hyper competition. Outside of the US, Indians became the biggest followers of Facebook, Whatsapp and Twitter and specifically on mobile. Indian enterprises and SMEs are adopting cloud-based services to increase the quality and reach of their offerings. E-tailors became the first large business segment to exploit consumer analytics. Telecom services have been acknowledged globally as an essential tool for the socio-economic development of a nation. India is currently the world's second-largest telecommunications market and has registered exceptional growth in the past few years.

### MARKET SIZE

#### Snapshot

Description	Numbers*
Total no. of phone subscriptions	1 billion
Mobiles	974 million
Landlines	26 million
Total no. of PCs	100 million
Internet users	300 million
Mobile internet Users	180 million
Sharing of fixed line internet connection	2-4 users
Broadband	100 million (wired 16 million; wireless: 84 million)**

\*The data stands as on March 2015

\*\*Govt now defines broadband as >12 Kbps

### Information about Mobiles – Users and Technology

<b>Total duration of phone calls made every day</b>	<b>17 bn mins</b>
<b>No. of text msgs sent every day on average</b>	<b>1.7 bn</b>
<b>Average number of minutes spent per day on smartphones</b>	<b>47.6</b>
<b>Share of users accessing social media via mobiles</b>	<b>56%</b>

### Commonly used mobile terms

<b>Call drop</b>	The abrupt ending of a phone conversation because of so called “network-failure”
<b>Generation 2, 3, 4G</b>	Stages of mobile service technology; a higher number denotes greater speed and efficiency
<b>Number portability</b>	System that allows a subscribers to retain his or her number while changing cities or operators
<b>Spectrum</b>	Radiowaves that carry voice and other telecom data; its alleged arbitrary allocation was at the heart of 2G scandal.

Telecommunications is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India will reach US\$ 32.5 billion in 2015 and is expected to touch US\$ 37 billion in 2017, registering a compound annual growth rate of 5.2 per cent.

It has been expected that smartphones will account for two out of every three mobile connections globally by 2020 and India is all set to become the fourth largest smartphone market.

The broadband services user-base in India is expected to grow to 250 million connections by 2017.

India saw the fastest growth in new mobile-phone connections with 18 million net additions almost in each quarter; followed by China with 12 million new additions, according to a report by a reputed Swedish mobile network equipment maker.

### EXPORTS

The Company has been exporter of Telecommunication products and related systems to various countries worldwide.

The export revenue of the Company for the financial year 2014-2015 is Rs. 2.82 crores (F.O.B). The Company has been involved in the turnkey projects which are inclusive of survey, planning, installation, commissioning etc. We are already having various agents/distributors/value added resellers worldwide.

### FUTURE OF TELECOM INDUSTRY

In 2015-2016, we will witness multiple Indian players launching 4G on a more efficient 1800 MHz spectrum. Indian subscribers will adopt 4G wholeheartedly to satiate their need for mobile data. We expect 4G LTE subscribers to reach 10 million to 15 million by December 2015 driven by competitive pricing, superior network experience and affordable smartphones.

India will see a significant spurt in Wi-Fi hotspots driven by both the government ‘smart cities’ and ‘digital India’ as well as private sector initiatives. However, wired broadband for retail consumers is likely to remain work-in-progress by the end of 2015.

### BUSINESS SNAPSHOT

Your Company is a complete telecom solution provider offering suite of both in-building and outdoor repeaters and DAS Products. The company is a leading global telecom manufacturer supplying indoor and outdoor wireless signal enhancement solution. Your Company also deals in In-building solutions and state of the art Turnkey projects. Service providers are going big way in “In-Building solution” where your Company is one of the leading solution provider. In addition to revenue from manufacturing, handsets and accessories contribute to the turnover of the Company.

The Company imports mobile handsets and accessories from world renowned suppliers like ZTE and HUAWEI. Your Company has its presence in Asia Pacific, USA, Europe, North & South America and Russia.

### OUTSOURCING OF MANUFACTURING ACTIVITIES CARRIED AT PLANT SITUATED AT UV-246, PHASE - IV, UDYOG VIHAR, GURGAON

The Company carried out its manufacturing operations from the plant situated at UV-246, Phase-IV, Udyog Vihar, Gurgaon. The Company initiated the process of Discontinuing/outsourcing the manufacturing operations in pursuance to the resolution passed in the meeting of Board of Directors held on 9<sup>th</sup> February, 2015 and thereby vacated the premises by 15<sup>th</sup> April, 2015 and disposed off all tangible assets except



vehicles, discharged/provided for contractual obligations of manpower/worker and resolved to outsource the operations henceforth. Consequently there is only one reportable segment as on 31<sup>st</sup> March, 2015.

## SUBSIDIARY COMPANY

The Company has only one subsidiary viz. Shyam Telecom Inc, USA. During the year, Board of Directors reviewed the affairs of the subsidiary. Sec 129(3) of the Companies Act 2013 states that where a Company has one or more subsidiaries, a consolidated financial statement of the Company and of all subsidiaries shall be laid before annual general meeting of the Company in the same form and manner. In accordance with the section we have prepared consolidated financial statements of the Company and its subsidiary, which forms part of the Annual Report.

Further a statement containing the salient features of the financial statements of the subsidiary in the prescribed format AOC-I is appended as **Annexure-I** to the Board's Report. The statement also provides the details of performance, financial position of the subsidiary.

The financial statements including the consolidated financial statements, financial statements of subsidiary and all other documents required to be attached to this report have been uploaded on the website of your Company. ([www.shyamtelecom.com](http://www.shyamtelecom.com))

The financial year of the subsidiary is from 1<sup>st</sup> January 2014 to 31<sup>st</sup> March 2015. Accordingly, accounts enclosed are for the afore-stated period

## PUBLIC DEPOSIT

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013 and Article of Association of the company, Mr. Arun Khanna, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. His brief profile has been stated in the Corporate Governance Report.

Your directors recommend his re-appointment. All the Directors of the Company have confirmed that they are

not disqualified from being staying on the Board of Directors in terms of Section 164(2) of the Companies Act, 2013 and they have also filed their consent for such appointment.

SEBI vide its circular dated 17<sup>th</sup> April, 2014 had made it mandatory for all the listed companies to appoint atleast one Woman Director on the Board of Company by 31<sup>st</sup> March, 2015 in alignment with the requirement of Section 149 of the Companies Act, 2013, under corporate governance norms. Mrs. Nishi Arora Sabharwal was appointed as Women Independent Director w.e.f. 30.09.2014 and is part of the Board.

Furthermore to comply with requirement of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons were designated as KMPs

Mr. Ajay Khanna – KMP (Managing Director)

Mr. Dharmender Dhingra – KMP (Company Secretary & Compliance Officer)

Mr. Gursharan Singh – CFO

Mr. B S Yadav – CEO

The Board in its meeting held on May 30, 2015 appointed Mr. Vinod Raina as CFO of the Company. Mr. Gursharan Singh was re-designated as CEO of the Company in place of Mr. B S Yadav, who resigned from the Company.

## FORMAL ANNUAL EVALUATION

Your Company in the meeting of its Board held on 8<sup>th</sup> February 2015, discussed and evaluated the performance of the Board as per below mentioned 3 tier basis:

1. Work of Chairperson evaluated by all the other Directors.
2. Work of Executive, Non-Executive Directors evaluated by all the Non – Executive Independent Directors.
3. Independent Directors contribution evaluated by the Executive & Non – Executive Directors.

**The parameter for evaluation was based on following points:**

1. Leadership initiative
2. Initiative in terms of new ideas and planning for the Company
3. Professional skills, problem solving, and decision-making.
4. Compliance with policies of the Company, ethics, code of conduct, etc.
5. Reporting of frauds, violation etc.

6. Safeguarding of interest of whistle blowers under vigil mechanism.
7. Timely inputs on the minutes of the meetings of the Board and Committee, if any.
8. Consideration of the independent audit plan and provides recommendations
9. Is the board as a whole up to date with latest developments in the regulatory environment and the market?

#### **FAMILIARISATION PROGRAMME MODULE**

The Familiarization Program Module ("the Program") for Independent Directors ("ID") of the Company has been adopted by the Board of Directors pursuant to Securities and Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014

The Independent Directors were intimated and informed about the operational, financial, legal and secretarial aspects of the company. The familiarization programme has been posted on the Company's website [www.shyamtelecom.com](http://www.shyamtelecom.com).

#### **VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has established a vigil mechanism programme for overseeing the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees.

Your Company believes in the conduct of the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. To develop a culture where it is safe for all Directors and Employees to raise genuine concerns or grievances the Company established vigil mechanism for Directors and Employees in pursuance of Clause 49 of the Listing Agreement between the Company and the Stock Exchanges and Section 177(9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

In order to prevent sexual harassment of women at work place The Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Details of constitution of the committee forms part of the policy and have been posted on the website of the Company ([www.shyamtelecom.com](http://www.shyamtelecom.com)). During the year under review, there were no cases filed pursuant to the said act.

#### **RISK MANAGEMENT POLICY**

As per the requirements of Clause 49 of the Listing Agreement, your Company has constituted a Risk Management Committee to oversee the risk management efforts in the Company under the Chairmanship of Mr. N. Kumbhat, Independent Director. The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of this Report.

During the financial year 2014-15, the Board of Directors have approved the risk management policy and the risk appetite for your Company as proposed by the Management and recommended by the Risk Management Committee.

To ensure that all current and future material risk exposure of company is identified and mitigated the Company has formulated Risk Management Policy. The policy explains the risk pertaining to financing activities, dependence on distribution network, and their mitigation. The policy is available on the company website ([www.shyamtelecom.com](http://www.shyamtelecom.com)) and can be read from there.

#### **RISK FACTORS & MITIGATION**

The risks associated with the Company were mostly related to expansion/modernization plan along with utilizing distribution network with current financing activities. The Company is trying to create more avenues for sale of handsets to various other buyers so that dependence on one buyer could be reduced. The Company also follows conservative finance and accounting policy and keeps regular check on various financial health parameter.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of the provision of section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- i) in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2015, the applicable Accounting Standards had been followed and there are no material departure from the same.
- ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of financial year 2014-2015 and of the profit/loss of the Company for the year ended as on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in the accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) Annual Accounts have been prepared on a going concern basis.
- v) the Directors had laid down internal financial controls which are followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## AUDITORS

In the Annual General Meeting held on 30.09.2014, M/s Mehra Goel & Company, Chartered Accountants, were appointed as Statutory Auditors to hold office till the conclusion of 24<sup>th</sup> AGM, to be held for the financial year ending 2017. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the Twenty Second Annual General Meeting through ratification. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of the Companies Act, 2013.

## AUDITORS REPORT

The Auditor's Report presented by M/s. Mehra Goel & Company, Chartered Accountants, the Statutory Auditors

on the accounts of the Company for the financial year ended 31<sup>st</sup> March, 2015 is unqualified. They have in the report drawn attention to the ongoing matter with the ARM Limited for which Company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996. The matter is presently sub-judice.

## COST AUDITOR

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. K. G Goyal & Associates, Cost Accountants as the Cost Auditor for the financial year 2015-16 on the recommendations made by the Audit Committee. The remuneration of Rs. 40,000/- (Rupees Forty Thousand only) per annum is proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. K. G Goyal & Associates, Cost Accountants, to act as the Cost Auditor for the financial year 2015-16 along with a certificate confirming their independence.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s A.N. Kukreja, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "**Annexure - II**" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure - III**" to this Report.

## RELATED PARTY TRANSACTIONS

The details of the related party transactions as required under Accounting Standard - 18 are set out in Notes to the standalone

financial statements forming part of this Annual Report. AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as “**Annexure-IV**” to this Report.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has set up CSR committee to facilitate its CSR related operations. The Company donated medicines worth Rs. 2.47 lakhs for the people who were affected by the J&K Flood Disaster. In addition to this Company supports following organizations towards well-being of the society:

1. Shrimati Pushpawati Loomba Memorial Foundation for the purposes of Widows Empowerment Project in India
2. Centre for Empowerment and Initiatives
3. Bhartiya Handicapped Cricket Association
4. Shri Maharshi Dayanand Saraswati Samarak Trust Tankara.

## DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements. A note on the same has been provided in the Management Discussion and Analysis Report.

## SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

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

The information relating to conservation of energy, as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of The Companies (Accounts) Rules, 2014, is enclosed as **Annexure – V** and forms part of this report.

## PARTICULARS OF EMPLOYEES

The disclosure of remuneration of Directors is in compliance with Section 197(12) in accordance with Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 134 of the 2013 Act.

## INDUSTRIAL RELATIONS

The Company remains regularly in touch with each employee for the redressal of their grievances and maintains high quality standards for them. The industrial relations of your Company are normal.

## DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, the Company is having Nomination and Remuneration Policy framed on the recommendations of the Nomination and Remuneration Committee for determining qualifications, positive attributes, independence of a Director etc.

The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this report.

The Managing Director and CEO of your Company does not receive remuneration from the subsidiary of your Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is provided in this Report as “Annexure - VI”.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2014-15, Mrs. Nishi Arora Sabharwal was appointed as Women Independent Directors of your Company on 30.09.2014. Mr. Praveen Kumar Bhatia, Independent Director expressed his desire for not continuing as an Independent Director on the Board of Directors of your Company and stepped down on 06.06.2014. The Board in its meeting held on May 30, 2015 appointed Mr. Vinod Raina as CFO of the Company. Mr. Gursharan Singh was re-designated as CEO of the Company in place of Mr. B S Yadav, who resigned from the Company.

## ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the financial year 2014-15.

## NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report which forms part of this report.

## CORPORATE GOVERNANCE

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this report.

## DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

## MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis as stipulated under clause 49 of the Listing Agreement, as applicable, forms the part of this report as **Annexure - VII**.

## CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of your Company for the financial year 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI).

The consolidated financial statements have been prepared on the basis of Audited Financial Statements of the Company and its subsidiary.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investment covered under Sec 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

## COMPOSITION OF AUDIT COMMITTEE

Disclosure pursuant to the provisions of section 177 of the Companies Act, 2013, the Audit & Finance Committee of the Company consists of:

Mr. Achintya Karati	- Independent Director & Chairman
Mr. Vinod Juneja	- Independent Director & Member
Mr. C.S.Malhotra	- Independent Director & Member
Mr. Narendra Kumbhat	- Independent Director & Member
Mr. Arun Khanna	- Non Executive Director & Member
Mr. Dharmender Dhingra	- CS & Vice President (Legal)

## ACKNOWLEDGEMENT

The Board wishes to place on records its-sincere appreciation for the continued assistance and support extended to the Company by its Bankers, Vendors, Government Authorities and Employees.

Your Directors acknowledge with gratitude the encouragement and support extended by our valued Shareholders.

On Behalf of the Board of Directors of  
**SHYAM TELECOM LIMITED**

	Sd/-	Sd/-
<b>PLACE: NEW DELHI</b>	<b>AJAY KHANNA</b>	<b>N Kumbhat</b>
<b>DATE: 30<sup>th</sup> May,2015</b>	Managing Director	Director

## ANNEXURES TO DIRECTORS' REPORT

### ANNEXURE-I

#### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. - lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Shyam Telecom Inc
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> January 2014 to 31 <sup>st</sup> March 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees Exchange Rate on 31.03.2015 - 62.59
4.	Share capital	4,374
5.	Reserves & surplus	(212,462,526)
6.	Total assets	1,276,918
7.	Total Liabilities	2,12,167,190
8.	Investments	0
9.	Turnover	1,210,243
10.	Profit before taxation	(126,549,569)
11.	Provision for taxation	0
12.	Profit after taxation*	(126,549,569)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:** \* Profit after taxation after taking into consideration exceptional items is Rs. 69,893,011/-

The financial statements of the subsidiary Company and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**To,**  
**The Members of**  
**Shyam Telecom Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shyam Telecom Limited (CIN: L32202RJ2002PLC017750)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Shyam Telecom Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2015** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

- I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Shyam Telecom Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings@.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
    - (d) The Securities Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*;
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*.

@Foreign Exchange Management Act, 1999 and the regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings listed at sub-para I. (iv) above are not applicable for 2014-15.  
\*SEBI Regulations listed at sub-Para (v) Serial Nos. (c), (d), (e), (g) and (h) are not applicable for 2014-15.

- (vi). The Other Laws applicable specifically to the Company are:
  - (a) Factories Act, 1948;
  - (b) Industrial Disputes Act, 1947;
  - (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952; other applicable labour and general laws;
  - (d) The Environment (Protection) Act, 1986;
  - (e) The Water (Prevention and Control of Pollution), Act 1974
  - (f) The Air (Prevention and Control of Pollution) Act, 1981.
- 2.
  - (i) We have also examined the compliances with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Ltd.
  - (ii) The Secretarial Standards issued by the Institute of Company Secretaries of India are not applicable for 2014-15.
  - (iii) The Company does not come within the ambit of sub-section (1) of Section 135 of the Companies Act, 2013 for the financial year 2014-15. However, the Company has constituted a Corporate Social Responsibility Committee as per regulations.



3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
4. We further report that:
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, a Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (c) Majority decision is carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, the following major decision was taken by the members under Section 180 of the Companies Act, 2013 at the annual general meeting held on 30<sup>th</sup> September, 2014:
  - (i) Approval under Section 180(1) (a) and other applicable provisions of the Companies Act, 2013, according consent to the Board for creation of mortgages, charges, on all the immovable and movable properties of the Company both present and future, and/or conferring power to enter upon and to take possession of assets of the company and in certain events, to and in favour of financial institutions/banks for securing the loan and other financial assistance obtained/to be obtained by the Company.

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

**For A.N.Kukreja & Co  
Company Secretaries**

**Sd/-  
(A.N.Kukreja)  
Proprietor  
FCS 1070; CP 2318**

**Place: New Delhi  
Date: May 29, 2015**

**Annexure 'A'**

**To,  
The Members of  
Shyam Telecom Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

**For A.N.Kukreja & Co  
Company Secretaries**

**Sd/-  
(A.N.Kukreja)  
Proprietor  
FCS 1070; CP 2318**

**Place: New Delhi  
Date: May 29, 2015**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**  
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:**

1.	CIN	L32202RJ1992PLC017750
2.	Registration Date	03/07/1992
3.	Name of the Company	Shyam Telecom Limited
4.	Category/Sub-category of the Company	Public Company having share capital Limited by Shares
5.	Address of the Registered office & contact details	MTS Towers, 3, Amrapali Circle, Vaishali Nagar, Jaipur Rajasthan - 302021 Telephone with STD Area Code Number – 91-141-5100343 Fax No. – 91-141-5100310 Email address – <a href="mailto:investors@shyamtelecom.com">investors@shyamtelecom.com</a> Website – <a href="http://www.shyamtelecom.com">www.shyamtelecom.com</a>
6.	Whether listed company	Yes Bombay Stock Exchange (BSE) (517411) The National Stock Exchange of India Limited (NSE) (SHYAMTEL)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Indus Portfolio Pvt. Ltd. G-65, Bali Nagar New Delhi-110015, India Email: <a href="mailto:rnt@indusinvest.com">rnt@indusinvest.com</a> Ph.: 91-11-47671200, 47671214 Web: <a href="http://www.indusinvest.com/bharat.b@indusinvest.com">www.indusinvest.com/bharat.b@indusinvest.com</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)

S. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1.	Electricals or Electronic Machinery – Telecom	8517	100

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

S. No.	Name and address of the Company	CIN/GLN	% shares held	Applicable Section
1.	Shyam Telecom Inc	3923232	100	2(87)

## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(I) Indian									
a) Individual/ HUF	112706		112706	1.000	112206		112206	0.996	
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	7152482		7152482	63.465	7152482		7152482	63.465	
e) Banks / FI									
f) Any other	204295		204295	1.813	204295		204295	1.813	
<b>Total shareholding of Promoter (A)</b>	7469483		7469483	66.278	7468983		7468983	66.273	
<b>B. Public Shareholding</b>									
I. Institutions									
a) Mutual Funds		70	70	0.001		70	70	0.001	
b) Banks / FI	35	350	385	0.003	35	350	385	0.003	
c) Central Govt									
d) State Govt(s)					35		35	0.000	
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)	35		35	0.000	35		35	0.000	
<b>Sub-total (B)(1):-</b>	70	420	490	0.004	105	420	525	0.005	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	306304	1785	308089	2.734	285098	1785	286883	2.546	-0.19
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2198518	28556	2227074	19.761	2106139	28381	2134520	18.940	-0.82
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	456263	0	456263	4.048	495821		495821	4.399	0.35
c) Others (specify)	52209		52209	0.464	36088		36088	0.32	-0.14
Non Resident Indians	748373		748373	6.640	841233		841233	7.464	0.82
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	4783		4783	0.042	2711		2711	0.024	-0.02
Trusts	3236		3236	0.029	3236		3236	0.029	
Foreign Bodies – D R									
<b>Sub-total (B)(2):-</b>	3769686	30314	3800027	33.718	3770326	30166	3800492	33.722	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	3769756	30761	3800517	33.722	3770431	30586	3801017	33.727	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	11239239	30761	11270000	100.000	11239414	30586	11270000	100.00	

**B) Shareholding of Promoter-**

Shareholders Name	No. of Shares held at the beginning of the year [As on 31-March-2014]			No. of Shares held at the end of the year [As on 31-March-2015]			% Change During The year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
<b>MEHROTRA INVOFIN INDIA PVT LTD</b>	1560877	13.850		1560877	13.850		-
<b>CELLPHONE CREDIT &amp; SECURITIES INDIA PVT LTD</b>	760165	6.745		760165	6.745		-
<b>SHYAMANTENNA ELECTRONIC LTD</b>	700000	6.211		700000	6.211		-
<b>INTELL INVOFIN INDIA PVT LTD</b>	1697807	15.065	29.45	1697807	15.065	94.24	-
<b>AT INVOFIN INDIA PVT LTD</b>	809890	7.186	30.87	809890	7.186	98.78	-
<b>TELETEC FINSEC INDIA PRIVATE LTD</b>	803913	7.133		803913	7.133		-
<b>CELLCAP INVOFIN INDIA PVT LTD</b>	818081	7.259	30.56	818081	7.259	97.79	-
<b>INTERCITY CABLE SYSYEMS PVT LTD</b>	1749	0.016		1749	0.016		-
<b>ARUSH TANDON</b>	1295	0.011		1295	0.011		-
<b>RAJIV MEHROTRA</b>	52605	0.467		52605	0.467		-
<b>S S PURI</b>	17608	0.156		17608	0.156		-
<b>ALOK TANDON</b>	17570	0.156		17570	0.156		-
<b>TANU ARORA</b>	8750	0.078		8750	0.078		-
<b>AJAY KHANNA</b>	4553	0.040		4553	0.040		-
<b>K N MEHROTRA</b>	525	0.005		525	0.005		-
<b>ARUN KUMAR KHANNA</b>	490	0.004		490	0.004		-
<b>RENU MEHROTRA</b>	35	0.000		35	0.000		-
<b>RAKESH KANWAR</b>	185500	1.646		185500	1.646		-
<b>SHAMMI KHANNA</b>	17500	0.155		17500	0.155		-
<b>AKASH KHANNA</b>	35	0.000		35	0.000		-
<b>UDIT MEHROTRA</b>	35	0.000		35	0.000		-
<b>ASHISH PAUL</b>	10500	0.093		10000	0.089		0.004
<b>Total</b>	7469483	66.278		7468983	66.273		

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I.	Ashish Paul	10500	0.093	10500	0.093
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	500	0.000	500	0.000
	At the end of the year	10000	0.089	10000	0.089

\* There has been only one change in promoter's shareholding.

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholder's Name	Shareholding at the beginning of the year		Increase/(Decrease) in shareholding	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
RENU ASHOK BABLANI	444796	3.95	0	444796	3.95
SANDEEP SHARMA	119476	1.06	32378	151854	1.16
MADHVI SHARMA	89054	0.79	5092	94146	0.84
VRIT PAL SINDHU	50000	0.44	0	50000	0.44
RAJESH AGRAWAL	45982	0.41	0	45982	0.41
SAMPATLAL JAIN	44450	0.39	2000	46450	0.41
MADHVI SHARMA	40655	0.36	48399	89054	0.79
SUHAS CHANDRAKANT GANDHI	34200	0.30	-34200	0	0.00
HEM SECURITIES LIMITED	33039	0.29	-33039	0	0.00
GIRISH KUMAR SHARDA	29900	0.27	12140	42040	0.37

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the financial year</b>				
	<b>Directors</b>				
	RAJIV MEHROTRA	52605	0.047	52605	0.047
	ALOK TANDON	17570	0.015	17570	0.015
	AJAY KHANNA	4553	0.004	4553	0.004
	ARUN KUMAR KHANNA	490	0.000	490	0.000
	ACHINTYA KARATI	NIL	0.000	0.000	0.000
	NARENDRA KUMBHAT	NIL	0.000	0.000	0.000
	VINOD KUMAR ANAND JUNEJA	402	0.000	402	0.000
	CHANDAR SAIN MALHOTRA	NIL	0.000	0.000	0.000
	NISHI ARORA SABHARWAL	NIL	0.000	0.000	0.000
	<b>Total</b>	<b>75620</b>	<b>0.067</b>	<b>75620</b>	<b>0.067</b>

**Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):**

	<b>At the end of the financial year</b>				
	RAJIV MEHROTRA	52605	0.047	52605	0.047
	ALOK TANDON	17570	0.015	17570	0.015
	AJAY KHANNA	4553	0.004	4553	0.004
	ARUN KUMAR KHANNA	490	0.000	490	0.000
	ACHINTYA KARATI	NIL	0.000	0.000	0.000
	NARENDRA KUMBHAT	NIL	0.000	0.000	0.000
	NISHI ARORA SABHARWAL	35	0.000	35	0.000
	VINODKUMAR ANAND JUNEJA	402	0.000	402	0.000
	CHANDAR SAIN MALHOTRA	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>75655</b>	<b>0.067</b>	<b>75655</b>	<b>0.067</b>

**F) INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs. in lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8.77	-	-	8.77
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	<b>8.77</b>	<b>-</b>	<b>-</b>	<b>8.77</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	26.70	-	-	26.70
* Reduction	3.40	-	-	3.40
<b>Net Change</b>	<b>23.30</b>	<b>-</b>	<b>-</b>	<b>23.30</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	32.07	-	-	32.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>32.07</b>	<b>-</b>	<b>-</b>	<b>32.07</b>

# XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## C. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs. in lakhs )
		Mr. Ajay Khanna (MD)			
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	13.15	-	13.15
2	<b>Stock Option</b>	-	-	-	
3	<b>Sweat Equity</b>	-	-	-	
4	<b>Commission</b> - as % of profit - others, specify...	-	-	-	
5	<b>Others, please specify</b>	-	-	-	
	<b>Total (A)</b>		<b>13.15</b>		<b>13.15</b>
	<b>Ceiling as per the Act*</b>				<b>Refer Note*</b>

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors shall not exceed maximum amount allowed under the act. The remuneration paid to the Directors is well within the said limit.

## B. Remuneration to other directors

(Amount in lakhs)

I. Independent Directors:				
Name of Director	Fee for attending Board/ Committee meetings	Commission	Others, please specify	Total (I)
Mr. Achintya Karati	0.30	-	-	0.30
Mr. N Kumbhat	0.3	-	-	0.3
Mr. C S Malhotra	0.23	-	-	0.23
Mr. Vinod Juneja	0.14	-	-	0.14
Mrs. Nishi Sabharwal*	0.12	-	-	0.12
Mr. P K Bhatia**	0.07	-	-	0.07
2. Non Executive Director				
Name of Director	Fee for attending Board/ Committee meetings	Commission	Others, please specify	Total
Mr. Alok Tandon***	-	-	1.10	1.10

\* Mrs. Nishi Sabharwal was elected as Women Director on 30.09.2014.

\*\* Mr. P K Bhatia resigned from the post of Directorship on 06.06.2014.

\*\*\* Mr. Alok Tandon was paid salary for one month as Executive Director after which he was re-designated as Non-Executive Director.

# Fee for attending Board/Committee meetings includes fees for attending both Board Meetings & Committee Meetings.



## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	<b>Gross salary</b>	46.25	12.06	11.98	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	<b>Stock Option</b>				
3	<b>Sweat Equity</b>				
4	<b>Commission</b>				
	- as % of profit				
	others, specify...				
5	<b>Others, please specify</b>				
	<b>Total</b>	<b>46.25</b>	<b>12.06</b>	<b>11.98</b>	

## XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

**AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions at Arm's length basis.

<b>PARTICULARS</b>	<b>VIHAAN NETWORKS LTD.</b>	<b>UBICO NETWORKS PVT. LTD.</b>	<b>SISTEMA SHYAM TELESERVICES LTD</b>	<b>THINK OF US PVT. LTD.</b>	<b>RMS AUTOMATION SYSTEMS LTD.</b>
Nature of relationship	Enterprise over which key management personnel & their relatives are able to exercise significant influence	Enterprise over which key management personnel & their relatives are able to exercise significant influence	Enterprise over which key management personnel & their relatives are able to exercise significant influence	Enterprise over which key management personnel & their relatives are able to exercise significant influence	Enterprise over which key management personnel & their relatives are able to exercise significant influence
Nature of contracts/ arrangements/ transaction	Sale & Purchase of Goods & Services	Sale & Purchase of Goods & Services	Sale & Purchase of Goods & Services	Sale & Purchase of Goods & Services	Sale & Purchase of Goods & Services
Duration of the contracts/ arrangements/ transaction	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015
Salient terms of the contracts or arrangements or transaction including the value, if any	622.69 lakhs	4.90 lakhs	5411.30 lakhs	369.38 lakhs	51.60 lakhs
Date of approval by the Board	30.05.2014	30.05.2014	30.05.2014	30.05.2014	30.05.2014
Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

On Behalf of the Board of Directors of  
**SHYAM TELECOM LIMITED**

**Sd/-**  
**AJAY KHANNA**  
Managing Director

**Sd/-**  
**N Kumbhat**  
Director

## ANNEXURE-V

### STATEMENT OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUT GO IN ACCORDANCE WITH THE COMPANIES (ACCOUNTS) RULES, 2014 ARE GIVEN HEREIN BELOW:

#### CONSERVATION OF ENERGY

- The Company ensures that the use of water is effective via prevention of wastage, water efficient appliances, low-flow toilets and high-efficiency urinals
- All the management personnel's and employees support our these endeavours by unplugging switches and putting them in off mode at the end of the day.

#### TECHNOLOGY ABSORPTION

- Smart metering and Internet technologies to provide real-time data on energy use for the purposes of lighting company uses effective bulbs/tubelights which save energy and are put to off mode when not in use.
- Computer systems are updated on continuous basis as they consume far less energy than an old desktop. Regular Meetings are held with the employees to educate them in saving the power.

We strive for that blend of high volume manufacturing and technical expertise while ensuring use of highly qualified and experienced personnel.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts toward technology absorption.	The Company has in-house manufacturing facility which results in technology absorption.
Benefits derived as result of the above efforts, e.g. product improvement, cost of reduction, product development, import substitution, etc.	As the trading volume has been steady company has been able to keep the benefits derived in previous years in continuation form.
In case of Importing (imported during the last five years reckoned from the beginning of the information) may be furnished: (a) Technology imported. (b) Year of import (c) Has technology been fully absorbed? (d) If not fully absorbed areas where this has not taken place, reason therefore and further plans of action.	The importing has been in check and the technology imported has always been fully absorbed.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has seen steady decrease in the imports of its repeaters and accessories and keeps a review of the demand and supply updated.

1) Total foreign exchange used:	Current Year
<b>a) Expenditure in Foreign Currency</b>	<b>(Rs in Lacs)</b>
- Travelling	4.85
- <b>CIF Value of Imports</b>	
- Raw Material	103.34
- Communication System & Accessories	10.35
<b>b) Income in Foreign Currency</b>	
- F.O.B. Value of Export Goods	282.62

## ANNEXURE-VI

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

**1. Ratio of remuneration of Director to the Median remuneration of all the employees of your Company for the Financial Year 2014-15 is as follows:**

Mr. Ajay Khanna – 2.85 times

**Notes:**

- The aforesaid details are calculated on the basis of remuneration for the financial year 2014-15.
  - The remuneration to Director includes sitting fees paid to him for the financial year 2014-15
  - Median remuneration of the Company for all its employees is Rs.4,19,868 for the financial year 2014-15.
2. Percentage increase in the median remuneration of all employees in the financial year 2014-15: Nil
3. **Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2014-15** – There has been no variance in the remuneration of any Director and CFO & Company Secretary.
4. **Number of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2015:** 104
5. **Explanation on the relationship between average increase in remuneration and Company performances:**  
The increase in remuneration is proportionate to the Company performances.
6. **Comparison of the remuneration of the key managerial personnel against the performance of your company:** As per the Company's policy of rewarding the employees, including Key Managerial Personnel, the increase in remuneration and variable pay is based on an individual performance rating and business unit performance and the bench mark study is also factored. Considering the performance of the KMPs in the year, they were appropriately compensated.

**Details of Share Price and Market Capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31st March 2015		As on 31st March 2014		Increase/ (decrease) (%)	
	BSE	NSE	BSE	NSE	BSE	NSE
Price Earnings Ratio	-	-	-	-	-	-
Market Capitalisation ( ' Cr)	30.88	32.34	26.71	26.82	15.61%	20.58%

**Comparison of share price at the time of first public offer and market price of the share of 31st March, 2015:**

Market Price as on 31st March, 2015	27.40
Price at the time of initial public offer in (converted to price of each share for face value of 1 each)	10
% increase of Market price over the price at the time of initial public offer	174%

**Comparison of average percentage increases in salary of employees other than the Key Managerial Personnel and the percentage increase in the Key Managerial Remuneration:**

The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the Company over a period of time. There is no exceptional increase in the Managerial Remuneration.

**Key parameters for the variable component of remuneration paid to the Directors:** The variable component depends on the performance parameters as approved by the Nomination and Remuneration Committee of the Board.

**The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – 0.259 times**

**AFFIRMATION:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business.

**INDUSTRY STRUCTURE & DEVELOPMENT**

- The year 2014-2015 witnessed smartphones be launched and exclusively sold on online market places and e-commerce sites in India was significant., 2016 will be crucial in defining the Indian telecom market.. Wide availability of 4G will lead to its wider adoption thereby increasing the 4G subscriber base. There will be an influx of 4G handsets at entry and mid-segments levels due to increased demand for 4G devices. Increase in 2G data tariffs to bridge the gap between prices thereby prompting subscribers to adopt 3G and 4G. Indian telecom market is competitive with 12 players and there is a need for consolidation in the industry so that the players can operate more efficiently and hence industry is already moving towards consolidation. Value added services have gone down considerably. Operators are not looking at VAS as source of additional revenue. Rather they have shifted focus on content like music and videos which will rather push their voice revenues. The key reason for this shift is due to the way the customers have started consuming data. CDMA voice subscribers have continued to decline over the year with a negative growth rate while they make a switch to GSM services.

**OPPORTUNITIES AND THREATS**

- Corroded cable lines, slow service and lackluster sales are three weaknesses that can hurt a telecommunications company. Company weaknesses are competitive deficiencies that place the company at a disadvantage in the marketplace. If corroded cable lines aren't replaced and slow service continues, for example, angry customers will switch to a rival telecommunications company that offers better services.
- New technologies, increasing consumer interest and a decrease in competition are just a few external opportunities that can really help a telecommunications company in the long run. Opportunities are beneficial, outside events that a company can use to boost its existing strengths. A telecommunication company keen on rapidly adopting new technologies, for example, would highly benefit from immediately investing in new fiber optics the moment they're introduced in the marketplace, especially if they speed up service.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

- Shyam being a local Company lends strength to the growing motto in the Country with 'Make in India' concept. There has been a paradigm shift in the conceptualization of manufacturing products.

## OUTLOOK

- Most of the new operators have issues with the Capex and they are looking for products which can meet their coverage requirements and satisfy customers.

## RISKS AND CONCERNS

- Shyam Telecom actively stimulates entrepreneurship throughout the organisation and encourages its people to identify and seize opportunities. The current economic environment, in combination with significant growth ambitions, carries with it an evolving set of risks. We recognize that these risks need to be managed to protect customers, employees, shareholders and other stakeholders, to achieve business objectives and enable sustainable growth. Risk and opportunity management is therefore a key element of the overall strategy. This section provides an overview of the key strategic risks, risk and control framework, and its approach to risk management.

For expansion and modernization, the company has so far managed to optimize its internal resources to maximum extent. However to cater needs of new buyers the company would be needing investment and various fund and non fund based facilities from banks and financial institutions which are generally hesitant to support trading activities.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. The Company has an Internal Audit team besides external firms acting as independent internal auditors that reviews internal controls and operating systems and procedures. A dedicated Secretarial & Legal team ensures that the Company conducts its businesses with high standards of legal and regulatory compliances.

The Company also has an Audit Committee, whose members interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

During the year, the Company continued to implement suggestions and recommendations of auditors to improve the control environment.

Financial performance of the Company is in line with the operational performance. The note on industrial relations has already been provided in the Director's Report.

The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The Board takes note of this periodically in their meeting.

On Behalf of the Board of Directors of  
**SHYAM TELECOM LIMITED**

Sd/-  
**AJAY KHANNA**  
Managing Director

Sd/-  
**N KUMBHAT**  
Director

## CORPORATE GOVERNANCE REPORT 2014-2015

### COMPANY'S PHILOSOPHY

### CORPORATE GOVERNANCE

Corporate Governance philosophy at STL is to comply with not only the statutory requirements, but also voluntarily formulate and adhere to a set of strong Corporate Governance practices. We believe that sound Corporate Governance is critical to enhance stakeholder's trust. The responsibility for putting the recommendations into practice lies directly with the Board of Directors and the Management of the Company. Our Corporate Governance is a reflection of the policies and culture of the Company. Your Company has followed the highest standards of Corporate Governance as an ethical requisite rather than a regulatory necessity.

The Company's goal is to find proactive and productive ways of keeping its stakeholders/investors informed, while fulfilling the role of a responsible corporate committed to best practices. A majority of the Board (five out of nine) are Independent Directors. The Board independence and the transparency has been part of Company's commitment towards transparency. The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the management policies and their effectiveness.

#### Corporate Governance Fact Sheet

Size of Board (members)	9
Number of Independent Directors	5
Board Performance Appraisal	Yes
Separate Chairman and CEO	Yes
Fully Independent Audit Committee	Yes
Nomination & Remuneration Committee	Yes
Number of Board Meetings held in FY 2014-15	4
Secretarial Audit	Yes
Code of Conduct for Directors & Senior Management	Yes

### ROLE OF THE COMPANY SECRETARY

The Company Secretary of the Company plays a vital role in ensuring that the Board and its committees follow the governance mechanism which is periodically reviewed. The Company Secretary ensures that the Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Company Secretary ensures that all relevant information, details and documents are readily available to the Board Members facilitating the proper and continuous flow of information among management and other structures in the organization.

The Board has access to all Company related information including that of our employee, quarterly results etc.

### I. RIGHTS OF SHAREHOLDERS

The Corporate Governance framework of the Company protects and facilitates the exercise of shareholders rights. The Company ensures equitable treatment of all shareholders, including minority and foreign shareholders. Corporate governance framework is cognizant of the economic peculiarities of the sector, promotes market integrity and growth, and underscores market transparency and efficiency and serves the public interest. Corporate governance practices are based on the rule of law.

#### Basic rights of the Shareholders of the Company include the following:

- 1) Freely convey or transfer shares subject to applicable law;
- 2) Obtain relevant and material information about the Company on a timely and regular basis, subject to any laws or principles of confidentiality;
- 3) Participate and vote in general meetings of shareholders;
- 4) Elect and remove members of the Board; and many others unstated rights which they have acquired through their association with the Company;



- 5) Right to participate in, and to be sufficiently informed on, decisions concerning fundamental/material corporate changes;
- 6) Amendments to the statutes and/or articles of incorporation or other governing documents of the Company;
- 7) To make their views known on the remuneration policy for Board members and key executives and the equity component of compensation schemes for Board members and employees and many others unstated rights which they have acquired through their association with the Company;

## **DISCLOSURE AND TRANSPARENCY**

Members of the Board and key executives are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company. All material information in relation to the company is to be disclosed subject to considerations of confidentiality.

### **Disclosure includes but is not limited to the following:**

1. The financial and operating results of the Company;
2. Company objectives;
3. Major share ownership and voting rights;
4. Remuneration policy for members of the Board and key executives;
5. Information about members of the Board and the KMP, including qualifications, shareholding in the Company, other Company directorships and whether they are regarded as independent by the Board;
6. Related party transactions;

The necessary approvals are sought from the appropriate authority and transactions are carried out as per the set rules as approved.

## **Responsibilities of the Board**

The Company is headed by an effective Board whose principal focus is on optimizing shareholder value. The Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the Company. The Board of Directors of the Company meet regularly else they act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the stakeholders. The Board decisions reflect that they treat all shareholders fairly. Board training and certification is always encouraged by the Company. The Board fulfills following key functions, including

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans;
2. Setting performance objectives; monitoring implementation and corporate performance; developing and approving management policies and overseeing major capital expenditures, acquisitions and divestitures;
3. Monitoring the effectiveness of the company's governance practices and making changes as needed;

## **RECONCILIATION OF SHARE CAPITAL AUDIT**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate in regard to the same is submitted to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and Board of Directors.

## **E-VOTING FACILITY TO MEMBERS**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). Pursuant to the amendments made in Clause 35B of the Listing Agreement by SEBI, the Company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

## II. BOARD OF DIRECTORS

### COMPOSITION OF BOARD OF DIRECTORS

The Board comprises of an Executive Director and eight Non Executive Directors of whom five are Independent Directors. The Chairman of the Board is a Non-Executive Director. In compliance with the Listing Agreement more than half of the Board comprises of Independent Directors. All the members of the Board are highly experienced professionals drawn from the field of business, finance and public enterprises. Necessary resolutions for the appointment/re-appointment of the aforesaid directors have been included in the notice convening the ensuing Annual General Meeting and details of the proposal for appointment/re-appointment are mentioned in the explanatory statement of the notice. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Name of the Director	Category	Designation	Number of Directorships held in other Companies	Number of memberships in Committees of the Board of Other Companies	Number of Chairmanship in Committees of the Board of Other Companies
Rajiv Mehrotra	Non—Executive	Director	4	-	-
Ajay Khanna	Promoter & Executive	Managing Director	3	2	-
Alok Tandon	Non—Executive	Director	3	4	-
Achintya Karati	Independent	Director	7	5	-
Vinod Juneja	Independent	Director	3	-	-
C.S. Malhotra	Independent	Director	-	-	-
Narendra Kumbhat	Independent	Director	4	2	-
Nishi Arora Sabharwal	Independent	Director	2	-	-
Arun Khanna	Non Executive	Director	2	2	2

#### NOTES:

1. Number of other Directorships and Committee memberships indicated above is exclusive of Private Limited Companies, Foreign Companies and Companies incorporated under Section 25 of the Companies Act, 1956 or the corresponding Section 8 of the Companies Act, 2013 and only two committees viz., Audit Committee and Stakeholders Relationship Committee are considered.
2. None of the Directors is a member of more than ten committees or acts as a Chairman of more than five committees across all Companies in which he is a Director.
3. Mr. Ajay Khanna & Mr. Arun Khanna are related to each others as brothers.
4. Shareholding of Directors (including Non-Executive Directors) for the period ending as on 31<sup>st</sup> March, 2015 is as follows:

Name of the Director	No. of Shares held as on 31 <sup>st</sup> March, 2015
Rajiv Mehrotra	52605
Ajay Khanna	4553
Alok Tandon	17570
Achintya Karati	Nil
Vinod Juneja	402
C.S. Malhotra	Nil
Narendra Kumbhat	Nil
Arun Khanna	490
Nishi Sabharwal	35

## NON- EXECUTIVE DIRECTORS - COMPENSATION AND DISCLOSURES

Non Executive Directors are entitled to sitting fees only for attending the Board and Committees Meetings. The Company does not pay any other remuneration to them besides sitting fees. Appropriate records are maintained in respect of the payment made to them.

## BOARD MEETINGS

During the financial year 2014-2015, the Board met four times on the following dates in compliance with section 173 of the Companies Act, 2013 and Clause 49 of the Listing Agreement:

1. 30<sup>th</sup> May, 2014
2. 11<sup>th</sup> August, 2014
3. 8<sup>th</sup> November, 2014
4. 9<sup>th</sup> February, 2015

Pursuant to the Listing Agreement and Companies Act, 2013 and the rules made thereunder, the Independent Directors shall hold atleast one meeting in a year. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the chairman of the Board, assessing the flow of information between the Management and the Board that is necessary for discharge of duties effectively.

The Company Secretary while preparing the agenda, minutes of the meeting(s) ensures adherence to the Companies Act, 2013 read with rules thereunder, as applicable and the Secretarial Standards issued by the Institute of Company Secretaries of India.

**Meeting of Independent Director** - The Independent Directors of the Company met on 9<sup>th</sup> February, 2015 without the presence of any other Company personnel. The Company's Independent Directors meet at least once every calendar year informally to discuss matters pertaining to the functioning of the Company their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the company, etc. The Directors also reviewed performance of Non-Independent Directors and the Board as a whole including performance of the Chairperson. The views of Independent Directors were then reported to the Chairman of the Company.

## DECLARATION OF INDEPENDENCE

Companies Act 2013 and the rules thereunder and Clause 49 of the Listing Agreement prescribes an 'independent director' as a person who is not a promoter or employee or any of the key managerial personnel of the Company or its subsidiaries not having any material pecuniary relationship or transactions with the Company or its subsidiaries apart from receiving remuneration only by way of sitting fees for participation in the Board.

The Company has recorded the Declaration from each

independent director in its meeting of Board, a copy of which is available on the website of the company.

In accordance with Clause 49 of the Listing Agreement, the requisite information was placed before the Board and was also made a part of the minutes of the meeting of the Board held on 09.02.2015.

## Attendance of each Director at Board Meetings and Last Annual General Meeting

Name of the Director	Number of Board Meetings Attended	Presence at the 21 <sup>st</sup> Annual General Meeting held on 30 <sup>th</sup> September, 2014 at Jaipur, Rajasthan.
Rajiv Mehrotra	4	NO
Ajay Khanna	4	YES
Alok Tandon	2	YES
Achintya Karati	4	NO
Vinod Juneja	2	NO
Praveen kumar Bhatia	1	NO*
C.S. Malhotra	3	YES
Narendra Kumbhat	4	YES
Arun Khanna	4	YES
Nishi Sabharwal	2	NO**

\* (Not Required as he had resigned before AGM)

\*\* (Not Required as she was proposed to be appointed during AGM)

## BOARD PROCESS

It has been endeavor of the Management that all the important decisions pertaining to business are done with prior the approval of the Board. Where the transaction is to be in limited time frame post facto approval is duly taken from the Board within the stipulated time. It's a procedure to formulate decisions through the approval of the Board.

Approvals are drawn for quarterly results, all financial matters including purchases and other state of Art facilities, capital expenditure proposals, collaborations, practically all application of funds and income are completely monitored by the Board of Directors.

The Company Secretary provides the agenda of each meeting to the Board Members, Independent Auditors and other concerned personnel in advance of the meetings to ensure proper dialogue in the meetings.

The agenda items/matters inter alia include the following:

- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plans
- Company's Financial results, Financial statements, Auditors Report and Board's Report
- Appointment/Re-appointment of Secretarial, Internal and Cost Auditors.

- Annual audit reports submitted by the Secretarial Auditors and Cost Auditors
- Quarterly/Half yearly/Annually results of the Company
- Details of foreign exchange exposures and steps taken by the management to limit the risks.
- Significant transactions and related party transactions.

During the period under review, none of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.33 of Standalone Financial Statements, forming part of the Annual Report. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://www.shyamtelecom.com/about/investor-relations/>.

## MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There has been one materially significant related party transaction with Sistema Shyam Teleservices Limited.

## CODE OF CONDUCT

Pursuant to the Clause 49 of the Listing Agreement, all the Board Members and Senior Management Executive of the Company have confirmed compliance with the Code of Conduct for period ended 31<sup>st</sup>, March, 2015. The CEO of the Company affirms the compliance of the Code of Conduct of the Company.

## ANNUAL DECLARATION BY CEO ON ADHERENCE TO THE STL CODE OF CONDUCT

It is hereby affirmed that the Company has adopted a comprehensive Code of Conduct (Code) for its Board Members and senior Management Executives and the code is available on the Company's website

Sd/-  
**B.S.YADAV**  
Chief Executive Officer

## TO WHOMSOEVER IT MAY CONCERN

It is hereby affirmed that there has been due compliance of SEBI (Prohibition of Insider Trading) Amendment Regulation 1992 by all the Directors of the Board and Senior Management Executives for the period commencing 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

Sd/-  
**B.S.YADAV**  
Chief Executive Officer

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All Directors and the designated employees have confirmed compliance with the Code.

## III. COMMITTEES OF THE BOARD

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement. The minutes of Committee meetings are tabled at the Board meetings and the Chairperson of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013.

In compliance with clause 49 of the Listing Agreement, the Board has constituted the following committees:

- Audit Committees
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

## A. AUDIT COMMITTEE

### Composition of Committee

The Committee comprises of five Non Executive Directors of whom four are Independent Directors. The Chairman of the Committee is an Independent Director. Mr. Dharmender Dhingra, Vice President (Legal) & Company Secretary, acts as the secretary of the Committee. All the members are well versed with Accounting and Financial Knowledge

Name of the Member	Category	Designation
Achintya Karati	Independent Director	Chairman
Vinod Juneja	Independent Director	Member
C. S. Malhotra	Independent Director	Member
Narendra Kumbhat	Independent Director	Member
Arun Khanna	Non Executive Director	Member

### Audit Committee Meetings

During the financial year 2014-2015, the Committee met four times on the following dates:

1. 30<sup>th</sup> May, 2014
2. 11<sup>th</sup> August, 2014
3. 8<sup>th</sup> November, 2014
4. 9<sup>th</sup> February, 2015

### Attendance of each member at the Audit Committee Meeting held during the year 2014-2015

Name of the Member	Number of Meetings Attended
Achintya Karati	4
Vinod Juneja	2
C. S. Malhotra	3
Narendra Kumbhat	4
Arun Khanna	4
P.K. Bhatia	1

The Chairman of Audit Committee Mr. Achintya Karati did not attend the last Annual General Meeting. However, Mr. C.S. Malhotra member of the Audit Committee as authorized by the Board attended the last AGM being nominated as Chairman of Audit Committee to answer the queries of Shareholders.

### ROLE AND POWERS OF THE AUDIT COMMITTEE

The role and powers of the Audit Committee are as per provisions of Section 177 of the Companies Act, 2013 and guidelines set out in the listing Agreement.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall play the following role:

- Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Auditors of the company and the fixation of audit fees and tenure of appointment.
- Examining the annual financial statements and Auditors

report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Qualifications in the draft audit report.
  - g. Disclosure of any Related Party Transactions.
- Approval or any subsequent modified of transactions of the company with related parties.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - Reviewing and monitoring with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - Review and monitor the Auditor's independence and performance, and effectiveness of Audit process
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors regarding any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Scrutiny of inter-corporate loans and investments,
- Valuation of undertakings or assets of the Company, wherever it is necessary,
- Valuation of internal financial controls and risk management systems
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### BRIEF DESCRIPTION OF THE TERMS OF REFERENCE-

- Ensuring compliance with accounting standards. Scrutiny of inter-corporate loans and investments,
- Valuation of undertakings or assets of the Company, wherever it is necessary,
- Valuation of internal financial controls and risk management systems
- The integrity of the Company's statements;
- The Company's compliance with legal and statutory requirements;
- The Independent Auditor's qualifications and independence;
- The performance of the Company's Internal Audit function and Independent Auditors and
- The appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

#### REVIEW OF INFORMATION BY AUDIT COMMITTEE

The "Audit Committee" shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit & Finance Committee) submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and

- e) The appointment, removal and terms of remuneration of the Chief Internal auditor/Internal Auditor shall be subject to review by the Audit & Finance Committee.

#### (B) STAKEHOLDER RELATIONSHIP COMMITTEE

##### Composition of Committee

The Company has constituted Stakeholder's Relationship Committee as per the requirement of Clause 49 of the listing agreement. The Committee has two members i.e. Mr. Arun Khanna, Non Executive Director is the Chairman of the committee, Mr. Narendra Kumbhat, member of the committee and Mr. Dharmender Dhingra, Vice President (Legal) & Company Secretary Acts as the compliance officer of the committee:

Name of Member	Category	Designation
Arun Khanna	Non Executive Director	Chairman
Narendra Kumbhat	Independent Director	Member
Dharmender Dhingra	Vice President (Legal) & Company Secretary	Compliance Officer

The Stakeholder's Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

During the financial year 2014-2015, the committee met five times.

#### BRIEF DESCRIPTION OF TERMS OF REFERENCE

The committee looks after the following matters:

- To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.
- To look into and redress the Shareholders / investors grievances relating to:
  - Transfer of shares;
  - Non-receipt of dividends;
  - Non-receipt of annual reports;
  - Any other complaint concerning the Shareholders / investors; and
  - Oversee the performance of the Registrars and Share Transfer Agents of the Company.
- Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the committee;



## DETAILS OF QUERIES/ COMPLAINTS RECEIVED AND SOLVED DURING THE FINANCIAL YEAR 2014-2015

Nature of Queries/Complaints	Received (Nos)	Solved (Nos)	Pending (Nos)
Non-receipt of Share Certificates	Nil	Nil	Nil
Number of request for change of address	Nil	Nil	Nil
Number of request for Transfer			
Issue of Duplicate Share Certificates	Nil	Nil	Nil
Non-receipt of Dividend Warrants	Nil	Nil	Nil
Revalidation of Dividend Warrants	Nil	Nil	Nil
Non-receipt of Annual Report	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

All complaints, suggestions and grievances are addressed expeditiously and sent/ issues resolved as a rule within 15 days.

The Company has complied with submissions of its response to the queries/ clarification sought by the Stock Exchanges on various market related information like for updating their records, etc. from time to time. These responses have not been included in the above list.

Registrar and Transfer agent does share Transfer Works and as on 31<sup>st</sup> March, 2015, no complaints were pending.

## (C) NOMINATION AND REMUNERATION COMMITTEE

### Composition of Committee

The committee comprises of three Independent Directors, the details are as follows:

Name of Member	Category	Designation
Achintya Karati	Independent Director	Chairman
C.S. Malhotra	Independent Director	Member
N. Kumbhat	Independent Director	Member

The Nomination and Remuneration Committee is primarily responsible to review all matters connected with the Remuneration. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Nomination and Remuneration policy formulated by the Committee provides level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees which shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the Company. The remuneration also involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Committee also reviewed the performance of the Board on the basis of criteria as provided in the performance evaluation policy.

There was one meeting held during the year on 09.02.2015

## TERMS OF REFERENCE

The Committee looks after the following matters:

- Identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Directors' performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
- Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel.
- Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
- Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- Consider other matters, as from time to time be referred to it by the Board

## DETAILS OF REMUNERATION TO ALL DIRECTORS

### Remuneration to Executive/ Non-Executive Directors

As per Section 197 of the Companies Act, 2013 if in any financial year, a Company has no profits, the Company shall not pay its Directors, including any Managing or Whole-Time Director or Manager, by way of remuneration any sum except in compliance of schedule V of Companies Act, 2013. The Company is paying the remuneration in compliance of the schedule V of Companies Act, 2013.

The remuneration to following Directors is as per the details set out below:

Name of Director	Designation	Salary (Rs. In Lacs)	Other perquisites (Rs. In Lacs)*	Total (Rs. In Lacs)
Mr. Ajay Khanna	Managing Director	12.00	1.15	13.15
Mr. Alok Tandon**	Non-Executive Director	01.00	00.10	1.10

(\* all benefits as per Company rules)

(\*\* Mr. Alok Tandon took salary for one month only as Managing Director; he was re-designated as Non-Executive Director w.e.f. 1<sup>st</sup> May 2014.)

### Details of remuneration to Non- Executive Directors

Non Executive Directors are entitled to sitting fees only for attending the Board and Committees Meeting. The Company



does not pay any other remuneration to them besides sitting fees. Appropriate records are maintained in respect of the payment made to them.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters are provided in the Nomination Remuneration Policy

Sitting fee paid to Independent Directors:

S. No.	Name of Director	Designation	Amount (Rs. In Lacs)
1.	Mr. Achintya Karati	Independent Director	0.3
2.	Mr. Praveen Kumar Bhatia	Independent Director	0.07
3.	Mr. N. Kumbhat	Independent Director	0.3
4.	Mr. C.S. Malhotra	Independent Director	0.23
5.	Mr. Vinod Juneja	Independent Director	0.14
6.	Mrs. Nishi Sabharwal	Independent Director	0.12
		<b>Total</b>	<b>1.16</b>

All the pecuniary relationship or transaction of the Non Executive Directors vis-a-vis the Company, if any, have been disclosed in the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2015. The copy of such disclosure is also forms part of this report.

#### (D) RISK MANAGEMENT COMMITTEE

##### Composition of Committee

Name of Member	Category	Designation
N. Kumbhat	Independent Director	Chairman
C.S. Malhotra	Independent Director	Member

The Company has adopted the procedures for mitigating Risk in its Risk Management policy concerning the development and implementation of Risk Management after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

The Committee is charged with the responsibility to ensure that all current and future material risk exposure of company are identified and mitigated through the Risk Management Policy.

There was no meeting held during the year 2014- 2015.

#### (E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has always been a Good Corporate Citizen and has always supported noble causes to help the people of the Country and its neighbours. We have philanthropy activities running through tie ups with NGO have contributed

during the time of National Disasters. We have constituted a "Corporate Social Responsibility Committee" (CSR) of the Board.

##### Composition of Committee

The committee comprises of three Independent Directors, the details are as follows:

Name of Member	Category	Designation
Achintya Karati	Independent Director	Chairman
C.S. Malhotra	Independent Director	Member
N. Kumbhat	Independent Director	Member

##### Power and Functions:

- To formulate and update the vision, strategy and execution of Corporate Social Responsibility (CSR) programs for the Company
- To oversee the Company's integrated CSR program.
- To ensure that the CSR program is integrated and applied consistently throughout the organization
- To identify and recommend program enhancements that will increase effectiveness and overall improvement in company performance and image.
- To apprise the Board/Chairman regularly of the accomplishments and issues/concerns related to the integrated CSR program.
- To undertake special projects or activities which the Board/Chairman or the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board or the President

There was no separate meeting held during the year 2014- 2015.

#### (IV) GENERAL BODY MEETINGS

##### Details of last three Annual General Meetings

AGM	Year	Day & Date	Time	Venue
21 <sup>st</sup> Annual General Meeting	2014	Tuesday, 30 <sup>th</sup> September, 2014	11.00 A.M.	Hotel Hilton, Plot No. 42 Geejgarh House, Hawa Sadak Road, Jaipur-302001
20 <sup>th</sup> Annual General Meeting	2013	Monday, 23 <sup>rd</sup> September, 2013	11.00 A.M.	Fortune Select Metropolitan, Near Nehru Sahkar Bhawan, C-Scheme, Bais Godam Circle, Jaipur-302001 (Rajasthan)
19 <sup>th</sup> Annual General Meeting	2012	Friday, 28 <sup>th</sup> September, 2012	11.30 A.M.	Fortune Select Metropolitan, Near Nehru Sahkar Bhawan, C-Scheme, Bais Godam Circle, Jaipur-302001 (Rajasthan)

##### Special Resolution passed in previous three Annual General Meetings

There were two special resolutions passed in the Annual General Meeting held on 30.09.2014:

- Adoption of new Article of Associations of the Company in conformity with Companies Act, 2013

- Authorization to the Board to Mortgage/Creation of charge on properties of the Company for securing loan and financial assistance.

There was no Special Resolution passed in the Nineteenth & Twentieth Annual General Meetings.

#### POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 2014-2015.

#### (V) SUBSIDIARY COMPANY

- The Company has one subsidiary namely Shyam Telecom Inc. USA.
- The Audit Committee of the Company reviews the financial statements of the subsidiary company.
- The Minutes of the Board Meeting of subsidiary company are placed before the Audit Committee and Board of the Company and reviewed in detail.

#### (VI) DISCLOSURES

- Disclosure of statement in the summary form of transactions which are not in the normal course of business and which are materially significant related party transaction with its Promoters, Directors or the management, their subsidiaries or relatives that may have conflicts with the interest if the Company at large.
- All the disclosure in the related party transactions are made in other Notes to the Accounts No. 33 to the Balance Sheet. However the required resolution will be passed in the ensuing Annual General Meeting.
- Disclosure of Accounting Treatment: All the financial statements made are as per the Accounting Standards, given by the Institute of Chartered Accountants of India (ICAI). The financial statements present true and fair view of underlying business transactions.
- Board Disclosure- Risk Management: The Company has laid down the various procedures to inform Board members about the risk involved in the business, its assessment and its minimization.
- Proceeds from public issue, right issue, preferential issue etc. No proceeds has been made through public, right or preferential issue.
- Details of non- compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital market, during the last three years
- The Company has complied with the requirement of regulatory authorities of capital markets and no penalties/ strictures have been imposed against it in the last three years.
- Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

- The Company has effective Whistle Blower Policy mechanism in place and during the year no personnel has been denied access to the Audit Committee.
- Details of compliance with mandatory requirement and adoption of the non- mandatory requirement of Clause 49 of the Listing Agreement.

The company has complied with all the mandatory requirements of this clause & the non- mandatory requirement were followed to the extent possible.

#### (VII) MEANS OF COMMUNICATION

##### Quarterly Results

Quarterly Results along with the notes are normally published in one English newspaper (Business Standard) and one vernacular language newspaper (Jalte Deep) and also informed to all Stock Exchanges where the shares of the Company are listed.

##### WEB-SITE/ INVESTORS GRIEVANCE ID

The results and official news are displaced on the company's website viz. [www.shyamtelecom.com](http://www.shyamtelecom.com). Further the Investor Grievance ID as per Listing Agreement for investor's queries has been generated on the company's website which is [investors@shyamtelecom.com](mailto:investors@shyamtelecom.com). The Annual Report is also posted on the website.

The weblink of the policies is as such:

<http://www.shyamtelecom.com/about/investor-relations/>

Following policies have been posted on the website:

- Code of Ethics
- Code of Conduct- Insider Trading
- Familiarization Programme Module
- Nomination Remuneration Policy
- Performance Evaluation Policy
- Related Party Transaction Policy
- Risk Management Policy
- Sexual Harassment Policy

**CHAIRMAN'S COMMUNIQUE:** The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meetings. The document is also placed on the Company's website.

**PERIODICAL FILINGS:** The Company uses 3 mechanisms for periodical filings. Corporate Filing and Dissemination System (CFDS) This portal is jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by Listed Companies. NSE Electronic Application Processing System (NEAPS) is a web based application designed by NSE for Corporates. BSE Corporate Compliance & Listing Centre (the Listing Centre) is also web based application designed for corporate.

**FINANCIAL YEAR:** First of April to Thirty First of March.

**SEBI Complaints Redress System (SCORES):** It is a centralized web – based complaints redress system processed

for investors complaints. The salient features of this system are:  
Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the Company.

## (VIII) GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

AGM	Year	Day & Date	Time	Venue
22 <sup>nd</sup> Annual General Meeting	2015	Tuesday, 29 <sup>th</sup> September, 2015	11.30 A.M.	Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006 (Rajasthan)

### FINANCIAL CALENDER

The Company follows financial year from 1<sup>st</sup> April to 31<sup>st</sup> March each year

Particulars	Event Date
First Quarter Results	11 <sup>th</sup> August, 2014
Second Quarter Results	8 <sup>th</sup> November, 2014
Third Quarter Results	9 <sup>th</sup> February, 2015
Fourth Quarter Results	30 <sup>th</sup> May, 2015
Audited Annual Results	30 <sup>th</sup> May, 2015
Consolidated Annual Results	30 <sup>th</sup> May, 2015

### Date of Book Closure

The Books shall be closed from 25.09.2015 to 29.09.2015 (both days inclusive)

### Dividend Payment Date

The Company has not declared dividends for the financial year ending 31<sup>st</sup> March, 2015.

### Listing on Stock Exchanges

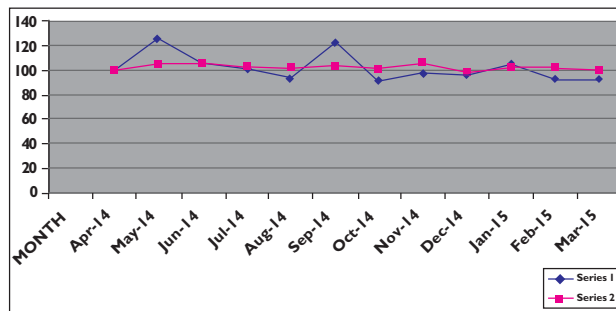
The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name & Address of the Stock Exchanges	Stock Code/ Scrip Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	517411
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	SHYAMTEL
ISIN Number (Dematerialized share)	INE635A01023

### Market Price Data

High, Low for each month during the financial year 2014-2015 signifying the performance of the Company's equity shares is given in the chart below:

BSE			NSE		
Month	High	Low	Month	High	Low
Apr 14	27.20	23.00	Apr 14	27.9	25.25
May 14	38.70	24.05	May 14	33	31.05
June 14	36.10	30.00	June 14	32.65	32.65
July 14	35.70	28.90	July 14	31.5	30.5
Aug 14	34.25	28.05	Aug 14	30.4	28.75
Sept 14	48.05	28.00	Sept 14	35	33
Oct 14	37.50	31.25	Oct 14	35.4	32.6
Nov 14	37.00	30.30	Nov 14	32.55	31.05
Dec 14	36.75	28.00	Dec 14	30.5	30
Jan 15	38.25	29.55	Jan 15	31.9	30.1
Feb 15	33.90	28.65	Feb 15	30.35	28.65
Mar 15	33.00	25.00	Mar 15	29.9	26.25



### Registrar and Transfer Agents

Share transfer work in physical as well as Demat mode is done by the company's Registrar and Transfer Agent:

Indus Portfolio Private Limited

G-65, Bali Nagar, New Delhi- 110015.

Email: [rnt@indusinvest.com](mailto:rnt@indusinvest.com)/[bharat.b@indusinvest.com](mailto:bharat.b@indusinvest.com)

Web: [www.indusinvest.com](http://www.indusinvest.com)

### Share Transfer System

Physical share transfer are registered and returned within a period of 15 days of receipt, if the documents are correct and valid in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

### Distribution of Shareholding:

Distribution of shareholding as on 31<sup>st</sup> March, 2015 is as follows:

Number of shares	No. of shareholders	% of Total shareholders	No. of Shares held	% of Total Equity
Upto 100	9712	73.60	397555	3.53
101-500	2656	20.13	653714	5.80
501-1000	419	3.18	334357	2.97
1001-5000	312	2.36	662382	5.88
5001-10000	45	0.34	333504	2.96
10001-20000	31	0.23	458611	4.07
20001-30000	3	0.02	67636	0.60
30001-40000	2	0.01	30500	0.27
40001-50000	4	0.03	184472	1.64
50001-100000	3	0.02	235770	2.09
1000001-500000	3	0.02	760766	6.75
500001 and above	7	0.05	7150733	63.45
<b>Total</b>	<b>13196</b>	<b>100.00</b>	<b>11270000</b>	<b>100.00</b>

### CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2015

Shareholder's Category	Percentage of Holding
Promoters', Relatives and Associates	0.678
Bodies Corporate (Domestic)	66.011
Banks & Financial Institutions	0.003
Mutual Funds	0.001
Foreign Institutional Investors	0.000
Non-Resident Indians & Overseas Corporate Bodies	9.277
Resident Individuals	23.657
Any Other (Clearing Houses, Clearing Members, Trust, unclaimed)	0.373
<b>Total</b>	<b>100.000</b>

## SHAREHOLDING WITH MORE THAN ONE PERCENT HOLDING AS ON 31ST MARCH, 2015

Shareholder's Category	Shares	Percentage
Intell InvoFin India Private Limited	1697807	15.06
Mehrotra InvoFin India Private Limited	1560877	13.85
Cellcap InvoFin India Private Limited	818081	7.26
A T InvoFin India Private Limited	809890	7.19
Teletec Finsec India Private Limited	803913	7.13
Cellphone Credit & Securities India Private Limited	760165	6.75
Shyam Antenna Electronic Limited	700000	6.21
Renu Ashok Bablani	444796	3.95
Rakesh Kanwar	185500	1.65
Sandeep Sharma	151854	1.35

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Securities and Exchange Board of India (SEBI) mandated compulsory trading in shares of the company by all investors in electronic form. As on 31st March 2015, 11239414 shares of the Company held by shareholders are in dematerialized form, aggregating to 99.73 % of the equity share capital. With this the problem associated with the physical delivery will now be reduced to a large extent

## OUTSTANDING ADRs/GDRs/ WARRENTS/ ANY CONVERTIBLE INSTRUMENTS WHICH HAVE LIKELY IMPACT ON EQUITY

The Company has no outstanding ADRs/ GDRs/ WARRANTS/ any convertible instruments which have likely impact on its equity.

## INVESTOR QUERY/ ADDRESS FOR CORRESPONDENCE

The Company Secretary  
Shyam Telecom Limited,  
A-60, Naraina Industrial Area,  
Phase-I, New Delhi-110028 INDIA  
Telephone No: +91 11 4141 1070-72  
Fax No: +91 11 2579 2194

## BRIEF RESUME OF THE DIRECTOR PROPOSED TO BE RE-APPOINTED:

● MR.ARUN KHANNA	
Date of Birth	10 <sup>th</sup> May, 1951
Date of Appointment	29 <sup>th</sup> May, 1998
Qualification	B.Com, LL.B

Mr Arun Khanna, Non Executive Director, was inducted on the Board in 1998 as Director. He is associated with various reputed institutions like Confederation of India Industries, Indian Institute of Bankers, Indian Institute of Material Management and Electronics & Computer Software Export Promotion

Council. He has been the President of Telecom Manufacturers Association (TEMA). He is responsible for overall operations of the Company including project implementation, cash flow management, liaison with DoT, Defence, Railways, Government departments and various public and private sector organizations. He actively participates in the activities of various associations, institutions, banks, and councils of which he is a member.

S. No.	Name of the Company	Position
1.	RMS Automation Systems Limited	Chairman & Managing Director
2.	AK Skill Developers Limited	Director

## COMMITTEE CHAIRMANSHIP/MEMBERSHIP IN OTHER COMPANIES

S.No.	Name of the Company	Committee - Position
1.	RMS Automation Systems Limited	Audit Committee - Chairman
		Stakeholders' Relationship Committees - Chairman

## (IX) CEO & CFO CERTIFICATION

### CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) ON THE FINANCIAL OFFICER OF THE COMPANY

We, B.S. Yadav, C.E.O. & Mr. Gursharan singh , C.F.O. of the Company, hereby certify and affirm that as on & upto the date of this certificate, there has been due compliance of Accounting Standards and other related functions as laid down by the Company, under Clause 49 IX of the Listing Agreement, honest and ethically.

We heading & discharging the finance function hereby certify to the Board that:

- (a) We have reviewed financial statement and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (iii) There are, to the best of our knowledge and belief, no transactions entered into by

the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which were aware and the steps we have taken or proposes to take to rectify these deficiencies.
- (b) We have indicated to the Auditors and the Audit committee:
  - (i) Significant change in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

This certificate is given by the undersigned & full reliance can be placed for what has been stated above.

**GURSHARAN SINGH**

(CFO)

SHYAM TELECOM LIMITED

**B.S.YADAV**

(CEO)

SHYAM TELECOM LIMITED

## COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

Clause 49 of the Listing Agreement directs obtaining a certificate from either the auditors or practicing company secretary regarding the compliance to conditions of corporate governance as stipulated in the Clause, and append the certificate with the

Board's Report which is sent annually to all our shareholders. In compliance of the same we have obtained a certificate to this effect, which is provided as an Annexure to the Board's Report. The clause further states that non-mandatory requirements may be implemented as per our discretion. The Company has adopted the mandatory requirements in addition to adopting the non-mandatory requirements which are disclosed under various section of this Annual Report.

Following is the status of the compliance with the non-mandatory requirements:

### 1. The Board:

The Non – Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company.

### 2. Audit qualifications:

During the year under review, there was no audit qualification on the Company's financial statements.

### 3. Separate posts of Chairman and CEO:

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.

### 4. Reporting of Internal Auditor:

The Internal Auditor of the Company, Padam Dinesh & Co., directly reports to the Audit Committee

## ACKNOWLEDGEMENT

The Board wishes to place on records its-sincere appreciation for the continued assistance and support extended to the Company by its Bankers, Vendors, Government Authorities and Employees.

Your directors acknowledge with gratitude the encouragement and support extended by our valued Shareholders.

On Behalf of the Board of Directors of  
**SHYAM TELECOM LIMITED**

Sd/-

**Ajay Khanna**

Managing Director

DIN:00027549

Sd/-

**N. Kumbhat**

Director

DIN:00035665

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by **Shyam Telecom Limited** for the year ended as on 31st March 2015 as stipulated in clause 49 of the Listing Agreement of the stock exchange(s)

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No: 000517N**

**PLACE :** NEW DELHI  
**DATE :** 30th May, 2015

**Sd/-**  
**R.K. MEHRA**  
**(PARTNER)**  
**M. No. 06102**





*Padam Dinesh & Co.*  
Chartered Accountants

11/6-B, IInd Floor, Shanti Chambers,  
Pusa Road, New Delhi - 110 005

Dated: 18.05.2015

No'1560/2014-15  
The Board of Directors  
Shyam Telecom Ltd  
A -60 Naraina Industrial Area, Phase - 1  
New Delhi – 110028

Dear Sirs,

**Subject: Internal Auditor's Report for the year ended on 31<sup>st</sup> March, 2015**

1. We have carried out internal audit of the company for the quarter ended mentioned in the subject. Internal audit has been done in terms of our appointment made by the Board of Directors of the company.
2. We have audited the systems, processes and internal controls of the company wrt various line items of its financial statements. The operation of these systems, processes and controls are the responsibility of the company's management. Our responsibility is to express an opinion on the weaknesses in internal controls, risk management and governance framework, highlighting any exceptions and cases of non compliance, and suggest improvements in the design and operation of controls based on our internal audit.
3. Internal audit was conducted in accordance with generally accepted audit procedures as applicable in India. It was planned and performed to obtain reasonable assurance whether the systems, procedures and controls operate efficiently and effectively and financial information is free of material misstatement.
4. Internal audit includes a) examining on test basis, evidences to support the amounts and disclosures in financial statements; b) assessing the strength, design and operating effectiveness of internal controls at process level and identifying areas of control weakness, and vulnerability in the system and procedures adopted by the entity; c) assessing the accounting principles and estimates used in the preparation of the financial statements; and d) evaluating the overall entity-wide risk management and governance framework.
5. We have applied sampling method to test the controls and details. The depth and sample size is ascertained based on risk assessment using our professional judgment. The method of sample selection is based on systematic selection. We have also applied risk assessment procedures and analytical Procedures at the planning and overall review stages of internal audit.



6. Risk assessment procedures are performed to obtain an understanding of the entity and its environment including its internal control, to identify and assess the risk of material misstatement. Analytical procedures are the analysis of significant ratios and trends including the resulting investigation of fluctuations, and relationships in both the financial and non financial data. The choice of procedures, methods and level of application is a matter of internal auditor's professional judgment which do not include complex analyses using advanced statistical techniques.
7. **Significant observations and findings during the period**
  - i) *"The company has recently vacated its manufacturing premises at Udoyg Vihar, Gurgaon. It has however resolved to outsource the same operations to outside agencies"*
  - ii) *High risk or critical observations, with management comments.* **-NIL-**
8. The internal auditor's report is intended for use by the Board of Directors including the audit committee of the Board and may also be required and referred by the statutory auditors of the company. This report is not intended to be used for any other purpose or distributed to any other parties.

For Padam Dinesh & Co  
Chartered Accountants

Sd/-  
CA Rakesh Aggarwal  
Partner  
M'No. -084226

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHYAM TELECOM LIMITED

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 and 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.

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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### EMPHASIS OF MATTER

We draw attention to the following matter, which describe the uncertainty to the matters mentioned:

1. The Department of Telecommunications, Ministry of Communication, Government of India, had invited the tenders from the Indian Companies to provide basic telephony services. The Company Shyam Telelink Networks Ltd. (India) (STNL) along with ARM Ltd. and other parties entered into an MOU to jointly participate in the tenders through STNL. The parties entered into an agreement from which ARM Ltd. withdrew and the parties agreed for buying the shares of ARM Ltd. for a consideration of Rs 10 Crores. The same was

partly effected but STNL did not pay the balance amount alleging fraud by ARM Ltd. The matter which was under arbitration by a sole arbitrator who was replaced by the Hon'ble Supreme Court of India (which was approached by the Company by way of an SLP), which vide its order dated 29th Aug, 2012 appointed a different Sole arbitrator.

The arbitrator vide his order dated 24<sup>th</sup> Jan, 2014 has directed the company to pay ARM Ltd. Rs 11.50 Crores along with interest of Rs 14.12 Crores totaling Rs. 25.62 Crores on account of payout. The interest shall be payable upto the date of payment. In addition to the above he has further awarded USD 5,00,000 at the conversion rate prevailing on 24<sup>th</sup> Jan, 2014 plus interest @ 9% p.a. from the date of award till the date of payment and Rs 20 Lakhs payable to ARM Ltd as arbitration Cost.

The company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 against the said order before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court has issued notice in the said application (which has the effect of stay on the award), and the matter is presently sub-judice before the Hon'ble Delhi High Court. As per the legal opinion produced to us by the Company, the company expects to win the case and hence no provision for the liability has been considered in the accounts. The outstanding amount has been included under Contingent Liabilities.

Our opinion is not qualified in respect of this matter.

#### **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 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 it 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 the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. Refer Note 20 to the financial statements..
    - iii. There were no amount which were required to be transferred to Investor Education and Protection Fund by the Company.

For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000517N

**PLACE:** NEW DELHI  
**DATED:** May 30, 2015

**R.K.MEHRA**  
PARTNER  
M.No. 6102

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets covering significant value have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification
- ii. a. The inventory of the Company in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on March 31, 2015, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
- b. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has generally maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to information and explanation given to us, the Company has not accepted any deposits as per the provision of the Act.
- vi. As per information and explanations given to us, the company is not required to maintain cost records as prescribed under companies act 2013 Accordingly the provisions of the clause vi of the order are not applicable to the company.
- vii. a. According to records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period more than six months from the date of becoming payable.
- b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Cess, Sales Tax, Service Tax, Value Added Tax and Wealth Tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the Dues	Period to which the amount pertains	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Assessment Year 2011-2012	74.41	CIT (Appeals)
Income Tax Act, 1961	Income Tax	Assessment Year 2012-2013	84.08	CIT (Appeals)
The Central Excise Act, 1944	Excise Duty	FY 2009-10 to FY 2011-12	80.87	Commissioner (Appeal), Gurgaon

- c. There is no amount which required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956).
- viii. The Company does not have accumulated losses at the end of the current financial year and but company has incurred cash losses during the year.
- ix. The Company has not issued any debentures and has not borrowed any fund from financial institutions. The company has not defaulted in repayment of dues to the bank.
- x. The company has not given any guarantee during the year.
- xi. The company has not availed any term loan during the year.
- xii. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No: 000517N

**R.K.MEHRA**  
 PARTNER  
 M.No. 6102

**PLACE : NEW DELHI**

**DATED : May 30, 2015**

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

	NOTE	AS AT 31-Mar-2015 (Rs. In Lacs)	AS AT 31-Mar-2014 (Rs. In Lacs)
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDER'S FUNDS</b>			
a) Share Capital	2	1,127.00	1,127.00
b) Reserves and Surplus	3	288.24	3,968.48
<b>2) NON-CURRENT LIABILITIES</b>			
a) Long-Term Borrowings	4	25.23	6.63
b) Deferred Tax Liability (Net)	5	-	90.25
c) Long -Term Provisions	6	22.36	93.66
<b>3) CURRENT LIABILITIES</b>			
a) Trade Payables	7	11,590.81	9,504.03
b) Other Current Liabilities	8	4,055.69	4,866.86
c) Short-Term Provisions	9	29.37	90.89
<b>TOTAL</b>		<b>17,138.70</b>	<b>19,747.80</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) <b>FIXED ASSETS</b>	10		
i) Tangible Assets		842.09	1,940.75
ii) Intangible Assets		-	0.44
		<b>842.09</b>	<b>1,941.19</b>
b) Non-Current Investment	11	4.78	79.82
c) Deferred Tax Assests (Net)	12	13.90	-
d) Long-Term Loans and Advances	13	235.24	2,375.82
e) Other non-Current Assets	14	45.07	66.28
<b>2) CURRENT ASSETS</b>			
a) Current Investment	15	509.20	-
b) Inventories	16	8,233.78	9,754.65
c) Trade Receivables	17	3,163.92	566.57
d) Cash & Bank Balances	18	580.67	697.48
e) Short-Term Loans and Advances	19	3,510.05	4,265.99
<b>TOTAL</b>		<b>17,138.70</b>	<b>19,747.80</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I		
<b>OTHER NOTES TO ACCOUNTS</b>	27 To 38		

As per our report of even date attached  
For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No.000517N

**R.K. MEHRA**  
Partner  
M. No. 6102

**AJAY KHANNA**  
Managing Director

**NARENDRA KUMBHAT**  
Director

**PLACE :** New Delhi  
**DATED :** 30th May, 2015

**GURSHARAN SINGH**  
Chief Financial Officer

**DHARMENDER DHINGRA**  
V.P.( Legal) & Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	NOTE	YEAR ENDED 31-Mar-2015 (Rs. In Lacs)	YEAR ENDED 31-Mar-2014 (Rs. In Lacs)
<b>CONTINUING OPERATION INCOME</b>			
Revenue From Operations			
Sale of Goods		31,173.93	31,320.97
Sale of Services		1,383.89	859.94
Other Operating Income	20	39.20	38.48
<b>Gross Revenue From Operations</b>		<b>32,597.02</b>	<b>32,219.39</b>
Less : Excise Duty & Service Tax		152.35	94.60
<b>Net Revenue From Operations</b>		<b>32,444.67</b>	<b>32,124.79</b>
Other Income	21	132.99	64.98
<b>TOTAL REVENUE</b>		<b>32,577.66</b>	<b>32,189.77</b>
<b>EXPENSES</b>			
Purchases of Stock in Trade	22	29,961.29	36,727.17
Change in Inventory of Finished Goods, Work-in-Progress, Stock-in-Trade	23	1,137.88	(6,141.79)
Employee Benefits Expense	24	370.69	404.96
Finance Costs	25	19.27	46.03
Depreciation and Amortization Expense	10	55.48	44.61
Other Expenses	26	1,134.37	1,265.78
		<b>32,678.98</b>	<b>32,346.76</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS, PRIOR PERIOD ITEMS &amp; TAX</b>		<b>(101.32)</b>	<b>(156.99)</b>
Exceptional Items	29	2,199.66	-
Prior Period Expenses		13.59	-
<b>LOSS BEFORE TAX</b>		<b>(2,314.57)</b>	<b>(156.99)</b>
Tax Expense:			
- Current Tax		-	38.03
- Deferred Tax		(104.15)	(61.57)
- Income Tax/ Deferred Tax For Earlier Year		4.51	11.46
<b>LOSS AFTER TAX FOR THE YEAR FROM CONTINUING OPERATION</b>	<b>(A)</b>	<b>(2,214.93)</b>	<b>(144.91)</b>
<b>DISCONTINUING OPERATION</b>	<b>32</b>		
(LOSS)/PROFIT BEFORE TAX FROM DISCONTINUING OPERATION		(1,386.93)	14.45
TAX EXPENSE OF DISCONTINUING OPERATION		-	4.47
<b>PROFIT/(LOSS) AFTER TAX FOR THE YEAR FROM DISCONTINUING OPERATION</b>	<b>(B)</b>	<b>(1,386.93)</b>	<b>9.98</b>
<b>TOTAL LOSS FOR THE YEAR</b>	<b>(A+B)</b>	<b>(3,601.86)</b>	<b>(134.93)</b>
No. of Equity Shares (No.)		11,270,000	11,270,000
<b>Earnings per share (Nominal Value of each equity share Rs. 10 (Previous year. Rs. 10))</b>			
<b>Basic and Diluted</b>			
Computed on the basis of Loss from Continuing operation		(19.65)	(1.29)
Computed on the basis of total Loss for the year		(31.96)	(1.20)

### SIGNIFICANT ACCOUNTING POLICIES OTHER NOTES TO ACCOUNTS

I  
27 To 38

As per our report of even date attached  
For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No.000517N

**R.K. MEHRA**  
Partner  
M. No. 6102

**AJAY KHANNA**  
Managing Director

**NARENDRA KUMBHAT**  
Director

**PLACE :** New Delhi  
**DATED :** 30th May, 2015

**GURSHARAN SINGH**  
Chief Financial Officer

**DHARMENDER DHINGRA**  
V.P.( Legal) & Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

(Rs. in lacs)

### A. CASHFLOW FROM OPERATING ACTIVITIES:

Net Profit/(Loss) before Tax of Continuing Operation  
Net Profit/(Loss) before Tax of Discontinuing Operation

Current Year

Previous Year

(2,314.57) (156.99)  
(1,386.93) 14.45  
**(3,701.50) (142.54)**

#### Adjustments for :

Depreciation of Continuing Operation 55.48 44.59  
Depreciation of Discontinuing Operation 228.10 158.70  
Interest and Financial Charges 21.07 71.85  
Bad Debts Written Off 50.98 112.94  
Provision for Doubtful Debts/ Advances (Net) 2,544.52 115.39  
Provision ( Leave Encashment & Retirement Benefit ) (132.82) 15.79  
Profit / Loss on Sale Of Fixed Assets 732.99 5.18  
Exchange Fluctuation (87.22) (190.19)  
Interest Income (30.56) (31.88)

#### Operating Loss/Profit before working capital change

**(318.96) 159.83**

#### Adjustments for :

Trade & Other Receivables (2,159.62) (914.27)  
Inventories 1,520.87 (6,189.59)  
Trade & Other Payables 1,282.89 7,017.61  
Fixed deposit (74.69) 754.59

#### Cash Generated from Operations

**250.49 828.17**

Direct Taxes Paid 21.04 17.15

#### Cash flow before exceptional items

**271.53 845.32**

#### Net Cash Flow from Operating Activities (A)

**271.53 845.32**

### (B) CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Aseets (including Capital Work in Progress) (52.16) (10.94)  
Sale of Fixed assets 56.31 3.41  
Investment/Mutual Fund (509.20) -

#### Net cash Used In / from Investing Activities (B)

**(505.05) (7.53)**

### (C) CASH FLOW FROM FINANCING ACTIVITIES :

Borrowings (net) 18.60 (721.05)  
Interest and financial charges paid (28.35) (153.92)

#### Net cash (used in ) / from Financing Activities (C)

**(9.75) (874.97)**

#### Net increase / (decrease ) in Cash and Cash Equivalents (A+B+C)

**(243.27) (37.18)**

Cash and Cash Equivalents at beginning of the year 488.23 525.41  
Cash and Cash Equivalents at the end of the year 244.96 488.23

#### Notes :

- Cash flow statement has been prepared following the " indirect method " as set out in the Accounting Standarard-3 on Cash flow statement .
- Cash and cash equivalents represent cash and bank balance.

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

**Firm Registration No.000517N**

**R.K. MEHRA**

Partner

**M.No. 6102**

**AJAY KHANNA**

Managing Director

**NARENDRA KUMBHAT**

Director

Place: New Delhi

**DATED : 30th May, 2015**

**GURSHARAN SINGH**

Chief Financial Officer

**DHARMENDER DHINGRA**

V.P.( Legal) & Company Secretary



## NOTES TO THE ACCOUNTS

### **NOTE - I SIGNIFICANT ACCOUNTING POLICIES**

#### **1. BASIS FOR PREPARATION OF ACCOUNTS**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

#### **2. USE OF ESTIMATES**

The presentation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions to be made that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from those estimated.

#### **3. FIXED ASSETS**

Fixed Assets are stated at cost, net of VAT/ CENVAT, less accumulated depreciation. All costs comprises purchase price, non-refundable duties, levies and borrowing costs till assets are ready for intended use are capitalized. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

#### **4. INTANGIBLE ASSETS**

In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know-how / license fee relating to production process are charged to revenue in the year of incurrence. Costs incurred on technical know-how / license fee relating to process design/ plants/ facilities are capitalized, at the time of capitalization of the said plant/ facility and amortized on pro-rata basis over a period of five years. Computer software is capitalized on the date of installation and is amortized on pro-rata basis over a period of three years.

#### **5. IMPAIRMENT OF ASSETS**

Carrying amount of cash generating units/ assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

#### **6. EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD**

Expenditure directly relating to construction activity including trial run production expenses (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the Statement of Profit & Loss.

#### **7. INVESTMENTS**

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and quoted/ fair value. Long term investments are stated at cost less any provision for diminution in value other than temporary.

#### **8. REVENUE RECOGNITION**

Sales are inclusive of, excise duty, service tax and net of sales tax and discount. Export sales are net of ocean freight and insurance.

Revenue in respect of long-term turnkey works contracts is recognized under percentage of completion method, subject to such contracts having progressed to a reasonable extent. Revenue in respect of installation services is recognized on completion of services for which ascertained amount is more likely to be recovered than not.

#### **9. INVENTORY VALUATION**

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and work-in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Excise duty on closing stock of finished goods and scrap are accounted for on the basis of payments made in respect of goods cleared and also provision is made for goods lying in the factory and included in the value of such stocks.

#### **10. DEPRECIATION**

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013, Individual assets costing Rs.5000 or less are depreciated in full in the year of purchase. Leasehold land for lease period below 90 years is amortized over the period of lease from the date of commencement of commercial operations.

#### **11. PRODUCT WARRANTY EXPENSES**

Liability for Warranties is recognized at the time the claim is accepted. The necessary provisions are made with respect to warranties claimed and accepted up to the end of one month from the close of the year.

#### **12. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are translated at exchange rate applicable as on that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss.

#### **13. BORROWING COST**

Borrowing costs that are attributable to the acquisition or the construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### **14. INCOME ON INVESTMENTS**

Dividend on shares is accounted for, as and when the right to receive the same is established.

#### **15. CLAIMS**

Claims receivables are accounted for depending on the certainty of receipt and claims payables are accounted at the time of acceptance..

#### **16. EMPLOYEE'S BENEFITS**

- i. Short term employee benefit are recognized as an expenses at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.
- ii. The company has defined contribution plans for post-retirement benefit, namely Employee Provident Fund Scheme administered through Provident Fund Commissioner and company contribution is charged to revenue every year.
- iii. Company contribution to state plans namely Employees State Insurance Fund & Employee Welfare Fund are charged to revenue every year.
- iv. The company has defined benefit plan namely Leave Encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gratuity Trust is administrated through Life Insurance Corporation of India (LIC).
- v. Termination benefits are recognized as expense immediately.
- vi. Gain or Loss arising out of actuarial valuation is recognized in the Statement of Profit & Loss as income or expense.

#### **17. DERIVATIVES**

In case of forward contracts, the difference between the forward rate and the exchange rate, being the premium or discount, at the inception of a forward exchange contract is recognized as income/expense over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

## **18. TAXATION**

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

In accordance with the Accounting Standard 22-Accounting for Taxes on income, the deferred tax for timing differences between the book & tax profit for the period is accounted for using the tax rates and the tax laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the asset will be realized in future.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

## **19. GOVERNMENT GRANTS**

Government grant in the nature of promoter's contribution is treated as capital receipt and credited to investment subsidy account.

Grant in the nature of revenue subsidy is treated as revenue receipt and credited to profit and loss account.

## **20. PROVISION AND CONTINGENT LIABILITIES**

Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the company then these are classified as possible obligations.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

## **21. LEASES**

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Annual lease payments are recognized as an expense on straight-line basis and in accordance with the respective lease agreements.

Assets acquired under leases where company has substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired under the finance lease are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease or present value of minimum lease payment, whichever is lower.

## **22. PROPOSED DIVIDEND**

Dividend as proposed by Board of Directors is provided for in the books of account, pending approval at the Annual General Meeting.

## **23. CENVAT/VAT**

CENVAT / VAT claimed on capital assets are credited to assets/ capital work in progress account. CENVAT / VAT on purchase of raw materials and other materials are deducted from the cost of such material.

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 2 SHARE CAPITAL

#### AUTHORISED

50,000,000 Equity Shares of Rs. 10/- each

2,500,000 Preference Shares of Rs 100/- each.

#### ISSUED , SUBSCRIBED AND PAID UP

11,270,000 Equity Shares of Rs 10/- each, fully paid up

ASAT  
31-Mar-2015  
(Rs. In Lacs)

ASAT  
31-Mar-2014  
(Rs. In Lacs)

5,000.00

5,000.00

2,500.00

2,500.00

**7,500.00**

**7,500.00**

1,127.00

1,127.00

**1,127.00**

**1,127.00**

The Company has only one class of Equity Share having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of Equity share will be entitled to receive the remaining assets of the Company in proportion to the number of Equity shares held by each Shareholder.

No Equity share has been issued/cancelled during the current/previous financial year.

#### Detail of Shareholder's holding more than 5% shares

Name of Share Holders	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% Held	No. of shares	% Held
Cellphone Credit & Securities India Pvt Ltd	760165	6.75	760165	6.75
Mehrotra Invofin India Pvt Ltd.	1560877	13.85	1560877	13.85
Shyam Antenna Electronics Ltd	700000	6.21	700000	6.21
Intell Invofin India Pvt Ltd	1697807	15.07	1697807	15.07
AT Invofin India Pvt Ltd	809890	7.19	809890	7.19
Teletec Finsec India Pvt Ltd	803913	7.13	803913	7.13
Cellcap Invofin India Pvt Ltd	818081	7.26	818081	7.26

### NOTE - 3 RESERVE & SURPLUS

#### Investment Subsidy

(Acquired under the scheme of Arrangement)

#### Surplus

As per last Balance Sheet

Add: Net profit/(loss) for the current year

Less: Impact of depreciation

15.00

15.00

3,953.48

4,088.41

(3,601.86)

(134.93)

351.62

3,953.48

78.38

-

**288.24**

**3,968.48**

### NOTE - 4 LONG-TERM BORROWINGS

#### Secured Loan

Vehicle Loans\*

- From Bank

- From Others

Less: Current Maturities of Long Term borrowings

8.74

6.79

23.33

1.98

32.07

8.77

6.84

2.14

**25.23**

**6.63**

\*Secured by hypothecation of Specific Vehicle and are repayable in 58/60 equal monthly Instalments from the date of disbursement.

## NOTES FORMING PART OF THE ACCOUNTS

### Detail Of Repayment Of Vehicle Loans

TERM LOAN	ROI	UPTO 1 YEAR	2-3 YEARS	BEYOND 3 YEARS
ICICI	10.50%	157357	379922	0
ICICI	10.80%	69829	164453	102093
TATA	10.40%	81488	44568	0
KOTAK	10.00%	375110	869920	961767

### NOTE - 5 DEFERRED TAX LIABILITY (NET)\*

Deferred Tax liability

- Related to Fixed Assets

#### Total (A)

Deferred Tax Assets

- Disallowance under Section 43B of the Income tax Act 1961.

- Provision for Doubtful debts/ Advances

#### Total (B)

#### Total (A-B)

ASAT  
31-Mar-2015  
(Rs. In Lacs)

ASAT  
31-Mar-2014  
(Rs. In Lacs)

-

325.17

-

325.17

-

62.28

-

172.64

-

234.92

-

90.25

### NOTE - 6 LONG-TERM PROVISIONS

Provision For Employee Benefits

22.36

93.66

22.36

93.66

### NOTE - 7 TRADE PAYABLES

Trade Payables

11,590.81

9,504.03

( Due to amount outstanding to Micro, Small and Medium Enterprises

Rs NIL, Previous year Rs NIL)

11,590.81

9,504.03

The Company has not received any intimation from "suppliers" regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.

### NOTE - 8 OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings

6.84

2.14

Interest Accrued but not due on Loans

0.23

7.51

Advance From Customers & Others

3,601.67

4,149.55

Statutory Liabilities

127.85

172.45

Employees Related Payables

146.15

183.46

Others Payable

172.95

351.75

4,055.69

4,866.86

### NOTE-9 SHORT-TERM PROVISIONS

Provision For Employee Benefits

29.37

90.89

29.37

90.89

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 10 FIXED ASSETS

(Rs. In Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	As At 01-Apr-14	Additions During the year	Deletions/ Adjustments during the year	As At 31-Mar-15	As At 01-Apr-14	During the year	Written Back	Adjustment with Reserves	Up to 31-Mar-15	As At 31-Mar-15	As At 31-Mar-14
<b>Tangible Assets</b>											
Land Free Hold	1.77	-	-	1.77	-	-	-	-	-	1.77	1.77
Land Lease Hold	83.52	-	-	83.52	-	-	-	-	-	83.52	83.52
Building	444.75	-	68.43	376.32	146.27	17.24	19.01	-	144.50	231.82	298.48
Plant & Equipment	2,505.83	-	1,453.21	1,052.62	1,298.62	177.30	807.31	-	668.61	384.01	1,207.21
Electric Installation	111.43	-	111.43	-	36.33	19.42	55.75	-	-	-	75.10
Furniture & Fixture	98.37	0.27	78.33	20.31	38.54	10.78	39.78	8.80	18.34	1.97	59.83
Vehicles	222.61	37.58	8.79	251.40	118.47	30.25	7.57	4.97	146.12	105.28	104.14
Office Equipment	172.00	10.36	109.37	72.99	80.25	21.62	108.28	52.45	46.04	26.95	91.75
Computer	69.25	3.95	30.69	42.51	50.30	6.53	33.25	12.16	35.74	6.77	18.95
<b>TANGIBLE ASSETS TOTAL (A)</b>	<b>3,709.53</b>	<b>52.16</b>	<b>1,860.25</b>	<b>1,901.44</b>	<b>1,768.78</b>	<b>283.14</b>	<b>1,070.95</b>	<b>78.38</b>	<b>1,059.35</b>	<b>842.09</b>	<b>1,940.75</b>
<b>Intangible Assets</b>											
Software	228.57	-	-	228.57	228.13	0.44	-	-	228.57	-	0.44
<b>INTANGIBLE ASSETS TOTAL (B)</b>	<b>228.57</b>	<b>-</b>	<b>-</b>	<b>228.57</b>	<b>228.13</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>228.57</b>	<b>-</b>	<b>0.44</b>
<b>TOTAL (A+B)</b>	<b>3,938.10</b>	<b>52.16</b>	<b>1,860.25</b>	<b>2,130.01</b>	<b>1,996.91</b>	<b>283.58</b>	<b>1,070.95</b>	<b>78.38</b>	<b>1,287.92</b>	<b>842.09</b>	<b>1,941.19</b>
<b>Previous Year</b>	<b>3,946.83</b>	<b>10.94</b>	<b>19.67</b>	<b>3,938.10</b>	<b>1,804.70</b>	<b>203.29</b>	<b>11.08</b>	<b>-</b>	<b>1,996.91</b>	<b>1,941.19</b>	

### NOTE - 11 NON-CURRENT INVESTMENTS

(Long - Term, At Cost)

#### In Equity Shares

#### NON TRADE

#### QUOTED - Fully Paid-up(\*)

3,300 Equity Shares of Rs 10/- each of Intec Capital Limited

1,41,426 Equity Shares of Rs10/- each of Spanco Limited

Less:-Provision for Diminution

#### TRADE INVESTMENTS

#### UNQUOTED - Fully Paid-up (At Cost)

#### IN SUBSIDIARY COMPANIES

100 common stock of \$1.00 each of Shyam Telecom inc.USA

#### IN OTHERS

3,80,307 Equity Shares of Rs. 10/- each of Sistema Shyam Teleservices Ltd.

Less:-Provision for Diminution

(\*) Aggregate Amount of Quoted Investment

Aggregate Amount of Unquoted Investment

Aggregate Provision for diminution in value of investments

Market value of Quoted Investment

**AS AT  
31-Mar-2015  
(Rs. In Lacs)**

**AS AT  
31-Mar-2014  
(Rs. In Lacs)**

0.33

0.33

52.33

52.33

52.66

52.66

47.92

4.74

-

52.66

0.04

0.04

27.12

27.12

27.12

-

-

27.12

4.78

79.82

52.66

52.66

27.16

27.16

75.03

-

7.22

13.10

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 12 DEFERRED TAX ASSET (NET)

Deferred Tax Asset

- Disallowance under Section 43B of the Income tax Act 1961.

#### Total (A)

Deferred Tax Liability

- Related to Fixed Assets

#### Total (B)

#### Total (A-B)

\*Deferred tax assets has been recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against such deferred tax assets

### NOTE - 13 LONG-TERM LOANS AND ADVANCES

(Unsecured considered good, unless otherwise stated)

#### Security Deposits

- Considered Good

- Considered Doubtful

Less: Provision for doubtful security deposits

#### Loans and Advances to related party (Subsidiary)

a) Advance for Non-current investment

- Considered Good

- Considered Doubtful

Less : Provision for Doubtful

b) Loans

- Considered Good

- Considered Doubtful

Less : Provision for Doubtful

#### Advances recoverable in cash or in kind or for value to be received\*

- Considered Good

- Considered Doubtful

Less : Provision for Doubtful Advances

Cenvat/VAT Receivable

Advance Tax (Net)

Prepaid Expenses

\* Advances include recoverable from Employees

	ASAT 31-Mar-2015 (Rs. In Lacs)	ASAT 31-Mar-2014 (Rs. In Lacs)
	20.26	-
	20.26	-
	6.36	-
	6.36	-
	13.90	-
	91.14	121.72
	1.32	1.32
	92.46	123.04
	1.32	1.32
	91.14	121.72
	-	15.06
	15.68	-
	15.68	15.06
	15.68	-
	-	15.06
	-	2,090.25
	2,108.95	-
	2,108.95	2,090.25
	2,108.95	-
	-	2,090.25
	13.88	2.34
	7.00	7.00
	20.88	9.34
	7.00	7.00
	13.88	2.34
	25.15	20.47
	100.19	125.74
	4.88	0.24
	235.24	2,375.82



## NOTES FORMING PART OF THE ACCOUNTS

### **NOTE - 14 OTHER NON-CURRENT ASSETS**

Bank Balances

Non-current Fixed Deposits (Refer Note 18)

(including interest accrued But Not due )

**AS AT**  
**31-Mar-2015**  
**(Rs. In Lacs)**

**AS AT**  
**31-Mar-2014**  
**(Rs. In Lacs)**

45.07

66.28

**45.07**

**66.28**

### **NOTE - 15 CURRENT INVESTMENT**

In Mutual Fund - Quoted

BirlaSun Life Cash Plus -Daily Dividend Regular Plan

5,08,206.924(Previous year NIL) units OF RS 100.1950 each

**509.20**

-

**509.20**

-

### **NOTE - 16 INVENTORIES**

(At Lower of cost and Net Realisable Value)

Raw Material

Finished Goods

Finished Goods in Transit

Work In Process

Stores & Spares

Stock in Trade

Stock in Trade In Transit

-

375.08

-

1.12

-

28.35

-

39.00

-

1.69

7,582.89

8,738.56

650.89

570.85

**8,233.78**

**9,754.65**

### **NOTE - 17 TRADE RECEIVABLES**

(Unsecured considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months from due date

- Considered Good

- Considered Doubtful

74.08

296.14

732.67

509.01

806.75

805.15

732.67

509.01

Less : Provision for Doubtful Debt

74.08

296.14

3,089.84

270.43

**3,163.92**

**566.57**

### **NOTE - 18 CASH AND BANK BALANCES**

#### **Cash & Cash Equivalents**

Cash-in-hand

Balances with Banks

- in Current Account

10.71

32.28

234.25

455.95

#### **Other Bank Balances**

- Fixed Deposits

(including interest accrued and Margin Money) (\*)

380.78

275.53

625.74

763.76

45.07

66.28

**580.67**

**697.48**

Less: Non-current Fixed Deposits

(\*) Rs.205.98 Lacs (Previous Year Rs. 53.99 Lacs) under lien with Bank as Margin Money.

## NOTES FORMING PART OF THE ACCOUNTS

### **NOTE - 19 SHORT-TERM LOAN AND ADVANCES**

Advances recoverable in cash or in kind or for value to be received \*

- Considered Good
- Considered Doubtful

Less : Provision for Doubtful Advances

Prepaid Expenses

Advance to Supplier

- Considered Good
- Considered Doubtful

Less : Provision for Doubtful Advances

Cenvat/VAT Receivable

- Considered Good
- Considered Doubtful

Less : Provision for Doubtful Advances

Balance with Excise Department

Security Deposits

- Considered Good
- Considered Doubtful

Less : Provision for Doubtful Advances

Receivable against redemption of Mutul funds

\*Advances include export income receivable and recoverable from employess etc.

### **NOTE - 20 OTHER OPERATING INCOME**

Dividend on Short Term Investments

### **NOTE - 21 OTHER INCOME**

Interest On Deposits (\*)

Sundry Balance Written Back

Miscellaneous Income

Profit on Sale of Assets (Net)

(\*) Tax deducted at source Rs.2.73 Lacs (Previous Year Rs 3.70 Lacs)

	AS AT 31-Mar-2015 (Rs. In Lacs)	AS AT 31-Mar-2014 (Rs. In Lacs)
	80.31	222.26
	97.18	5.55
	177.49	227.81
	97.18	5.55
	80.31	222.26
	13.76	14.13
	3,290.40	3,063.26
	9.15	9.15
	3,299.55	3,072.41
	9.15	9.15
	3,290.40	3,063.26
	120.51	267.95
	20.00	-
	140.51	267.95
	20.00	-
	120.51	267.95
	-	0.33
	5.07	9.60
	7.90	-
	12.97	9.60
	7.90	-
	5.07	9.60
	-	688.46
	<b>3,510.05</b>	<b>4,265.99</b>
	39.20	38.48
	<b>39.20</b>	<b>38.48</b>
	30.56	31.88
	84.33	13.48
	14.96	19.62
	3.14	-
	<b>132.99</b>	<b>64.98</b>

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 22 PURCHASE OF STOCK IN TRADE

#### PARTICULARS OF PURCHASE OF GOODS TRADED

- Mobile Handsets & Accessories

AS AT  
31-Mar-2015  
(Rs. In Lacs)

AS AT  
31-Mar-2014  
(Rs. In Lacs)

29,961.29

36,727.17

**29,961.29**

**36,727.17**

### NOTE - 23 CHANGES IN INVENTORY OF FINISHED GOODS,

#### WORK-IN-PROGRESS, STOCK-IN-TRADE

##### Opening Stock

Work In Process

-

-

Finished Goods

-

-

Stock-In-Trade

8,720.77

2,578.98

**8,720.77**

**2,578.98**

##### Closing Stock :

Work in Process

-

-

Finished Goods

-

-

Stock-In-Trade

7,582.89

8,720.77

**7,582.89**

**8,720.77**

**1,137.88**

**(6,141.79)**

#### Detail of Finished Goods

##### Class of Products

Mobile Handsets & Accessories

##### As At 31.03.2015

##### Closing Stock

7,582.89

**7,582.89**

##### Opening Stock

8,720.77

**8,720.77**

##### As At 31.03.2014

##### Closing Stock

8,720.77

**8,720.77**

##### Opening Stock

2,578.98

**2,578.98**

### NOTE - 24 EMPLOYEE BENEFITS EXPENSE

Salary, Wages & Bonus

284.06

325.50

Employer's Contribution to P.F. & Other Fund

25.87

32.04

Staff Welfare

60.76

47.42

**370.69**

**404.96**

### NOTE - 25 FINANCE COSTS

Interest Expenses

3.41

0.96

Other financial cost

15.86

45.07

**19.27**

**46.03**

## NOTES FORMING PART OF THE ACCOUNTS

	AS AT 31-Mar-2015 (Rs. In Lacs)	AS AT 31-Mar-2014 (Rs. In Lacs)
<b><u>NOTE - 26 OTHER EXPENSESES</u></b>		
Stores & Spares Consumed	104.45	44.29
Power & Fuel	27.28	18.21
Other Manufacturing Expenses	-	18.82
Excise Duty on Closing Stock (Finished Goods) (Net)	-	-
Repair to:		
Plant & Machinery	7.52	5.98
Auditor's Remuneration :		
Audit Fee	7.75	7.75
Tax Audit Fee	1.75	1.75
Other Services	2.50	2.50
Exchange rate Fluctuation ( Net)	153.04	309.81
Rates & Taxes	15.68	15.00
Insurance	14.21	10.58
Rent	107.33	121.36
Selling & Distribution Expenses	193.17	208.44
Bad Debts Written Off	23.45	1.92
Provision for Doubtfull Debts	-	28.90
Legal & Professional Charges	106.86	118.27
Other Administrative Expenses	246.21	243.32
Loss on Sale/Discarded of Assets (Net)	-	4.15
Miscellaneous Expenses	123.18	104.73
	<b>1,134.38</b>	<b>1,265.78</b>

## OTHER NOTES TO ACCOUNTS

	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
<b>27 Contingent liabilities :</b>		
- Income Tax	158.49	74.41
- Excise Duty	80.87	80.87
- Claims of ARM Ltd *	2,892.74	2,892.74

\* The Department of Telecommunications, Ministry of Communication, Government of India, had invited the tenders from the Indian Companies to provide basic telephony services. The Company Shyam Telelink Networks Ltd. (India) (STNL) along with ARM Ltd. and other parties entered into an MOU to jointly participate in the tenders through STNL. The parties entered into an agreement from which ARM Ltd. withdrew and the parties agreed for buying the shares of ARM Ltd. for a consideration of Rs 10 Crores. The same was partly effected but STNL did not pay the balance amount alleging fraud by ARM Ltd. The matter which was under arbitration by a sole arbitrator who was replaced by the Hon'ble Supreme Court of India (which was approached by the Company by way of an SLP), which vide its order dated 29th Aug, 2012 appointed a different Sole arbitrator. The arbitrator vide his order dated 24th Jan, 2014 has directed the company to pay ARM Ltd. Rs 11.50 Crores along with interest of Rs 14.12 Crores totaling Rs. 25.62 Crores on account of payout. The interest shall be payable upto the date of payment. In addition to the above he has further awarded USD 5,00,000 at the conversion rate prevailing on 24.01.2014 plus interest @ 9% p.a. from the date of award till the date of payment and Rs 20 Lakhs payable to ARM Ltd as arbitration Cost. The company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 against the said order before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court has issued notice in the said application (which has the effect of stay on the award), and the matter is presently sub-judice before the Hon'ble Delhi High Court. As per the legal opinion produced to us by the Company, the company expects to win the case and hence no provision for the liability has been considered in the accounts. The outstanding amount has been included under Contingent Liabilities.

**28** As on 31.03.2015, an amount of Rs 3676.90 Lakhs payable to (Aquarius Technology Pte Ltd. Rs 3237.74 and Nisshoiwai Corporation Rs 439.16 Lakhs ) in Foreign Currency remains unsettled for a period exceeding One year.

**29 Exceptional items:**

- Company had in the previous year(s) given advance against share capital and extended long term loans to WOS STI which as on 31-03-2015 amounted to Rs. 15.68 Lacs (US\$ 25,050) and Rs. 2108.95lacs (US\$33,69,294) respectively. The Subsidiary company had liquidated all assets and had Accumulated losses amounted to Rs 2124.63 lacs(US\$ 33,94,344). In the opinion of the management the said loans & advances are not recoverable. The same will be written off after taking necessary approval from RBI however provision for the same is made
- Includes provision for diminution in carrying value of Investment in Spanco Limited and Sistema Shyam Teleservices Limited amounting to Rs. 75.03 Lacs for the year ended 31st March 2015.

**30** As per the requirement of Schedule II of the Companies Act 2013 effective from 1st April 2014, the company has charged depreciation based on the useful lives as prescribed under the Schedule. Consequently, the company has adjusted Rs. 78.38 Lacs from retained earning and depreciation charge for the year ended 31st March, 2015 is higher by Rs.91.34 Lakhs.

**31 Foreign currency exposures that have not been hedged by derivative instruments are given below:**

Particulars of Unhedged Foreign Currency Exposure		Foreign Currency ( in Lacs)		(Rs In Lacs)	
		Amount as on 31.03.2015	Outstanding as on 31.03.2014	Amount Outstanding in INR as on 31.03.2015	Amount Outstanding in INR as on 31.03.2014
<b>a) Debtors</b>	<b>USD</b>	6.25	4.59	391.40	281.05
	<b>Euro</b>	0.21	0.21	14.00	17.13
	<b>CHF</b>	2.48	2.48	161.08	167.73
<b>b) Creditors</b>	<b>USD</b>	11.27	12.08	705.22	726.03
	<b>Euro</b>	0.07	0.07	4.54	5.55
<b>c) Advance to Suppliers</b>	<b>USD</b>	0.25	0.22	15.75	13.27
<b>d) Advance Received</b>	<b>USD</b>	52.57	51.95	3,290.37	3,122.11
<b>e) Loan recoverable</b>	<b>USD</b>	33.69	33.69	2,108.95	2,090.25
<b>f) Advance against Equity</b>	<b>USD</b>	0.25	0.25	15.68	15.06

### 32 Discontinuing Operations

The company initiated the process of Discontinuing/outourcing the manufacturing operations in pursuance to the resolution passed in the meeting of Board of Directors held on 9th February, 2015, thereby vacated the premises by 15th April, 2015, disposed off all tangible assets except vehicles, discharged/provided for contractual obligations of manpower/worker and resolved to outsource the operations henceforth. Consequently there is only one reportable segment as on 31st March, 2015.

The following statement shows the revenue and expenses of discontinuing operations:

	31-03-2015	31-03-2014
Revenue	1075.69	2725.64
Expenses		
Loss on sale/discard of assets	736.13	1.02
Others	1496.59	2525.67
<b>(Loss)/Profit from discontinued operations</b>	<b>(1,157.03)</b>	<b>198.95</b>
Finance Cost	1.80	25.82
Depreciation and amortisation	228.10	158.68
<b>(Loss)/Profit Before Tax</b>	<b>(1,386.93)</b>	<b>14.45</b>
Tax expenses	0	4.47
<b>(Loss)/Profit after Tax</b>	<b>(1,386.93)</b>	<b>9.98</b>

Note: The above statement does not include common expenses that are not allocable to any segment.

The separately identifiable carrying amounts of total assets and liabilities of discontinuing operation are as follows:

	31-03-2015	31-03-2014
Total Assets	563.37	2567.18
Total Liabilities	564.99	4748.40

Note: The above statement includes carrying value of assets, pending disposal/realisation and liabilities, pending payout which is expected to be completed within a year.

The net cash flows attributable to the discontinued operations are stated below:

	31-03-2015	31-03-2014
Operating activities	(186.16)	806.55
Investing activities	52.05	1.07
Financing activities	(9.32)	(826.78)
Net Cash inflows/(outflows)	(143.43)	(19.16)

### 33 Related Party Information:

#### Relationship

- Subsidiary :  
- Shyam Telecom Inc.
- Key Management Personnel and relative of Key Management personal :  
Mr. Rajiv Mehrotra, Mr. Alok Tondon, Mr. Arun Khanna and Mr. Ajay Khanna.
- Enterprises over which Key Management Personnel and relatives are able to exercise significant influence:  
Shyam Antenna Electronics Ltd., Intercity Cable System Pvt. Ltd, Shyam Communication Systems, Shyam Networks Ltd. (formerly Shyam Telecom Systems Pvt. Ltd.), Shyam Digital Communications Pvt Ltd, Sistema Shyam Teleservices Ltd., Ubico Networks Pvt. Ltd., RMS Automation Systems Ltd., Spectranet Pvt Ltd., Shyam infratel Pvt Ltd, Vihaan Networks Ltd and Think of us Pvt. Ltd.

**Note:** Related party relationship is as identified by the Company and relied upon by the auditors.

Transactions with the above related parties are as follows:

(Rs. in Lacs)

PARTICULARS	31.03.2015				31.03.2014			
	Subsidiaries	Enterprises over which key management personnel & their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total	Subsidiaries	Enterprises over which key management personnel & their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total
a) <b>Sale of Goods &amp; Services</b>								
Shyam Telecom Inc.	5.82			5.82	307.63	-	-	307.63
Vihaan Networks Ltd.		601.63		601.63	-	866.59	-	866.59
Ubico Networks Pvt. Ltd.		4.90		4.90	-	-	-	-
Sistema Shyam Teleservices Ltd.		5411.30		5,411.30	-	7900.97	-	7,900.97
Think of us Pvt. Ltd.		335.60		335.60	-	15.49	-	15.49
RMS Automation Systems Ltd.		51.60		51.60	-	5.30	-	5.30
<b>Sub Total</b>	<b>5.82</b>	<b>6,405.03</b>	<b>-</b>	<b>6,410.85</b>	<b>307.63</b>	<b>8,788.35</b>	<b>-</b>	<b>9,095.98</b>
b) <b>Purchase of the goods</b>								
Vihaan Networks Ltd.		21.06		21.06	-	4.38	-	4.38
Think of us Pvt. Ltd.		33.78		33.78	-	1.23	-	1.23
RMS Automation Systems Ltd.		-		-	-	28.60	-	28.60
<b>Sub Total</b>	<b>-</b>	<b>54.84</b>	<b>-</b>	<b>54.84</b>	<b>-</b>	<b>34.21</b>	<b>-</b>	<b>34.21</b>
c) <b>Rent Paid</b>								
Shyam Communication Systems	-	67.42		67.42	-	67.42	-	67.42
Intercity Cable System Pvt. Ltd.		20.22		20.22	-	20.22	-	20.22
<b>Sub Total</b>	<b>-</b>	<b>87.64</b>	<b>-</b>	<b>87.64</b>	<b>-</b>	<b>87.64</b>	<b>-</b>	<b>87.64</b>
d) <b>Remuneration</b>								
Mr. Ajay Khanna			13.15	13.15		-	13.15	13.15
Mr. Alok Tandon			1.10	1.10		-	13.15	13.15
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>14.25</b>	<b>14.25</b>	<b>-</b>	<b>-</b>	<b>26.30</b>	<b>26.30</b>
e) <b>Interest Expense</b>								
Shaym Networks Ltd.		-		-	-	22.71		22.71
f) <b>Loan Taken</b>								
Shaym Networks Ltd.		26.50		26.50		-	-	-
g) <b>Repayment of Loan</b>								
Shaym Networks Ltd.		26.50		26.50		718.90	-	718.90
h) <b>Provision for Bad &amp; Doubtful against loans and Advance Against equity</b>								
Shyam Telecom Inc.	2,124.63			2,124.63		-		
<b>Recoverables &amp; Payables</b>								
a) <b>Amount Receivable</b>								
Shyam infratel Pvt. Ltd.		14.69		14.69	-	-	-	-
Shyam Digital Communication Ltd		1.29		1.29	-	1.29	-	1.29
Sistema Shyam Teleservices Ltd.		2,376.06		2,376.06	-	-	-	-
Ubico Networks Pvt. Ltd.		26.10		26.10	-	24.80	-	24.80
Think of us Pvt. Ltd.		27.10		27.10		9.16		9.16
Vihaan Networks Ltd.		165.14		165.14		-		-
RMS Automation Systems Ltd.		2,888.59		2,888.59	-	2,816.37	-	2,816.37
<b>Sub Total</b>	<b>-</b>	<b>5,498.97</b>		<b>5,498.97</b>	<b>-</b>	<b>2,851.62</b>	<b>-</b>	<b>2,851.62</b>
b) <b>Amount Payable</b>								
Shyam Communication Systems		47.62		47.62	-	15.17	-	15.17
Vihaan Networks Ltd.		-		-	-	236.57	-	236.57
Shyam Telecom Inc.	-	-		-	71.09	-	-	71.09
Intercity Cable System Pvt. Ltd.		46.85		46.85	-	44.33	-	44.33
Spectranet ISP Pvt. Ltd.		1.25		1.25	-	1.25	-	1.25
Shyam Antenna Electronics Ltd.		108.51		108.51	-	138.43	-	138.43
Sistema Shyam Teleservices Limited						313.72		313.72
<b>Sub Total</b>		<b>204.23</b>		<b>204.23</b>	<b>71.09</b>	<b>749.47</b>	<b>-</b>	<b>820.56</b>
c) <b>Security deposit recoverable</b>								
Intercity Cable System Pvt. Ltd.		10.00		10.00		10.00	-	10.00
Shyam Communication Systems		60.00		60.00		60.00	-	60.00
<b>Sub Total</b>	<b>-</b>	<b>70.00</b>		<b>70.00</b>	<b>-</b>	<b>70.00</b>		<b>70.00</b>
<b>Loans recoverable</b>								
Shyam Telecom Inc.	2,108.95			2,108.95	2,090.25			2,090.25
d) <b>Advance Against Equity Share</b>								
Shyam Telecom Inc.	15.68			15.68	15.06			15.06
e) <b>Interest Accrued &amp; Due</b>								
Shaym Networks Ltd.		-		-	-	7.51	-	7.51



- 34 Some of the personal accounts are subject to adjustments / reconciliation / confirmation .
- 35 In the opinion of Board of Directors Fixed Assets, Current Assets, Loans and Advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all liabilities have been made in the Accounts, which has been relied upon by the auditors.
- 36 In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer.

**The Company has calculated the various benefits provided to employees as under:**

**A. Provident Fund & Other fund**

During the year the Company has recognized Rs 32.88 Lacs (previous Year Rs. 49.99 lacs) towards contribution to PF in the Statement of Profit and Loss .

**B. State Plans**

Employer's contribution to Employee State insurance and to welfare fund

During the year the Company has recognised Rs. 2.98 lacs (Previous year Rs.3.67 Lacs) towards contribution to ESI and Rs 0.11 Lacs (previous Year Rs.0.21 Lacs) towards welfare fund, in the Statement of Profit and Loss.

**C. Defined Benefit Plans**

The actuarial valuation carried out is based on following assumption:

- Leave Encashment
- Contribution to Gratuity Fund - Employee's Gratuity Fund.

(Rs In Lacs)

	Current Year		Previous Year	
	Leave Encashment	Employee Gratuity Fund	Leave Encashment	Employee Gratuity Fund
<b>i) Actuarial Assumptions</b>				
Discount Rate (per annum)	7.80%	7.80%	9.10%	9.10%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	-	9.00%	-	8.75%
<b>ii) Change in the obligation during the year</b>				
Present value obligation as at beginning of period	109.89	129.47	101.91	110.87
Impact of Transition provision of AS-15	-	-	-	-
Interest cost	3.05	4.47	8.15	8.87
Past Service cost	-	-	-	-
Current service cost	2.90	4.92	10.65	12.22
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid/Adjustment*	(73.35)	(66.19)	(3.67)	(3.93)
Actuarial (gain)/ loss on Obligations	(6.60)	1.19	(7.15)	1.44
Present value obligation as at the end of the period	35.89	73.86	109.89	129.47
Receivable from other company's fund	-	-	-	-
Net Present value obligation as at the end of the period	35.89	73.86	109.89	129.47
<b>iii) Change in fair value plan Assets</b>				
Fair value of Plan Assets as at beginning of the period	-	58.91	-	44.02
Expected return on Plan Assets	-	4.66	-	4.03
Contributions	-	8.79	-	14.92
Benefits Paid/Adjustment*	-	(7.38)	-	(3.93)
Actuarial gain/ (loss) on Obligations	-	0.22	-	(0.13)
Fair value of Plan Assets as at the end of the period	-	65.20	-	58.91
<b>iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets</b>				
Present value obligation as at the end of the period	35.89	73.86	109.89	129.47
Fair value of Plan Assets as at the end of the period	-	65.20	-	58.91
Funded Status	(35.89)	(8.66)	(109.89)	(70.55)
Present value of un-funded obligation as at the end of the period	-	-	-	-
Un-recognized Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	(35.89)	(8.66)	(109.89)	(70.55)
<b>v) Expenses recognised in Statement of Profit and Loss</b>				
Current service cost	2.90	4.92	10.65	12.22
Past Service cost	-	-	-	-
Interest cost	3.05	4.47	8.15	8.87
Expected return on Plan Assets	-	(4.66)	-	(4.04)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(6.60)	0.98	(7.15)	1.58
Received / Receivable from other company's fund	-	-	-	-
Net Expense recognised in Statement of Profit and Loss	(0.64)	5.71	11.65	18.63

\* includes amount transferred to Vihaan Networks limited on account of transfer of employees.

37 Previous year figures have been regrouped/reclassified wherever considered necessary.

	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
<b>38 A. EARNINGS IN FOREIGN CURRENCY</b>		
- F.O.B. Value of Export Goods	282.62	1,238.07
<b>B. EXPENDITURE IN FOREIGN CURRENCY</b>		
- Travelling	4.85	14.33
- Product Development Charges	-	-
- Legal ,Professional and consultancy Charges	-	21.86
- Annual Maintenance Contract	-	-
<b>C. C.I.F. VALUE OF IMPORTS</b>		
- Raw Material	103.34	1,128.67
- Communication Systems & Accessories	10.35	12.25
- Mobile Handsets & accessories	-	-

**D. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS SPARE PARTS AND COMPONENTS CONSUMED:**

RAW MATERIAL	Current Year		Previous Year	
	(Rs in Lacs)	% of Total Consumption	(Rs in Lacs)	% of Total Consumption
IMPORTED	519.07	87.76	1,183.08	83.10
INDIGENOUS	72.42	12.24	240.58	16.90
<b>TOTAL</b>	<b>591.49</b>	<b>100.00</b>	<b>1,423.66</b>	<b>100.00</b>

As per our report of even date attached  
For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No.000517N

**R.K. MEHRA**  
Partner  
M. No. 6102

**AJAY KHANNA**  
Managing Director

**NARENDRA KUMBHAT**  
Director

**PLACE :** New Delhi  
**DATED :** 30th May, 2015

**GURSHARAN SINGH**  
Chief Financial Officer

**DHARMENDER DHINGRA**  
V.P.( Legal) & Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHYAM TELECOM INC. USA

#### Report on the Standalone Financial Statements

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

#### Management's Responsibility for the Standalone 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 and 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.

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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

#### Emphasis of matter

We draw attention to the note 21 in the financial statements which indicate that the company has accumulated losses and its net worth has been fully eroded, the company has incurred net loss during the current and previous year and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matter set forth in note 21, indicate the existence of the material uncertainty that may cast significant doubt about the company's ability to continue as going concern. Therefore the financial statements have been prepared accordingly. Our opinion is not modified in respect of in this matter.

#### Report on Other Legal and Regulatory Requirements

1. Company is registered outside India and as per information and explanation given to us, company does not have any place of business within India, hence the requirements of 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 and of section 164(2) of the companies act 2013, is not applicable on the company.
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 it 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) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (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 litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. Refer Note 20 to the financial statements.

For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No: 000517N

**R.K.MEHRA**  
 PARTNER  
 M.No. 6102

**PLACE:** NEW DELHI  
**DATED:** 30<sup>th</sup> May, 2015

## BALANCE SHEET AS AT 31st March, 2015

	NOTE	AS AT 31-03-2015 USD	AS AT 31-03-2015 (Rs.)	AS AT 31-12-2013 USD	AS AT 31-12-2013 (Rs.)
<b>I EQUITY AND LIABILITIES</b>					
<b>1) SHAREHOLDER'S FUNDS</b>					
a) Share Capital	2	100	4,374	100	4,374
b) Reserves and Surplus	3	(33,94,372)	(21,24,62,526)	(13,45,166)	(8,59,12,957)
c) Advance Against Share Capital		25,050	15,67,880	25,050	15,50,520
<b>2) CURRENT LIABILITIES</b>					
a) Long-Term Borrowings	4	33,69,294	21,08,94,843	34,77,950	21,52,74,671
b) Other Current Liabilities	5	20,329	12,72,347	25,719	15,91,867
<b>TOTAL</b>		<b>20,401</b>	<b>12,76,918</b>	<b>21,83,653</b>	<b>13,25,08,475</b>
<b>II ASSETS</b>					
<b>1) NON-CURRENT ASSETS</b>					
a) <b>Fixed Assets</b>	6				
i) Tangible Assets		-	-	8,032	3,62,801
ii) Intangible Assets		-	-	-	-
		-	-	<b>8,032</b>	<b>3,62,801</b>
b) Long-Term Loans and Advances	7	-	-	11,18,116	6,92,08,019
<b>2) CURRENT ASSETS</b>					
a) Inventories	8	-	-	3,34,844	1,82,07,116
b) Trade Receivables	9	-	-	5,79,792	3,58,87,397
c) Cash & Bank Balances	10	20,401	12,76,918	34,669	21,45,900
d) Short Term Loans and Advances	11	-	-	1,08,200	66,97,242
<b>TOTAL</b>		<b>20,401</b>	<b>12,76,918</b>	<b>21,83,653</b>	<b>13,25,08,475</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I				
<b>OTHER NOTES TO ACCOUNTS</b>	17 To 28				

As per our report of even date attached  
For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 000517N.

**R.K. MEHRA**  
Partner  
M.No. 6102

**B.A. MAJMUDAR**  
Director

**PLACE :** NEW DELHI  
**DATE :** 30th May, 2015

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	NOTE	YEAR ENDED 31-03-2015 USD	YEAR ENDED 31-03-2015 (Rs.)	YEAR ENDED 31-12-2013 USD	YEAR ENDED 31-12-2013 (Rs.)
<b>REVENUE FROM OPERATIONS</b>					
Sale of Goods		10,604	6,54,222	9,36,444	5,30,90,954
Other Income	12	8,894	5,56,021	56,791	35,15,175
<b>TOTAL REVENUE</b>		<b>19,498</b>	<b>12,10,243</b>	<b>9,93,235</b>	<b>5,66,06,129</b>
<b>EXPENSES</b>					
Purchases of Traded Goods	13	34,543	21,16,573	5,24,835	2,85,37,894
Change in Inventory of Stock-in-Trade	14	3,34,844	1,82,07,116	1,50,375	63,63,452
Employee Benefits Expense	15	2,390	1,49,468	14,242	8,34,554
Depreciation and Amortization Expense	6	770	34,966	770	34,966
Other Expenses	16	5,79,491	3,73,58,678	2,90,843	3,05,77,957
		<b>9,52,038</b>	<b>5,78,66,801</b>	<b>9,81,064</b>	<b>6,63,48,823</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS</b>		<b>(9,32,540)</b>	<b>(5,66,56,558)</b>	<b>12,170</b>	<b>(97,42,694)</b>
Exceptional Items	19	11,16,666	6,98,93,011	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(20,49,206)</b>	<b>(12,65,49,569)</b>	<b>12,170</b>	<b>(97,42,694)</b>
<b>EARNING PER SHARE (REFER NOTE 26)</b>					
Basic & Diluted Earning Per Share		-	-	-	-
Basic Earning Per Share		(20492)	(1265496)	121.70	(97,426.94)
Diluted earning Per Share		-	-	0.48	-
Nominal Value of equity share (USD)		\$1	\$1	\$1	\$1
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I				
<b>OTHER NOTES TO ACCOUNTS</b>	17 To 28				

As per our report of even date attached  
For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 000517N.

**R.K. MEHRA**  
Partner  
M. No. 6102

**B.A. MAJMUDAR**  
Director

**PLACE :** NEW DELHI  
**DATE :** 30th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year		Previous Year	
	US\$	Rs.	US\$	Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit/(Loss) after tax	(9,32,540)	(5,66,56,558)	12,170	(97,42,694)
Adjustments for :				
Depreciation	770	34,966	770	34,966
Exchange Fluctuation	-	17,360	-	79,47,311
Loss on Assets	7,262	3,27,835	-	-
<b>Operating Profit before working capital change</b>	<b>(9,24,508)</b>	<b>(5,62,76,397)</b>	<b>12,940</b>	<b>(17,60,417)</b>
Adjustments for :				
Trade & Other Receivables	18,06,108	11,17,92,658	1,64,579	(1,17,85,731)
Inventories	3,34,844	1,82,07,116	1,50,375	63,63,452
Trade & Other Payables	(5,390)	(3,19,520)	(5,05,343)	(2,74,99,658)
<b>Cash flow from operating activities Before Exceptional Items</b>	<b>12,11,054</b>	<b>7,34,03,857</b>	<b>(1,77,449)</b>	<b>(3,46,82,354)</b>
Exceptional Items	11,16,666	6,98,93,011	-	-
<b>Cash flow from operating activities After Exceptional Items (A)</b>	<b>94,388</b>	<b>35,10,846</b>	<b>(1,77,449)</b>	<b>(3,46,82,354)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Investments	-	-	-	-
<b>Net cash Used In / from Investing Activities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Fixed Assets (Net)	-	-	-	-
Long Term Borrowings(Net)	(1,08,656)	(43,79,828)	-	2,47,52,570
Advance Against Equity Capital	-	-	-	4,55,836
<b>Net cash (used in ) / from financing activities (C)</b>	<b>(1,08,656)</b>	<b>(43,79,828)</b>	<b>-</b>	<b>2,52,08,406</b>
<b>Net increase / (decrease ) in cash and cash equivalents (A+B+C)</b>	<b>(14,268)</b>	<b>(8,68,982)</b>	<b>(1,77,449)</b>	<b>(94,73,948)</b>
Cash and cash equivalents at beginning of the year	34,669	21,45,900	2,12,118	1,16,19,848
Cash and cash equivalents at the end of the year	20,401	12,76,918	34,669	21,45,900
	-	-	-	-

### Notes :

- Cash flow statement has been prepared following the " indirect method " as set out in the Accounting Standard-3 on Cash flow statement.
- Cash and cash equivalents represent cash and bank balance.

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 000517N.

**R.K. MEHRA**

Partner

M. No. 6102

**B.A. MAJMUDAR**

Director

**PLACE :** NEW DELHI

**DATE :** 30th May, 2015

## NOTES TO THE ACCOUNTS

### NOTE - I SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and the applicable accounting standards.

#### Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

#### Recognition of Income/Expenditure

All Income & Expenditure having a material bearing on the financial statements is accounted for on an accrual basis and provision is made for all known losses and liabilities.

#### Fixed Assets

Fixed Assets are stated at cost, net of Taxes, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production are capitalized. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

#### Intangible Assets

In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know-how / license fee relating to production process are charged to revenue in the year of incurrence. Costs incurred on technical know-how / license fee relating to process design/ plants/ facilities are capitalized at the time of capitalization of the said plant/ facility and amortized on pro-rata basis over a period of five years. Computer software is capitalised on the date of installation and is amortised on prorata basis over a period of three years.

#### Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

#### Inventories

Inventories of finished goods traded are valued at lower of procurement cost (FIFO Method) or net realizable value. Cost includes all expenses incurred to bring the inventory to the present location and condition.

#### Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of the exchange in force at the time transactions are effected. Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are restated using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognized in the statement of Profit and Loss Account.

#### Taxation

Provisions for tax consist of current tax and deferred tax. Current tax provision is computed for current income based on tax liability after considering allowances and exemptions. Deferred tax assets and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.

#### Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss account of the year in which related service is rendered.

The company does not have any long term benefit plans.



## NOTES FORMING PART OF THE ACCOUNTS

### **NOTE - 2 SHARE CAPITAL**

#### **ISSUED, SUBSCRIBED AND PAID UP**

100 (Previous Year 100) Equity Shares of USD 1/- each

	ASAT 31-03-2015 USD	ASAT 31-03-2015 (Rs.)	ASAT 31-12-2013 USD	ASAT 31-12-2013 (Rs.)
	100	4,374	100	4,374
	<b>100</b>	<b>4,374</b>	<b>100</b>	<b>4,374</b>

The Company has only one class of Equity Share having par value of \$ 1 per share.

No Equity share has been issued/cancelled during the current/previous financial year.

The Whole of the Shares of Shyam Telecom Inc are held by Shyam Telecom Limited the Holding company.

### **NOTE - 3 RESERVE & SURPLUS**

#### **Surplus**

As per last Balance Sheet

Add: Net profit for the current year

(13,45,166)	(8,59,12,957)	(13,57,336)	(7,61,70,263)
(20,49,206)	(12,65,49,569)	12,170	(97,42,694)
<b>(33,94,372)</b>	<b>(21,24,62,526)</b>	<b>(13,45,166)</b>	<b>(8,59,12,957)</b>

### **NOTE - 4 LONG-TERM BORROWINGS**

#### **Unsecured Loan**

Loan From Related Party (Holding company)

- Considered Good

33,69,294	21,08,94,843	34,77,950	21,52,74,671
<b>33,69,294</b>	<b>21,08,94,843</b>	<b>34,77,950</b>	<b>21,52,74,671</b>

### **NOTE - 5 OTHER CURRENT LIABILITIES**

Due to Director\*

Others

100	6,259	100	6,190
20,229	12,66,088	25,619	15,85,677
<b>20,329</b>	<b>12,72,347</b>	<b>25,719</b>	<b>15,91,867</b>

\* Maximum amount outstanding during the year Rs.6,259/- (Previous year Rs.6,190/-)

# NOTES FORMING PART OF THE ACCOUNTS

## NOTE 6 FIXED ASSETS -

Assets	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As at	Addi- tions	Deletions/ Adjustments during the year*	As at	As At	As at	As at	During the Year	During the Year	Written Back	Written Back	Upto	Upto	As at	As at	As at
	01.01.2014	01.01.2014	01.01.2014	01.01.2014	01.01.2014	01.01.2014	01.01.2014	During the Year	During the Year	During the Year	During the Year	31.03.2015	31.03.2015	31.03.2015	31.12.2013	31.12.2013
	US\$	RS	US\$	RS	US\$	RS	US\$	US\$	RS	US\$	RS	US\$	RS	US\$	US\$	RS
<b>Tangible Assets :</b>																
<b>Furniture &amp; Fixtures</b>	7,750	3,45,882	7,750	3,45,882	-	-	3,769	491	21,894	4,260	1,91,697	-	-	-	3,981	1,76,079
<b>Office Equipment</b>	5,864	2,75,198	5,864	2,75,198	-	-	2,075	279	13,072	2,354	1,13,414	-	-	-	3,789	1,74,856
<b>Computers</b>	5,234	2,37,320	5,234	2,37,320	-	-	4,972	-	-	4,972	2,25,454	-	-	-	262	11,866
<b>TOTAL :</b>	<b>18,848</b>	<b>8,58,400</b>	<b>-</b>	<b>8,58,400</b>	<b>-</b>	<b>-</b>	<b>10,816</b>	<b>770</b>	<b>34,966</b>	<b>11,586</b>	<b>5,30,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,032</b>	<b>3,62,801</b>
<b>Intangible Assets :</b>																
<b>Software</b>	18,000	8,38,080	18,000	8,38,080	-	-	18,000	-	-	18,000	8,38,080	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>36,848</b>	<b>16,96,480</b>	<b>-</b>	<b>16,96,480</b>	<b>-</b>	<b>-</b>	<b>28,816</b>	<b>770</b>	<b>34,966</b>	<b>29,586</b>	<b>13,68,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,032</b>	<b>3,62,801</b>
<b>Previous Year</b>	36,848	16,96,480	-	-	36,848	16,96,480	28,046	770	34,966	-	-	28,816	13,33,679	8,032	3,62,801	-

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 7 LONG-TERM LOANS AND ADVANCES

(Unsecured considered good, unless otherwise stated)

	ASAT 31-03-2015 USD	ASAT 31-03-2015 (Rs.)	ASAT 31-12-2013 USD	ASAT 31-12-2013 (Rs.)
Security Deposits	-	-	1,450	89,751
Loans and Advances to Others	-	-	11,16,666	6,91,18,268
	-	-	11,18,116	6,92,08,019
Less: Provision for Doubtful Advances	-	-	-	-
	-	-	11,18,116	6,92,08,019

### NOTE - 8 INVENTORIES

(At Lower of cost and Net Realisable Value)

Stock-In-Trade	-	-	3,34,844	1,82,07,116
	-	-	3,34,844	1,82,07,116

### NOTE - 9 TRADE RECEIVABLES

(Unsecured considered good, unless otherwise stated)

More than six months	-	-	4,88,455	3,02,33,907
Less than Six Months	-	-	91,337	56,53,490
	-	-	5,79,792	3,58,87,397
Less: Provision for Doubtfull Debts	-	-	-	-
	-	-	5,79,792	3,58,87,397

### NOTE - 10 CASH AND BANK BALANCES

#### Cash & Cash Equivalents

Balances with Banks				
- in Current Account	20,401	12,76,918	34,669	21,45,900
	20,401	12,76,918	34,669	21,45,900

### NOTE - 11 SHORT-TERM LOANS AND ADVANCES

(Unsecured Considered Good, unless otherwise stated)

Advance to Supplier-Related Party	-	-	1,08,200	66,97,242
	-	-	1,08,200	66,97,242

### NOTE - 12 OTHER INCOME

Sundry Balance Written Back	8,258	5,16,875	56,791	35,15,175
Freight & Cartage Received	636	39,146	-	-
	8,894	5,56,021	56,791	35,15,175

## NOTES FORMING PART OF THE ACCOUNTS

	ASAT 31-03-2015 USD	ASAT 31-03-2015 (Rs.)	ASAT 31-12-2013 USD	ASAT 31-12-2013 (Rs.)
<b>NOTE - 13 PURCHASE OF TRADED GOODS</b>				
<b>PARTICULARS OF PURCHASE OF GOODS TRADED</b>				
- Telecom equipments	34,543	21,16,573	5,24,835	2,85,37,894
	<b>34,543</b>	<b>21,16,573</b>	<b>5,24,835</b>	<b>2,85,37,894</b>

## NOTE - 14 CHANGES IN INVENTORY OF STOCK-IN-TRADE

### Opening Stock

Stock-In-Trade	3,34,844	1,82,07,116	4,85,219	2,45,70,568
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### Closing Stock :

Stock-In-Trade	-	-	3,34,844	1,82,07,116
	<b>3,34,844</b>	<b>1,82,07,116</b>	<b>1,50,375</b>	<b>63,63,452</b>

## NOTE - 15 EMPLOYEE BENEFITS EXPENSE

Staff Welfare	2,390	1,49,468	14,242	8,34,554
	<b>2,390</b>	<b>1,49,468</b>	<b>14,242</b>	<b>8,34,554</b>

## NOTE - 16 OTHER EXPENSES

Rent	19,946	12,20,754	26,585	15,57,900
Rates & taxes	-	-	10,295	6,03,260
Freight & Cartage	-	-	3,012	1,76,509
Commission expenses	-	-	1,110	65,046
Legal & Professional charges	10,000	6,10,120	5,584	3,27,227
Consultancy charges	11,800	7,20,970	79,275	46,45,515
Other administrative charges	46,978	29,17,300	1,603	93,960
Communication expenses	1,801	1,09,795	2,186	1,28,088
Traveling and conveyance expenses	4,770	2,94,395	1,14,834	67,29,271
Bank charges	303	18,438	1,122	65,730
Audit fees	2,868	1,79,510	2,868	1,68,065
Sundry Balances Written off	-	-	42,369	26,22,531
Bad and Doubtful Debts & advances	4,73,763	2,96,53,198	-	-
Loss on Discarded assets	7,262	3,27,835	-	-
Exchange difference on conversion	-	13,06,362	-	1,33,94,855
	<b>5,79,491</b>	<b>3,73,58,678</b>	<b>2,90,843</b>	<b>3,05,77,957</b>

## OTHER NOTES TO ACCOUNTS

### 17 Company Overview

Shyam Telecom Inc. (STI or the Company), incorporated in February 2005 under the laws of the State of New Jersey, is a wholly owned subsidiary of Shyam Telecom Limited, a Company incorporated in India. (Shyam or the Holding Company).

### 18 Basis of Preparation and Translation into Indian Rupees

- (i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 129 of the Indian companies Act, 2013 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-I I as notified under Companies Accounting Standard Rules, 2006 on the 'The Effects of changes in Foreign Exchange Rates'. The functional currency of the Company is United states Dollar(US\$).
- (ii) The translation of Foreign currency into Rs. has been carried out:
  - (a) Sales and major expenses are translated at the rate prevailing on transaction date except Depreciation which is calculated on historical cost of assets.
  - (b) All Non- Monetary assets are translated at historical rates and monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
  - (c) Share capital is translated at historical rates.
  - (d) Purchase from holding companies recorded at transaction rate on the date of transaction.
  - (e) The resulting exchange difference arises are charged to Statement of Profit and Loss account.

### 19 Exceptional item:

During the year the Company has written off the interest free advance of US\$ 11,16,666/- equivalent to Rs. 698.93 Lacs recoverable from Shyam Telecom GMBH as the same was not recoverable due to substantial losses incurred by Shyam Telecom GMBH.

- 20 The Company has substantial accumulated losses and its net worth has been fully eroded as on 31-03-2015. Therefore the management has decided to close down the operations of the Company and plans for winding up the same

### 21 Segment Reporting:

#### Business Segments (Primary)

The Company operates only in ine business segment viz. Repeaters. Accordingly there are no reportable business segments.

#### Geographical Segments (Secondary)

The following is the distribution of the company's consolidated sales by geographical segment, regardless of where the goods were produced:

	(Rupees)		
Revenue from External customers	U.S.A.	Others	Total
CurrentYear	6,54,222	-	6,54,222
Previous Period	(5,28,26,419)	(2,64,535)	(5,30,90,954)

The Company has common assets for goods for overseas markets and domestic markets. Hence, Separate Figures for fixed assets etc. can not be furnished.

**22 Related Parties are classified as:**

Holding Company – Shyam Telecom Limited, India

Key Management Personnel: Mr B A Majmudar

Enterprise over which Key Management Personnel and their relatives are able to exercise significant influence: Embeem Inc.

**Note:** Related party relationship is as identified by the company and relied upon by the auditors.

**Transactions with the above related parties are as follows:-**

Description & nature of Transactions	key Management Personnel and their relatives (US \$)	key Management Personnel and their relatives (Rupees)	Enterprises over which key management personnel & their relatives are able to exercise significant influence (US \$)	Enterprises over which key management personnel & their relatives are able to exercise significant influence (Rupees)	Holding company (US\$)	Holding company (Rupees)	Total (US\$)	Total (Rupees)
Purchases of Goods	-	-	-	-	34,543 (5,24,835)	21,16,573 (2,85,37,894)	34,543 (5,24,835)	21,16,573 (2,85,37,894)
Consultancy charges- Embeem Inc	-	-	(10,000)	(5,86,000)	-	-	-	(5,86,000)
<b>Recoverables &amp; Payables</b>								
Advances Received	-	-	-	-	33,69,294 (34,77,950)	21,08,94,843 (21,52,74,671)	33,69,294 (34,77,950)	21,08,94,843 (21,52,74,671)
Advances to Supplier	-	-	-	-	(1,08,200)	(66,97,242)	(1,08,200)	(66,97,142)
Due to director	-	100 (100)	6259 (6159)	-	-	-	100 (100)	6259 (6159)

Figures in brackets indicate previous year figures

**23 Deferred Tax**

Deferred tax liability/asset is not recognized since there are no timing differences between the carrying amount of assets and liabilities and their respective tax bases.

**24 Details of Goods Traded**

Item		Opening stock	Purchases	Sales	Closing stock
Telecom Equipments	<b>Amt-Rs.</b>	<b>1,82,07,116</b>	<b>21,16,573</b>	<b>6,54,222</b>	<b>-</b>
Previous Period	Amt-Rs.	2,45,70,568	2,85,37,894	5,30,90,954	1,82,07,116

**25 Earning Per Share**

The components of earnings per share are as follows:

Earning Per share is calculated as follows	31st March, 2015		31st December, 2013	
	US\$	RS.	US\$	RS.
Net Profit as per statement of Profit and Loss (A)	(20,49,206)	(12,65,49,569)	12,170	(97,42,694)
Weighted average outstanding common stock(Nos.) (B)	100	100	100	100
Add:-Shares to be issued against advance for Shares	25050	25050	25050	25050
Weighted average outstanding common stock(Nos.) (C)	25150	25150	25150	25150
Nominal value of common stock	\$ 1/- Each	\$ 1/- Each	\$ 1/- Each	\$ 1/- Each
Basic & Diluted Earning Per Share (A/B)	(20,492.06)	(12,65,495.69)	121.70	(97,426.94)
Basic Earning Per Share (A/B)	(20,492.06)	(12,65,495.69)	121.70	(97,426.94)
Diluted Earning Per Share (A/C)	-	-	0.48	-

**26** Other disclosure requirements of Schedule III to the Companies Act, 2013 are not applicable to the Company.

**27** Previous year figures have been regrouped / reclassified wherever considered necessary to conform to current year's classification.

**28** Previous year figure is not comparable with current year figure as current year figure is for 15 months from the period 1st Jan 2014 to 31st March 2015.

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 000517N.

**R.K. MEHRA**

Partner

M. No. 6102

**B.A. MAJMUDAR**

Director

**PLACE :** NEW DELHI

**DATE :** 30th May, 2015

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF SHYAM TELECOM LIMITED**

**SHYAM TELECOM LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SHYAM TELECOM LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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; which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated Profit and their consolidated cash flows for the year ended on that date..

### Emphasis of Matter

1. Attention is drawn to Note 26 of the consolidated financial statements, which describe the uncertainty to the litigation matter.

The Department of Telecommunications, Ministry of Communication, Government of India, had invited the tenders from the Indian Companies to provide basic telephony services. The Company Shyam Telelink Networks Ltd. (India) (STNL) along with ARM Ltd. and other parties entered into an MOU to jointly participate in the tenders through STNL. The parties entered into an agreement from which ARM Ltd. withdrew and the parties agreed for buying the shares of ARM Ltd. for a consideration of Rs 10 Crores. The same was partly effected but STNL did not pay the balance amount alleging fraud by ARM Ltd. The matter which was under arbitration by a sole arbitrator who was replaced by the Hon'ble Supreme Court of India (which was approached by the Company by way of an SLP), which vide its order dated 29th Aug, 2012 appointed a different Sole arbitrator.

The arbitrator vide his order dated 24th Jan, 2014 has directed the company to pay ARM Ltd. Rs 11.50 Crores along with interest of Rs 14.12 Crores totaling Rs. 25.62 Crores on account of payout. The interest shall be payable upto the date of payment. In addition to the above he has further awarded USD 5,00,000 at the conversion rate prevailing on 24.01,2014 plus interest @ 9% p.a. from the date of award till the date of payment and Rs 20 Lakhs payable to ARM Ltd as arbitration Cost.

The company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 against the said order before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court has issued notice in the said application (which has the effect of stay on the award), and the matter is presently sub-judice before the Hon'ble Delhi High Court. As per the legal opinion produced to us by the Company, the company expects to win the case and hence no provision for the liability has been considered in the accounts. The outstanding amount has been included under Contingent Liabilities.

2. We also draw attention to the note no 29 to the consolidated financial statements which indicate that the wholly owned of subsidiary company has accumulated losses and its net worth has been fully eroded, the wholly owned of subsidiary company has incurred net loss during the current and previous year and , the company's current liabilities exceeded it current assets as at the balance sheet date. These condition, along with other matter set forth in note no 29, indicate the existence of the material uncertainty that may cast significant doubt about the wholly owned of subsidiary company's ability to continue as going concern. Therefore the financial statements have been prepared accordingly.

Our opinion is not modified in respect of in the matters stated above.

### 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, based on the comments in the auditors' reports of the Holding company and subsidiary company 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, incorporated in India, none of the directors of the holding company, incorporated in India is disqualified as on 31st March, 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group— Refer Note 2628 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. Refer Note 28 to the consolidated financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No.000517N

**R. K. MEHRA**  
Partner  
M. No. 6102

**Place :** NEW DELHI  
**Dated :** 30th May, 2015

## **ANNEXURE TO CONSOLIDATED AUDITORS' REPORT**

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Group has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets of the group have been physically verified during the year at reasonable intervals having regard to the size and nature of the business and the discrepancies on such verification were not material.
- ii. a. The inventory of the Group in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on March 31, 2015, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
- b. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business
- c. The group has generally maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account
- iii. The group has not granted any loans , secured or unsecured to companies , firms and other parties covered in the register maintained under section 189 of the Act.

- iv. In our opinion, and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the group and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls
- v. In our opinion, the Group Entities have not accepted any deposits as per the provision of the Act..
- vi. As per information and explanations given to us, the group is not required to maintain cost records as prescribed under companies act 2013 Accordingly the provisions of the clause vi of the order are not applicable to the company.
- vii. a. The Group have generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period more than six months from the date of becoming payable.
- b. There were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Cess, Sales Tax, Service Tax, Value Added Tax and Wealth Tax which have not been deposited on account of any dispute except as detailed given below:

Name of the Statute	Nature of the Dues	Period to which the amount pertains	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Assessment Year 2011-2012	74.41	CIT (Appeals)
Income Tax Act, 1961	Income Tax	Assessment Year 2012-2013	84.08	CIT (Appeals)
The Central Excise Act, 1944	Excise Duty	FY 2009-10 to FY 2011-12	80.87	Commissioner (Appeal), Gurgaon

- c. There is no amount which required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956).
- viii. As per the consolidated financial statements, there are no accumulated losses at the end of the current financial year but cash losses were incurred during the year and during the immediately preceding financial year.
- ix. The Group has not defaulted in repayment of dues to financial institutions, banks or debentures holders.
- x. The group has not given any guarantee during the year.
- xi. The group has not availed any term loan during the year.
- xii. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the group has been noticed or reported during the year

For **MEHRA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No.000517N

**R. K. MEHRA**  
 Partner  
 M. No. 6102

Place : NEW DELHI  
 Dated : 30th May, 2015

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

	NOTE	ASAT 31-Mar-2015 (Rs. In Lacs)	ASAT 31-Mar-2014 (Rs. In Lacs)
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDER'S FUNDS</b>			
a) Share Capital	2	1,127.00	1,127.00
b) Reserves and Surplus	3	288.24	3,107.00
<b>2) NON-CURRENT LIABILITIES</b>			
a) Long-Term Borrowings	4	25.23	6.63
b) Deferred Tax Liability (Net)	5	-	90.25
c) Long -Term Provisions	6	22.36	93.66
<b>3) CURRENT LIABILITIES</b>			
a) Trade Payables	7	11,590.81	9,504.03
b) Other Current Liabilities	8	4,068.41	4,817.75
c) Short-Term Provisions	9	29.37	90.89
<b>TOTAL</b>		<b>17,151.42</b>	<b>18,837.21</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) <b>FIXED ASSETS</b>	10		
i) Tangible Assets		842.09	1,944.34
ii) Intangible Assets		-	0.44
		<b>842.09</b>	<b>1,944.78</b>
b) Non-Current Investment	11	4.74	79.78
c) Deferred Tax Assests (Net)	12	13.90	-
d) Long-Term Loans and Advances	13	235.24	962.60
e) Other Non-Current Assets	14	45.07	66.28
<b>2) CURRENT ASSETS</b>			
a) Current Investment	15	509.20	-
b) Inventories	16	8,233.78	9,873.40
c) Trade Receivables	17	3,163.92	925.44
d) Cash & Bank Balances	18	593.43	718.94
e) Short-Term Loans and Advances	19	3,510.05	4,265.99
<b>TOTAL</b>		<b>17,151.42</b>	<b>18,837.21</b>

### SIGNIFICANT ACCOUNTING POLICIES

### OTHER NOTES TO ACCOUNTS

I  
26 To 35

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No 000517N

**R.K. MEHRA**

Partner  
M. No. 6102

**AJAY KHANNA**

Managing Director

**NARENDRA KUMBHAT**

Director

PLACE : New Delhi

DATED : 30th May, 2015

**GURSHARAN SINGH**

Chief Financial Officer

**DHARMENDER DHINGRA**

V.P.( Legal) & Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	NOTE	YEAR ENDED 31-Mar-2015 (Rs. In Lacs)	YEAR ENDED 31-Mar-2014 (Rs. In Lacs)
<b>CONTINUING OPERATION</b>			
<b>INCOME</b>			
<b>Revenue From Operations</b>			
Sale of Goods		31,180.47	31,566.50
Sale of Services		1,383.89	859.94
Other Operating Income	20	39.20	38.48
<b>Gross Revenue From Operations</b>		<b>32,603.56</b>	<b>32,464.92</b>
Less : Excise Duty & Service Tax		152.35	94.60
<b>Net Revenue From Operations</b>		<b>32,451.21</b>	<b>32,370.32</b>
Other Income	21	138.55	100.13
<b>TOTAL REVENUE</b>		<b>32,589.76</b>	<b>32,470.45</b>
<b>EXPENSES</b>			
Purchases of Stock in Trade		29,982.46	36,727.17
Change in Inventory of Finished Goods, Work-in-Progress, Stock-in-Trade	22	1,256.63	(6,064.13)
Employee Benefits Expense	23	372.19	413.30
Finance Costs	24	19.27	46.03
Depreciation and Amortization Expense	10	55.82	44.96
Other Expenses	25	1,568.93	1,524.12
		<b>33,255.30</b>	<b>32,691.45</b>
<b>LOSS BEFORE EXCEPTIONAL ITEMS, PRIOR PERIOD ITEMS &amp; TAX</b>			
Exceptional Items	28	(665.54)	(221.00)
Prior Period Expenses		773.96	-
		13.59	-
<b>(LOSS) BEFORE TAX</b>		<b>(1,453.09)</b>	<b>(221.00)</b>
Tax Expense:			
- Current Tax		-	38.03
- Deferred Tax		(104.15)	(61.57)
- Income Tax / Deferred Tax For Earlier Year		4.51	11.46
<b>LOSS AFTER TAX FOR THE YEAR FROM CONTINUING OPERATION</b>		<b>(1,353.45)</b>	<b>(208.92)</b>
<b>DISCONTINUING OPERATION</b>			
PROFIT/(LOSS) BEFORE TAX FROM DISCONTINUING OPERATION	31	(1,386.93)	14.45
TAX EXPENSE OF DISCONTINUING OPERATION		-	4.47
<b>PROFIT/(LOSS) AFTER TAX FOR THE YEAR FROM DISCONTINUING OPERATION</b>		<b>(1,386.93)</b>	<b>9.98</b>
<b>TOTAL LOSS FOR THE YEAR</b>		<b>(2,740.38)</b>	<b>(198.94)</b>
<b>No. of Equity Shares (No.)</b>		<b>11,270,000</b>	<b>11,270,000</b>
<b>Earnings per share (Nominal Value of each equity share Rs. 10 (Previous year: Rs. 10))</b>			
<b>Basic and Diluted</b>			
Computed on the basis of Loss from Continuing operation		(12.01)	(1.85)
Computed on the basis of total Loss for the year		(24.32)	(1.77)

### SIGNIFICANT ACCOUNTING POLICIES

### OTHER NOTES TO ACCOUNTS

I  
26 To 35

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No 000517N

**R.K. MEHRA**

Partner

M. No. 6102

**AJAY KHANNA**

Managing Director

**NARENDRA KUMBHAT**

Director

**PLACE :** New Delhi

**DATED :** 30th May, 2015

**GURSHARAN SINGH**

Chief Financial Officer

**DHARMENDER DHINGRA**

V.P.( Legal) & Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

(Rs. in Lacs)

	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax From Continuing Operation	(1,453.09)	(221.00)
Net Profit/(Loss) before Tax From Discontinuing Operation	(1,386.93)	14.45
Net Loss Before Tax	(2,840.02)	(206.55)
Adjustment for :		
Depreciation of Continuing Operation	55.82	44.94
Depreciation of Discontinuing Operation	228.10	158.70
Interest and Financial Charges	21.07	71.85
Bad Debts/Advances Written Off	347.51	112.94
Provision for Doubtful Debts/ Advances (Net)	344.86	115.39
Provision ( Leave Encashment & Retirement Benefit )	(132.82)	15.79
Profit / Loss on Sale/Discarded Of Fixed Assets	736.27	5.18
Interest Income	(30.56)	(31.88)
<b>Operating (loss)/profit before working capital change</b>	<b>(1,269.77)</b>	<b>286.36</b>
Adjustment for :		
Trade and Other Receivables	(2,086.52)	(1,094.76)
Inventories	1,639.62	(6,111.93)
Trade & other Payables	1,344.72	6,899.17
Fixed deposit	(74.68)	754.59
<b>Cash Generated from operations</b>	<b>(446.63)</b>	<b>733.43</b>
Direct Taxes Paid	21.04	17.15
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(425.59)</b>	<b>750.58</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(52.16)	(10.94)
Sale of Fixed Assets	56.28	3.41
Investment/Mutual Fund	179.26	-
<b>Net cash (used in) / from investing activities (B)</b>	<b>183.38</b>	<b>(7.53)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings ( Net )	18.60	(721.05)
Interest & Financial Charges	(28.35)	(153.92)
<b>Net cash (used in) / from Financing Activities (C)</b>	<b>(9.75)</b>	<b>(874.97)</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(251.96)</b>	<b>(131.92)</b>
Cash and cash equivalents at beginning of the Period	509.69	641.61
Cash and cash equivalents at the end of the Period	257.73	509.69

### Notes :

- Cash flow statement has been prepared following the "indirect method" as set out in the Accounting Standard-3 on cash flow statement.
- Cash and cash equivalents represent cash and bank balance.

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No 000517N

**R.K. MEHRA**

Partner

M. No. 6102

**AJAY KHANNA**

Managing Director

**NARENDRA KUMBHAT**

Director

PLACE : New Delhi

DATED : 30th May, 2015

**GURSHARAN SINGH**

Chief Financial Officer

**DHARMENDER DHINGRA**

V.P.( Legal) & Company Secretary

## NOTES TO THE CONSOLIDATED ACCOUNTS

### NOTE – I SIGNIFICANT ACCOUNTING POLICIES

#### I. BASIS OF CONSOLIDATION

The consolidated financial statements relate to Shyam Telecom Limited (the company) and its subsidiary company.

#### A. BASIS OF ACCOUNTING

- i. The financial statements of the subsidiary company used in the consolidation are of the period from 1<sup>st</sup> January 2014 to 31<sup>st</sup> March' 2015,
- ii. The financial statements of the Company and subsidiary company have been prepared in accordance with the applicable Accounting Standards.

#### B. USE OF ESTIMATES

The presentation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions to be made that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from those estimated.

#### C. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a Line-by-line basis by adding together like items of assets, liabilities, Income & expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated, as per Accounting Standard 21 –“Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2006
- ii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements
- iii. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as 'goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognized as 'capital reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- iv. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- v. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liability as of the date of disposal is recognized in the consolidated statement of profit & loss account as the profit or loss on disposal of investment in subsidiary.

#### D. INFORMATION ON SUBSIDIARY COMPANIES

The following subsidiary company is considered in the preparation of consolidated financial statements:

Name of the Company	Country of Incorporation	% of voting power held As at December 31, 2013
Shyam Telecom Inc.	USA	100

#### 2. BASIS FOR PREPARATION OF ACCOUNTS

The Financial Statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards and the provisions of Companies Act, 2013.

#### 3. FIXED ASSETS

Fixed Assets are stated at cost, net of VAT/ CENVAT, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

#### 4. EXPENDITURE INCURRED DURING THE CONSTRUCTION PERIOD

Expenditure directly relating to construction activity including trial run production expenses (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the Statement of Profit & Loss.



## 5. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013; Individual assets costing Rs.5000 or less are depreciated in full in the year of purchase. Leasehold land for lease period below 90 years is amortized over the period of lease from the date of commencement of commercial operations.

## 6. INTANGIBLE ASSETS

In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know-how / license fee relating to production process are charged to revenue in the year of incurrence. Costs incurred on technical know-how / license fee relating to process design / plants / facilities are capitalized at the time of capitalization of the said plant / facility and amortized on pro-rata basis over a period of five years.

Computer Software is capitalized on the date of installation and is amortized pro-rata basis over a period of 3 Years.

## 7. IMPAIRMENT

Carrying amount of cash generating units / assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

## 8. INVESTMENTS

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and quoted/ fair value. Long term investments are stated at cost less any provision for diminution in value other than temporary.

## 9. INVENTORY VALUATION

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and work-in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Excise duty on closing stock of finished goods and scrap are accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

## 10. FOREIGN CURRENCY TRANSACTIONS

- I. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.
- II. Monetary items denominated in foreign currencies at the year end are translated at the year end rates.
- III. Non-monetary foreign currency items are carried at cost.
- IV. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss account.
- V. Foreign Subsidiary is integral in nature. Sales and major expenses are translated at the rate prevailing on transaction date except Depreciation which is calculated on historical cost of assets. All Non-Monetary assets are translated at historical rates and monetary assets and liabilities are translated at the closing rate on the Balance Sheet date. Share capital is translated at historical rates. The resulting exchange difference charged to Statement of profit & loss account.

## 11. REVENUE RECOGNITION

Sales are inclusive of excise duty, service tax and net of sales tax. Export sales are net of ocean freight and insurance.

Revenue in respect of long-term turnkey works contracts is recognized under percentage of completion method, subject to such contracts having progressed to a reasonable extent. Revenue in respect of installation services is recognized on completion of services for which ascertained amount is more likely to be recovered than not.

## 12. INCOME ON INVESTMENTS

Dividend on shares/units is accounted for, as and when the right to receive the same is established.

## 13. BORROWING COST

Borrowing costs that are attributable to the acquisition or the construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue in the year in which they are incurred.

## 14. LEASES

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating leases. Annual lease payments are recognized as an expense on straight-line basis and in accordance with the respective lease agreements.

Assets acquired under leases where company has substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired under the finance lease are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease or present value of minimum lease payment, whichever is lower.

## 15. PRODUCT WARRANTY EXPENSES

Liability for Warranties is recognized at the time the claim is accepted. The necessary provisions are made with respect to warranties claimed and accepted, which are received up to the end of one month from the close of the year.

## 16. EMPLOYEES BENEFITS

- i. Short term employee benefit are recognized as an expenses at the undiscounted amount in the profit and loss account of the year in which related service is rendered.
- ii. The company has defined contribution plans for post-retirement benefit, namely Employee Provident Fund Scheme administered through Provident Fund Commissioner and company contribution are charged to revenue every year.
- iii. Company contribution to state plans namely Employees State Insurance Fund & Employee Welfare Fund are charge to revenue every year.
- iv. The company has defined benefit plan namely Leave Encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gratuity Trust is administrated through Life Insurance Corporation of India (LIC).
- v. Termination benefits are recognized as an expense immediately.
- vi. Gain or Loss arising out of actuarial valuation are recognized immediately in the statement of profit & loss account as income or expenses.

## 17. CLAIMS

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

## 18. DERIVATIVE

In case of forward contracts, the difference between the forward rate and the exchange rate, being the premium or discount, at the inception of a forward exchange contract is recognized as income/expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

## 19. TAXATION

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

In accordance with the Accounting Standard 22-Accounting for Taxes on income, the deferred tax for timing differences between the book & tax profit for the period is accounted for using the tax rates and the tax laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the asset will be realized in future.

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

## 20. GOVERNMENT GRANTS

Government grant in the nature of promoter's contribution is treated as capital receipt and credited to investment subsidy account.

Grant in the nature of revenue subsidy is treated as revenue receipt and credited to statement of profit and loss account.

## 21. PROVISION AND CONTINGENT LIABILITIES

Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the company then these are classified as possible obligations.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

## 22. PROPOSED DIVIDEND

Dividend as proposed by Board of Directors is provided for in the books of account, pending approval at the Annual General Meeting.

## 23. CENVAT / VAT

CENVAT / VAT claimed on capital assets are credited to assets / capital work in progress account. CENVAT / VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

### NOTE - 2 SHARE CAPITAL

#### AUTHORISED

50,000,000 Equity Shares of Rs. 10/- each

2,500,000 Preference Shares of Rs 100/- each.

#### ISSUED , SUBSCRIBED AND PAID UP

11,270,000 Equity Shares of Rs 10/- each, fully paid up

**AS AT**  
**31-Mar-2015**  
**(Rs. In Lacs)**

**AS AT**  
**31-Mar-2014**  
**(Rs. In Lacs)**

5,000.00

5,000.00

2,500.00

2,500.00

**7,500.00**

**7,500.00**

1,127.00

1,127.00

**1,127.00**

**1,127.00**

The Company has only one class of Equity Share having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of Equity share will be entitled to receive the remaining assets of the Company in proportion to the number of Equity shares held by each Shareholder.

No Equity share has been issued/cancelled during the current/previous financial year.

#### Detail of Shareholder's holding more than 5% shares

Name of Share Holders	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% Held	No. of shares	% Held
Cellphone Credit & Securities India Pvt Ltd	760165	6.75	760165	6.75
Mehrotra InvoFin India Pvt Ltd.	1560877	13.85	1560877	13.85
Shyam Antenna Electronics Ltd	700000	6.21	700000	6.21
Intell InvoFin India Pvt Ltd	1697807	15.07	1697807	15.07
AT InvoFin India Pvt Ltd	809890	7.19	809890	7.19
Teletec Finsec India Pvt Ltd	803913	7.13	803913	7.13
Cellcap InvoFin India Pvt Ltd	818081	7.26	818081	7.26

### NOTE - 3 RESERVE & SURPLUS

#### Investment Subsidy

(Acquired under the scheme of Arrangement)

#### Surplus

As per last Balance Sheet

Add: Net profit/(loss) for the current year

Less: Impact of adjustment for depreciation

15.00

15.00

3,092.00

3,290.94

(2,740.38)

(198.94)

351.62

3,092.00

78.38

-

**288.24**

**3,107.00**

### NOTE - 4 LONG-TERM BORROWINGS

#### Secured Loan

Vehicle Loans\*

- From Bank

- From Body corporate

Less: Current Maturities of Long Term borrowings

8.74

6.79

23.33

1.98

32.07

8.77

6.84

2.14

**25.23**

**6.63**

\*Secured by hypothecation of Specific Vehicle and are repayable in 58/60 equal monthly Instalments from the date of disbursment.

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

					ASAT 31-Mar-2015 (Rs. In Lacs)	ASAT 31-Mar-2014 (Rs. In Lacs)
<b>Detail Of Repayment Of Vehicle Loans</b>						
TERM LOAN	ROI	UPTO 1 YEAR	2-3 YEARS	BEYOND 3 YEARS		
ICICI	10.50%	157357	379922	0		
ICICI	10.80%	69829	164453	102093		
TATA	10.40%	81488	44568	0		
KOTAK	10%	375110	869920	961767		

### NOTE - 5 DEFERRED TAX LIABILITY (NET)

Deferred Tax liability

- Related to Fixed Assets

**Total (A)**

Deferred Tax Assets

- Disallowance under Section 43B of the Income tax Act 1961.

- Provision for Doubtful debts/ Advances

**Total (B)**

**Total (A-B)**

### NOTE - 6 LONG-TERM PROVISIONS

Provision For Employee Benefits

### NOTE - 7 TRADE PAYABLES

Trade Payables

( Due to amount outstanding to Micro, Small and Medium Enterprises NIL, Previous year NIL)

The Company has not received any intimation from "suppliers" regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.

### NOTE - 8 OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings

Interest Accrued but not due on Loans

Advance From Customers & Others

Statutory Liabilities

Due to Director\*

Employee Related Payables

Others payable

\* Maximum amount outstanding during the year Rs. 0.06 lacs (Previous year Rs. 0.06 lacs)

### NOTE-9 SHORT-TERM PROVISIONS

Provision For Employee Benefits

# NOTE- 10 FIXED ASSETS

Rs in Lacs

ASSETS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-Apr-2014	ADDITIONS DURING THE YEAR	DELETIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31-Mar-2015	AS AT 01-Apr-2014	DURING THE YEAR	WRITTEN BACK	Adjustment with Reserves	UP TO 31-Mar-2015	AS AT 31-Mar-2015	AS AT 31-Mar-2014
Tangible Assets											
Land Free Hold	1.77	-	-	1.77	-	-	-	-	-	1.77	1.77
Land Lease Hold	83.52	-	-	83.52	-	-	-	-	-	83.52	83.52
Building	444.75	-	68.43	376.32	146.27	17.24	19.01	-	144.50	231.82	298.48
Plant & Equipment	2,507.34	-	1,453.21	1,054.13	1,300.13	177.30	807.31	-	670.12	384.01	1,208.07
Electric Installation	111.43	-	111.43	-	36.33	19.42	55.75	-	-	-	75.10
Furniture & Fixture	101.82	0.27	81.79	20.30	40.23	11.00	41.70	8.80	18.33	1.97	61.60
Vehicles	222.62	37.58	8.79	251.41	118.48	30.25	7.57	4.97	146.13	105.28	104.13
Office Equipment	174.75	10.36	112.12	72.99	81.27	21.75	109.43	52.45	46.04	26.95	93.48
Computer	70.11	3.95	33.06	41.00	51.06	6.52	35.51	12.16	34.23	6.77	18.19
TANGIBLE ASSETS TOTAL (A)	3,718.11	52.16	1,868.83	1,901.44	1,773.77	283.48	1,076.28	78.38	1,059.35	842.09	1,944.34
Intangible Assets											
Software	236.95	-	8.38	228.57	236.51	0.44	8.38	-	228.57	-	0.44
INTANGIBLE ASSETS TOTAL (B)	236.95	-	8.38	228.57	236.51	0.44	8.38	-	228.57	-	0.44
TOTAL (A+B)	3,955.06	52.16	1,877.21	2,130.01	2,010.28	283.92	1,084.66	78.38	1,287.92	842.09	1,944.78
Previous Year figures :	3,963.79	10.94	19.67	3,955.06	1,817.72	203.64	11.08	-	2,010.28	1,944.78	

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	AS AT 31-Mar-2015 (Rs. In Lacs)	AS AT 31-Mar-2014 (Rs. In Lacs)
<b>NOTE - 14 OTHER NON-CURRENT ASSETS</b>		
Bank Balances		
Non-current Fixed Deposits (Refer Note 18)	45.07	66.28
(including interest accrued But Not due )	<u>45.07</u>	<u>66.28</u>
<b>NOTE - 15 CURRENT INVESTMENT</b>		
In Mutual Fund - Quoted		
BirlaSun Life Cash Plus -Daily Dividend Regular Plan	509.20	
5,08,206.924(Previous year NIL) units OF RS 100.1950 each	<u>509.20</u>	<u>-</u>
<b>NOTE - 16 INVENTORIES</b>		
(At Lower of cost and Net Realisable Value)		
Raw Material	-	375.08
Finished Goods	-	1.12
Finished Goods in Transit	-	28.35
Work In Process	-	39.00
Stores & Spares	-	1.69
Stock in Trade	7,582.89	8,857.31
Stock in Trade In Transit	650.89	570.85
	<u>8,233.78</u>	<u>9,873.40</u>
<b>NOTE - 17 TRADE RECEIVABLES</b>		
(Unsecured considered good,unless otherwise stated)		
More than six months		
- Considered Good	74.08	598.48
- Considered Doubtful	732.67	509.01
	806.75	1,107.49
Less : Provision for Doubtful Debt	732.67	509.01
	74.08	598.48
Others-Considered Good	3,089.84	326.96
	<u>3,163.92</u>	<u>925.44</u>
<b>NOTE - 18 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash-in-hand	10.71	32.28
Balances with Banks		
- in Current Account	247.02	477.41
<b>OTHER BANK BALANCES</b>		
- Fixed Deposits	380.77	275.53
(including interest accrued) (*)		
	638.50	785.22
Less: Non-current Fixed Deposits	45.07	66.28
	<u>593.43</u>	<u>718.94</u>

(\*) Rs. 205.98 Lacs (Previous Year Rs. 53.99 Lacs) under lien with Bank as Margin Money.

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

### **NOTE - 19 SHORT-TERM LOAN AND ADVANCES**

(Unsecured considered good, unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received\*

	ASAT 31-Mar-2015 (Rs. In Lacs)	ASAT 31-Mar-2014 (Rs. In Lacs)
- Considered Good	80.31	222.26
- Considered Doubtful	97.18	5.55
	177.49	227.81
Less : Provision for Doubtful Advances	97.18	5.55
	80.31	222.26
Prepaid Expenses	13.76	14.13
Advance to Supplier		
- Considered Good	3,290.40	3,063.26
- Considered Doubtful	9.15	9.15
	3,299.55	3,072.41
Less : Provision for Doubtful Advances	9.15	9.15
	3,290.40	3,063.26
Cenvat/VAT Receivable		
- Considered Good	120.51	267.95
- Considered Doubtful	20.00	-
	140.51	267.95
Less : Provision for Doubtful Advances	20.00	-
	120.51	267.95
Balance with Excise Department	-	0.33
Security Deposits		
- Considered Good	5.07	9.60
- Considered Doubtful	7.90	-
	12.97	9.60
Less : Provision for Doubtful Advances	7.90	-
	5.07	9.60
Mutual fund	-	688.46
	<b>3,510.05</b>	<b>4,265.99</b>

\*Advances include export income receivable and recoverable from employees etc.

### **NOTE - 20 OTHER OPERATING INCOME**

Dividend on Short Term Investments	39.20	38.48
	<b>39.20</b>	<b>38.48</b>

### **NOTE - 21 OTHER INCOME**

Interest On Deposits*	30.56	31.88
Sundry Balance Written Back	89.50	48.63
Miscellaneous Income	15.35	19.62
Profit on Sale of Assets (Net)	3.14	-
	<b>138.55</b>	<b>100.13</b>

(\*) Tax deducted at source Rs.2.73 Lacs (Previous Year Rs 3.70 Lacs)



## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	ASAT 31-Mar-2015 (Rs. In Lacs)	ASAT 31-Mar-2014 (Rs. In Lacs)
<b><u>NOTE - 22 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE</u></b>		
<b>Opening Stock</b>		
Work In Process	-	-
Finished Goods	-	-
Stock-in-Trade	8,839.52	2,775.39
	<u>8,839.52</u>	<u>2,775.39</u>
<b>Closing Stock :</b>		
Work in Process	-	-
Finished Goods	-	-
Stock-in-Trade	7,582.89	8,839.52
	<u>7,582.89</u>	<u>8,839.52</u>
	<u>1,256.63</u>	<u>(6,064.13)</u>
<b><u>NOTE - 23 EMPLOYEE BENEFITS EXPENSE</u></b>		
Salary, Wages & Bonus	284.06	325.50
Employer's Contribution to P.F. & Other Fund	25.87	32.04
Staff Welfare	62.26	55.76
	<u>372.19</u>	<u>413.30</u>
<b><u>NOTE - 24 FINANCE COSTS</u></b>		
Interest Expenses	3.41	0.96
Other financial cost	15.86	45.07
	<u>19.27</u>	<u>46.03</u>
<b><u>NOTE - 25 OTHER EXPENSESES</u></b>		
Stores & Spares Consumed	104.45	44.29
Power & Fuel	27.28	18.21
Other Manufacturing Expenses	-	18.82
Excise Duty on Closing Stock (Finished Goods) (Net)	-	-
Repair to:		
Plant & Machinery	7.52	5.98
Building	-	-
Auditor's Remuneration :		
Audit Fee	9.55	9.43
Tax Audit Fee	1.75	1.75
Other Services	2.50	2.50
Exchange rate Fluctuation ( Net)	214.04	396.32
Rates & Taxes	15.68	21.03
Insurance	14.21	10.58
Rent	119.54	136.93
Selling & Distribution Expenses	193.17	210.86
Sundry Balance Written off	-	26.23
Bad Debts/Loans & Advances Written Off	319.98	1.92
Provision for Doubtfull Debts	-	28.90
Legal & Professional Charges	120.17	168.00
Other Administrative Expenses	278.67	248.41
Miscallaneous Expenses	140.42	173.96
	<u>1,568.93</u>	<u>1,524.12</u>

## OTHER CONSOLIDATED NOTES TO ACCOUNTS

	Current Year	Previous Year
	(Rs in Lacs)	(Rs in Lacs)
<b>26 Contingent liabilities :</b>		
-Income Tax	158.49	74.41
-Excise Duty	80.87	80.87
-Claims of ARM Ltd *	2,892.74	2,892.74

\* The Department of Telecommunications, Ministry of Communication, Government of India, had invited the tenders from the Indian Companies to provide basic telephony services. The Company Shyam Telelink Networks Ltd. (India) (STNL) along with ARM Ltd. and other parties entered into an MOU to jointly participate in the tenders through STNL. The parties entered into an agreement from which ARM Ltd. withdrew and the parties agreed for buying the shares of ARM Ltd. for a consideration of Rs 10 Crores. The same was partly effected but STNL did not pay the balance amount alleging fraud by ARM Ltd. The matter which was under arbitration by a sole arbitrator who was replaced by the Hon'ble Supreme Court of India (which was approached by the Company by way of an SLP), which vide its order dated 29th Aug, 2012 appointed a different Sole arbitrator. The arbitrator vide his order dated 24th Jan, 2014 has directed the company to pay ARM Ltd. Rs 11.50 Crores along with interest of Rs 14.12 Crores totaling Rs. 25.62 Crores on account of payout. The interest shall be payable upto the date of payment. In addition to the above he has further awarded USD 5,00,000 at the conversion rate prevailing on 24.01.2014 plus interest @ 9% p.a. from the date of award till the date of payment and Rs 20 Lakhs payable to ARM Ltd as arbitration Cost. The company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 against the said order before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court has issued notice in the said application (which has the effect of stay on the award), and the matter is presently sub-judice before the Hon'ble Delhi High Court. As per the legal opinion produced to us by the Company, the company expects to win the case and hence no provision for the liability has been considered in the accounts. The outstanding amount has been included under Contingent Liabilities.

**27** As on 31.03.2015, an amount of Rs 3676.90 Lakhs payable to (Aquarius Technology Pte Ltd. Rs 3237.74 and Nisshoiwai Corporation Rs 439.16 Lakhs ) in Foreign Currency remains unsettled for a period exceeding One year .

### **28 Exceptional items:**

- During the year the subsidiary Company has written off the interest free advance of US\$ 11,16,666/- equivalent to Rs. 698.93 Lacs recoverable from Shyam Telecom GMBH as the same was not recoverable due to substantial losses incurred by Shyam Telecom GMBH
- Includes provision for diminution in carrying value of Investment in Spanco Limited and Sistema Shyam Teleservices Limited amounting to Rs. 75.03 Lacs for the year ended 31st March 2015.

**29** The Subsidiary company has substantial accumulated losses and its net worth has been fully eroded as on 31-03-2015. Therefore the management has decided to close down its operations and plans for winding up the same.

**30** As per the requirement of Schedule II of the Companies Act 2013 effective from 1st April 2014, the company has charged depreciation based on the useful lives as prescribed under the Schedule. Consequently, the company has adjusted Rs. 78.38 Lacs from retained earning and depreciation charge for the year ended 31st March, 2015 is higher by Rs. 91.34 Lacs.

### **31 Discontinuing Operations**

The company initiated the process of Discontinuing/outsourcing the manufacturing operations in pursuance to the resolution passed in the meeting of Board of Directors held on 9th February, 2015, thereby vacated the premises by 15th April, 2015, disposed off all tangible assets except vehicles, discharged/provided for contractual obligations of manpower/worker and resolved to outsource the operations henceforth. Consequently there is only one reportable segment as on 31st March, 2015.

The following statement shows the revenue and expenses of discontinuing operations:

	31-03-2015	31-03-2014
Revenue	1075.69	2725.64
Expenses		
Loss on sale/discard of assets	736.13	1.02
Others	1496.59	2525.67
<b>(Loss)/Profit from discontinued operations</b>	<b>(1,157.03)</b>	<b>198.95</b>
Finance Cost	1.80	25.82
Depreciation and amortisation	228.10	158.68
<b>(Loss)/Profit Before Tax</b>	<b>(1,386.93)</b>	<b>14.45</b>
Tax expenses	0	4.47
<b>(Loss)/Profit after Tax</b>	<b>(1,386.93)</b>	<b>9.98</b>

Note: The above statement does not include common expenses that are not allocable to any segment.

The separately identifiable carrying amounts of total assets and liabilities of discontinuing operation are as follows:

	31-03-2015	31-03-2014
Total Assets	563.37	2567.18
Total Liabilities	564.99	4748.4

Note: The above statement includes carrying value of assets, pending disposal/ realisation and liabilities, pending payout which is expected to be completed within a year.

The net cash flows attributable to the discontinued operations are stated below:

Operating activities	(186.16)	806.55
Investing activities	52.05	1.07
Financing activities	(9.32)	(826.78)
Net Cash inflows/(outflows)	(143.43)	(19.16)

## 32 Related Party Information:

### Relationship

- a) Key Management Personnel and relative of Key Management personal :

Mr. Rajiv Mehrotra, Mr Alok Tondon, Mr. Arun Khanna, Mr. BA Majmudar and Mr. Ajay Khanna.

- b) Enterprises over which Key Management Personnel and relatives are able to exercise significant influence:

Shyam Antenna Electronics Ltd., Intercity Cable System Pvt. Ltd, Shyam Communication Systems, Shyam Networks Ltd. (formerly Shyam Telecom Systems Pvt. Ltd.), Shyam Digital Communications Pvt Ltd, Sistema Shyam Teleservices Ltd., Ubico Networks Pvt.Ltd., RMS Automation Systems Ltd., Spectranet Pvt Ltd., Shyam infratel Pvt Ltd, Vihaan Networks Ltd and Think of us Pvt Ltd.

**Note:** Related party relationship is as identified by the Company and relied upon by the auditors.

**Transactions with the above related parties are as follows:**
**(Rs. in Lacs)**

PARTICULARS	31.03.2015			31.03.2014		
	Enterprises over which key management personnel & their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total	Enterprises over which key management personnel & their relatives are able to exercise significant influence	Key Management Personnel and their relatives	Total
<b>a) Sale of Goods &amp; Services</b>						
Vihaan Networks Ltd.	601.63		601.63	866.59	-	866.59
Ubico Networks Pvt Ltd.	4.90		4.90	-	-	-
Sistema Shyam Teleservices Ltd.	5411.30		5,411.30	7900.97	-	7,900.97
Think of us Pvt. Ltd	335.60		335.60	15.49	-	15.49
RMS Automation Systems Ltd.	51.60		51.60	5.30	-	5.30
<b>Sub Total</b>	<b>6,405.03</b>	<b>-</b>	<b>6,405.03</b>	<b>8,788.35</b>	<b>-</b>	<b>8,788.35</b>
<b>b) Purchase of the goods</b>						
Vihaan Networks Ltd.	21.06		21.06	4.38	-	4.38
Think of us Pvt. Ltd	33.78		33.78	1.23	-	1.23
RMS Automation Systems Ltd.	-		-	28.60	-	28.60
<b>Sub Total</b>	<b>54.84</b>	<b>-</b>	<b>54.84</b>	<b>34.21</b>	<b>-</b>	<b>34.21</b>
<b>c) Rent Paid</b>						
Shyam Communication Systems	67.42		67.42	67.42	-	67.42
Intercity Cable System Pvt. Ltd.	20.22		20.22	20.22	-	20.22
<b>Sub Total</b>	<b>87.64</b>	<b>-</b>	<b>87.64</b>	<b>87.64</b>	<b>-</b>	<b>87.64</b>
<b>d) Remuneration</b>						
Mr. Ajay Khanna	-	13.15	13.15	-	13.15	13.15
Mr. Alok Tandon	-	1.10	1.10	-	13.15	13.15
<b>Sub Total</b>	<b>-</b>	<b>14.25</b>	<b>14.25</b>	<b>-</b>	<b>26.30</b>	<b>26.30</b>
<b>e) Interest Expense</b>						
Shaym Networks Ltd.	-		-	22.71		22.71
<b>f) Loan Taken</b>						
Shaym Networks Ltd.	26.50		26.50	-	-	-
<b>g) Repayment of Loan</b>						
Shaym Networks Ltd.	26.50		26.50	718.90	-	718.90
<b>Recoverables &amp; Payables</b>						
<b>a) Amount Receivable</b>						
Shyam infratel Pvt. Ltd.	14.69		14.69	-	-	-
Shyam Digital Communication Ltd	1.29		1.29	1.29	-	1.29
Sistema Shyam Teleservices Ltd.	2,376.06		2,376.06		-	
Ubico Networks Pvt. Ltd.	26.10		26.10	24.80	-	24.80
Think of us Pvt. Ltd	27.10		27.10	9.16		9.16
Vihaan Networks Ltd.	165.14		165.14			
RMS Automation Systems Ltd.	2,888.59		2,888.59	2,816.37	-	2,816.37
<b>Sub Total</b>	<b>5,498.97</b>		<b>5,498.97</b>	<b>2,851.62</b>	<b>-</b>	<b>2,851.62</b>
<b>b) Amount Payable</b>						
Shyam Communication Systems	47.62		47.62	15.17	-	15.17
Vihaan Networks Ltd.	-		-	236.57	-	236.57
Intercity Cable System Pvt. Ltd.	46.85		46.85	44.33		44.33
Spectranet ISP Pvt. Ltd.	1.25		1.25	1.25	-	1.25
Shyam Antenna Electronics Ltd.	108.51		108.51	138.43	-	138.43
Sistema Shyam Teleservices Limited				313.72		313.72
<b>Sub Total</b>	<b>204.23</b>		<b>204.23</b>	<b>749.47</b>	<b>-</b>	<b>749.47</b>
<b>c) Security deposit recoverable</b>						
Intercity Cable System Pvt. Ltd.	10.00		10.00	10.00	-	10.00
Shyam Communication Systems	60.00		60.00	60.00	-	60.00
<b>Sub Total</b>	<b>70.00</b>		<b>70.00</b>	<b>70.00</b>	<b>-</b>	<b>70.00</b>
<b>d) Interest Accrued &amp; Due</b>						
Shaym Networks Ltd.	-		-	7.51	-	7.51

- 33** Some of the personal accounts are subject to adjustments / reconciliation / confirmation .
- 34** In the opinion of Board of Directors Fixed Assets, Current Assets, Loans and Advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all liabilities have been made in the Accounts, which has been relied upon by the auditors.
- 35** Previous year figures have been regrouped/reclassified wherever considered necessary.

As per our report of even date attached

For **MEHRA GOEL & CO.**

**CHARTERED ACCOUNTANTS**

**Firm Registration No 000517N**

**R.K. MEHRA**

*Partner*

*M. No. 6102*

**AJAY KHANNA**

*Managing Director*

**NARENDRA KUMBHAT**

*Director*

**PLACE : New Delhi**

**DATED : 30th May, 2015**

**GURSHARAN SINGH**

*Chief Financial Officer*

**DHARMENDER DHINGRA**

*V.P.( Legal) & Company Secretary*



# SHYAM TELECOM LIMITED

Regd. Office: MTS Tower, 3, Amrapali Circle, Vaishali Nagar, Jaipur 302021, Rajasthan, India

Ph.: 91-141-5100343, Fax: 91-141-5100310

CIN: L32202RJ1992PLC017750

e-mail id: investors@shyamtelecom.com, website: www.shyamtelecom.com

## ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Name & Address	Folio No.	DP ID #	Client ID #	No. of Shares Held

# Applicable for members holding shares in dematerialized form.

I / We hereby record my / our presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of SHYAM TELECOM LIMITED to be held at 11.30 A.M. on Tuesday, 29<sup>th</sup> September 2015, at Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006, Rajasthan, India.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here	If Proxy, please sign here

**Note:** Members are requested to bring their copies of the ANNUAL REPORT and AGM Notice at the Meeting as the same will not be circulated at the Meeting.

## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on the 29<sup>th</sup> day of September 2015 at Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006, Rajasthan, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Consider and adopt the Audited Financials		
2.	Re-appointment of Mr. Arun Khanna as Director		
3.	Ratification of appointment of Auditors		
4.	To ratify the remuneration paid to Cost Auditors for the year 2015-16		
5.	Borrowing powers to the board under section 180 (1) (c)		
6.	To approve transactions with Sistema Shyam Teleservices Ltd		
7.	To approve transactions with Vihaan Networks Ltd		
8.	To approve transactions with Think of Us Private Limited		

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature of Shareholder

Signature of Proxy holder

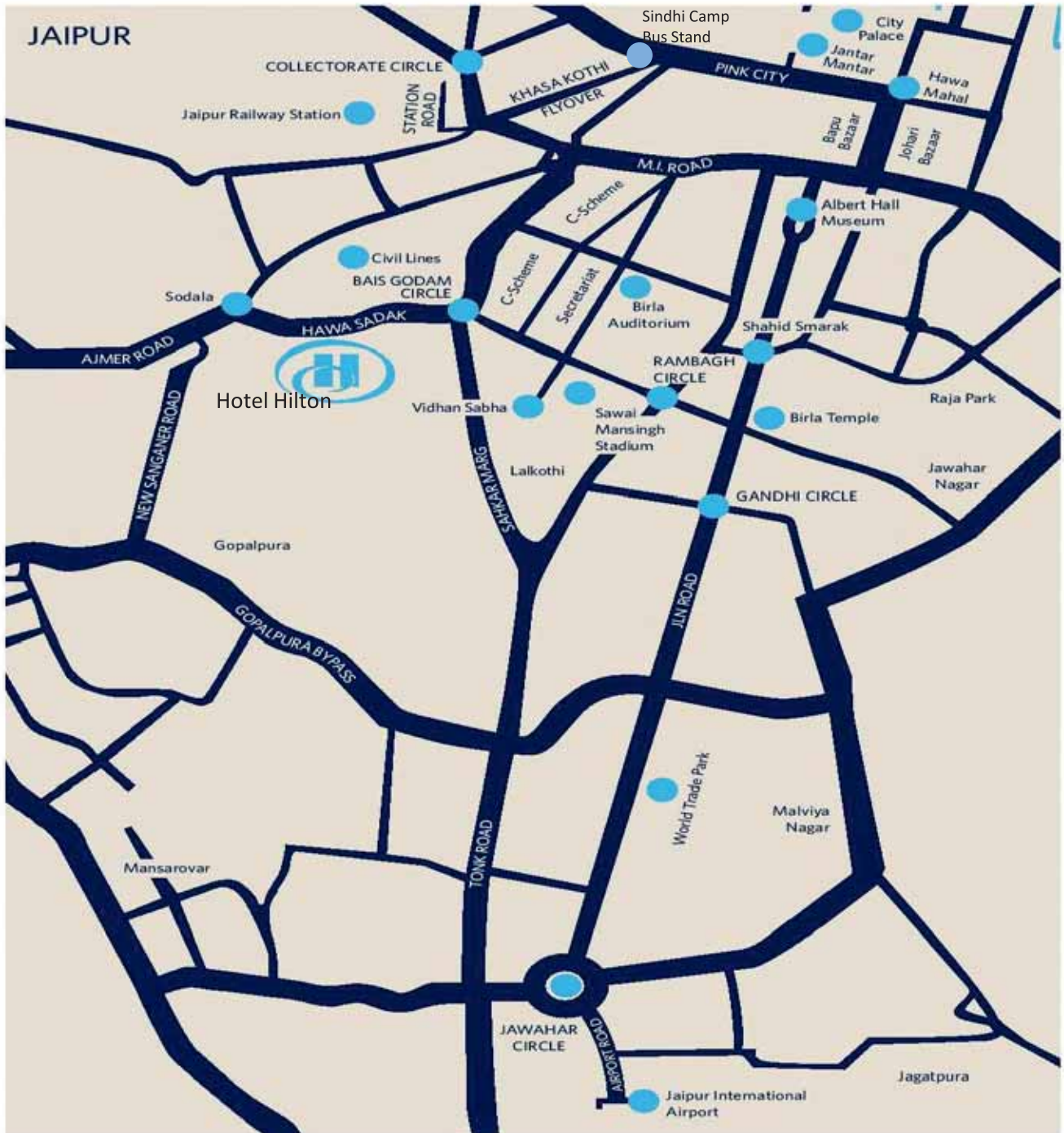
Signature of the shareholder  
across Revenue Stamp

Affix  
Revenue  
Stamps

### Note:

- Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

## Route map of the venue of Annual General Meeting



### Distance from

Airport - 11 Km  
Rly. Stn. - 2.9 Km  
Bus Stand - 4 Km



## **CORPORATE INFORMATION**

### **Board of Directors/Compliance Officer**

<b>Mr. Rajiv Mehrotra</b>	Chairman	DIN- 00035766
<b>Mr. Ajay Khanna</b>	Managing Director	DIN- 00027549
<b>Mr. Alok Tandon</b>	Director	DIN- 00027563
<b>Mr. Achintya Karati</b>	Chairman of Audit Committee	DIN- 00024412
<b>Mr. Vinod Juneja</b>	Director	DIN- 00044311
<b>Mr. C.S. Malhotra</b>	Director	DIN- 00276335
<b>Mr. Arun Khanna</b>	Director	DIN- 00041724
<b>Mr. N. Kumbhat</b>	Director	DIN- 00035665
<b>Mrs. Nishi Arora Sabharwal</b>	Independent Woman Director	DIN- 06963293
<b>Mr. Dharmender Dhingra</b>	Vice-President (Legal) & Company Secretary	

### **Statutory Auditors**

**M/s Mehra Goel & Co.**  
Chartered Accountants  
505, Chiranjiv Towers,  
43, Nehru Place,  
New Delhi-110019

### **Registrar and Transfer Agent**

**Indus Portfolio Pvt. Ltd.**  
G-65, Bali Nagar, New Delhi-110015, India  
rnt@indusinvest.com/ bharat.b@indusinvest.com  
Ph: 91-11-47671200, 47671214  
Fax: 91-11-25449863  
Web: www.indusinvest.com

### **Banker**

United Bank of India  
Bank of Baroda

### **Registered Office**

Regd. Office : MTS Tower, 3, Amrapali Circle  
Vaishali Nagar, Jaipur 302021, Rajasthan, India  
Ph.: 91-141-5100343, Fax: 91-141-5100310  
Corporate office: A-60, Naraina Industrial Area, Phase-I, New Delhi-110028  
Email: investors@shyamtelecom.com Ph: 91-11-41411071/72/73, 91-141-5100343 Website: www.shyamtelecom.com  
CIN : L32202RJ1992PLC017750

### **Registered Office**

**National Securities Depository Ltd.**  
4<sup>th</sup> Floor, "A" wing, Trade World,  
Kamla Mills Compound, Senapati Bapat Marg  
Lower Parel, Mumbai-400013, India  
Ph: 91-22-24994200  
Fax: 91-22-24976351  
Web: [www.nsdl.co.in](http://www.nsdl.co.in)

**Central Depository Services (India) Ltd.**  
Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> Floor, Dalal Street,  
Mumbai-400 001, India  
Ph: 91-22-22723333-3224  
Fax: 91-22-22723199/22722072  
Web: [www.cdslindia.com](http://www.cdslindia.com)

**Equity Shares Listing** – Equity Shares of the Company are listed at BSE & NSE





[www.shyamtelecom.com](http://www.shyamtelecom.com)

**REGD.OFFICE:**

MTS Towers,  
3, Amrapali Circle  
Vaishali Nagar, Jaipur -302021  
Rajasthan, India



# SHYAM TELECOM LIMITED

Regd. Office: MTS Tower, 3, Amrapali Circle, Vaishali Nagar, Jaipur 302021, Rajasthan, India

Ph.: 91-141-5100343, Fax: 91-141-5100310

CIN: L32202RJ1992PLC017750

e-mail id: investors@shyamtelecom.com, website: www.shyamtelecom.com

## ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Name & Address	Folio No.	DP ID #	Client ID #	No. of Shares Held

# Applicable for members holding shares in dematerialized form.

I / We hereby record my / our presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of SHYAM TELECOM LIMITED to be held at 11.30 A.M. on Tuesday, 29<sup>th</sup> September 2015, at Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006, Rajasthan, India.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here	If Proxy, please sign here

**Note:** Members are requested to bring their copies of the ANNUAL REPORT and AGM Notice at the Meeting as the same will not be circulated at the Meeting.

## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on the 29<sup>th</sup> day of September 2015 at Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006, Rajasthan, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Consider and adopt the Audited Financials		
2.	Re-appointment of Mr. Arun Khanna as Director		
3.	Ratification of appointment of Auditors		
4.	To ratify the remuneration paid to Cost Auditors for the year 2015-16		
5.	Borrowing powers to the board under section 180 (1) (c)		
6.	To approve transactions with Sistema Shyam Teleservices Ltd		
7.	To approve transactions with Vihaan Networks Ltd		
8.	To approve transactions with Think of Us Private Limited		

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder  
across Revenue Stamp

Affix  
Revenue  
Stamps

### Note:

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- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

**Corporate Office :**

A-60, Naraina Industrial Area, Phase-I,  
New Delhi-110028 (INDIA)

TEL. : 91-11-41411070 / 71 / 72

FAX : 91-11-25792194

E-mail : investors@shyamtelecom.com

Website : www.shyamtelecom.com

**SHYAM**  
TELECOM LTD

**FORM A**

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Shyam Telecom Limited
2.	Annual Financial Statements for the year ended 31.03.2015	March 31,2015
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Not Applicable

For SHYAM TELECOM LIMITED

*Ajay Khanna*

Ajay Khanna  
Managing Director

For SHYAM TELECOM LIMITED

*Achintya Karati*  
Chairman of Audit Committee

For SHYAM TELECOM LIMITED

*Gursharan Singh*  
CFO

For MEHRA GOEL & COMPANY  
CHARTERED ACCOUNTANTS  
REGN NO. 000517N

*R.K. Mehra*  
Auditor

Regd. Office : MTS Tower, 3, Amrapali Circle, Vaishali Nagar, Jaipur-302021 (RAJASTHAN) INDIA  
Phone : 91-0141-5100343 Fax : 91-0141-5100310  
CIN : L32202RJ2002PLCO17750