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**SHYAM**  
**TELECOM LTD**

**Date – 25<sup>th</sup> September, 2018**

**Bombay Stock Exchange Ltd.**

Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai-400 001

**The National Stock Exchange of India Ltd.**

"Exchange Plaza", Bandra- Kurla Complex  
Bandra (E), Mumbai-400 051

Dear Sir(s),

**Sub – Annual Report for the Financial Year 2017-18**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of Shyam Telecom Limited ("Company") for the Financial Year 2017-18.

Thanking You,

Yours Sincerely

For SHYAM TELECOM LIMITED

  
**SAURAV GOEL**  
**COMPANY SECRETARY**

Encl. – As above

**Regd. Office :** MTS Tower, 3, Amrapali Circle, Vaishali Nagar, Jaipur-302021 (RAJASTHAN) INDIA

**Phone :** 91-0141-5100343 **Fax :** 91-0141-5100310

**CIN : L32202RJ1992PLC017750**



**SHYAM**

**Shyam Telecom Limited**  
25<sup>th</sup> Annual Report 2018

**25<sup>th</sup>** YEAR  
ANNIVERSARY  
CELEBRATION

## **Contents**

Directors' Report .....	I
Annexure to the Director s Report & Management Discussion & Analysis Report .....	7
Corporate Governance Report .....	23
Compliance Certificate on Corporate Governance .....	35
Internal Auditors' Report (2017-18) .....	36
Independent Auditors' Report (2017-18) .....	38
Financial Statements .....	43



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report on the Business and Operations of the Company and the accounts for the Financial Year ended March 31, 2018.

### FINANCIAL SUMMARY

The Company's Financial Performance for the Year under review along with previous Year figures are given hereunder:

### FINANCIAL PERFORMANCE

(Rupees in Lakhs)

PARTICULARS	Financial Year 2017-2018*	Financial Year 2016-2017*
A. Revenue from Operations	2,368.40	4,392.27
B. Other Income	395.39	328.97
<b>C. Total (A + B)</b>	<b>2763.79</b>	<b>4721.24</b>
D. Profit / (Loss) before Exceptional Items and Tax	14.58	(146.59)
E. Exceptional Items/Loss - Discontinuing Operations	-	(56.89)
F. Profit / (Loss) Before Tax	14.58	(203.48)
G. Less: Provisions for Tax	0.95	7.92
H. Net Profit (F – G)	13.63	(211.40)
I. Other Comprehensive Income / (Loss)	1.27	(3.45)
J. Total Comprehensive Income (H + I)	14.90	(214.85)

\*As per IndAS

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE AND COMPANY'S STATE OF AFFAIRS

During the Year under review your Company registered a Turnover of Rs. 2368.40 Lakhs as compared to a Turnover of Rs. 4392.27 Lakhs during the previous Financial Year ended March 31, 2017. Revenue from Operations for the Year ended March 31, 2018 has decreased by 46.078 % over the corresponding last Year. However, the Total Comprehensive Income for the period under review stood at Rs. 14.90 Lakhs as compared to a Loss of Rs. 214.85 lakhs in the corresponding last Year.

Your Company is exploring other avenues for business and is in discussions / negotiations with various vendors.

### SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2018 stands at Rs. 75 Crores divided into 5 Crores Equity Shares of Rs. 10/- each and 25 Lakhs Redeemable Preference Shares of Rs. 100/- each. The Paid-up Share Capital of your Company is Rs. 11,27,00,000 divided into 1,12,70,000 Equity Shares of Rs. 10/- each, fully paid-up.

### DIVIDEND

No Dividend was declared for the current Financial Year due to consistent losses incurred by the Company.

### TRANSFER TO RESERVES

The Company does not propose to transfer amount to the General Reserve out of the amount available for appropriation and considered it appropriate to retain the same in the profit and loss account.

### NATURE OF BUSINESS

The Company is primarily engaged in the business of trading of Mobile accessories in India.

### SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANY

The Company had no Subsidiary, Associate or Joint Venture Company during the reporting period. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Account) Rules, 2014 is not applicable.

### PUBLIC DEPOSIT

During the Year under review, your Company has not accepted any deposit under Sections 73 or any other provisions of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 or any amendment thereto.

### COST RECORDS

Your Company is not required to maintain cost records as prescribed under Companies Act, 2013.

### INDIAN ACCOUNTING STANDARD (INDAS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted India Accounting Standards ('Ind AS') from 1<sup>st</sup> April, 2017. The Financial Results for the year 2017-18 have been prepared in accordance with IndAS, the relevant Rules issued thereunder and the other recognized accounting practices and policies to the extent applicable.



## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and is mentioned below:

Mr. Rajiv Mehrotra	-	Chairman and Director
Mr. Ajay Khanna	-	Managing Director
Mr. Alok Tandon	-	Non-Executive Director
Mr. Arun Kumar Khanna	-	Non-Executive Director
Mr. Achintya Karati	-	Independent Director
Mr. Narendra Kumbhat	-	Independent Director
Mr. Vinod Juneja	-	Independent Director
Mr. Chandar Sain Malhotra	-	Independent Director
Ms. Nishi Sabharwal	-	Independent Woman Director

The Company has following KMPs

Mr. Ajay Khanna	-	Managing Director
Mr. Gursharan Singh	-	Chief Executive Officer
Mr. Vinod Raina	-	Chief Financial Officer
Mr. Saurav Goel	-	Company Secretary

During the Year under review, total four Meetings of the Board of Directors of your Company were held, i.e., on 27<sup>th</sup> May, 2017, 04<sup>th</sup> August, 2017, 13<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of Board Composition and Board Meetings held during the Financial Year 2017-18 have been provided in the Corporate Governance Report which forms part of this Annual Report.

During the Year under review, Mr. Rajiv Mehrotra (DIN – 00035766) who retired at the 24<sup>th</sup> AGM was reappointed as a Director of the Company. Mr. Arun Kumar Khanna (DIN - 00041724), Non-Executive Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. In accordance with Regulation 36(3) of the Listing Regulations, the brief profile and particulars of Mr. Arun Kumar Khanna is given in the Annexure to the Notice convening the Annual General Meeting. Your Board recommends reappointment of Mr. Arun Kumar Khanna as a Director of the Company, liable to retire by rotation.

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 submitted Declaration to that effect.

## INDEPENDENT DIRECTORS' MEETING

In compliance with the requirements of Schedule IV of the Act, a Meeting of the Independent Directors was held on 12<sup>th</sup> February, 2018, without the participation of the Executive Directors or Management Personnel.

The Independent Director carried out performance evaluation of Non-Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, contents and timeliness of flow of information between the Management and Board, based on the performance evaluation framework of the Company.

## DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors of your Company have submitted a Declaration that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there is no change in their status of Independence. As required under Section 149(7) of the Act, the said declaration was placed in the Board Meeting held on 29<sup>th</sup> May, 2018.

## BOARD ANNUAL EVALUATION

In accordance with the applicable provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured Questionnaire was prepared after circulating the drafts Forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman, Board as a whole and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. Performance Evaluation Policy is also posted on Company's Website.

## FAMILIARISATION PROGRAMME MODULE

The Familiarization Program Module for Independent Directors of the Company has been adopted by the Board of Directors. The Independent Directors were intimated and informed about the operational, Financial, Legal and Secretarial

aspects of the Company. The Familiarization Program has been posted on the Company's Website in terms of the provisions of Regulation 46(2)(i) of Listing Regulations.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your Company has established a Vigil Mechanism Program 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 behavior. 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 Regulation 22 of Listing Regulations 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**

Your Company has adopted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of said policy. Details of Constitution of the Committee forms part of the Policy and has been given in Corporate Governance Report.

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the Year no such complaints were received.

#### **RISK MANAGEMENT POLICY AND RISK FACTORS & MITIGATION**

As per the requirements of Regulation 21 of Listing Regulations, your Company had constituted a Risk Management Committee to oversee the risk management efforts in the Company under the Chairmanship of Mr. Narendra Kumbhat, Independent Director. The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of the Annual Report. However, the same has been dissolved w.e.f. 12<sup>th</sup> February, 2018

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

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.

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. The Company also follows conservative finance and accounting policy and keeps regular check on various Financial health parameter. Every quarter the risk analysis is reviewed by the Board of Directors.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provision of Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, confirm that:

- i) in the preparation of the Annual Accounts for the Year ended 31<sup>st</sup> March 2018, the applicable Accounting Standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures 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 as at 31<sup>st</sup> March, 2018 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) the 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 are 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 terms of the provisions of Section 139 of the Companies Act, 2013 read with the provisions of Companies (Audit and Auditors) Rules, 2014 as amended, M/s. VGM & Company, Chartered Accountants was appointed as the Auditors of the Company for a consecutive period of 5 Years from the conclusion of the 24<sup>th</sup> AGM held in the Year 2017 until the conclusion of the 29<sup>th</sup> AGM of the Company to be held in the Year 2022.

The members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide Notification dated May 7, 2018, the Proviso to Section 139(1) of the Companies Act, 2013 read with explanation to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s VGM & Company, Chartered Accountants as the Auditors of the Company, by the Members at the ensuing AGM.

## AUDITORS REPORT

The Auditor's Report presented by M/s. VGM & COMPANY, Chartered Accountants, the Statutory Auditors on the accounts of the Company for the Financial Year ended 31st March, 2018 is unqualified and therefore explanations or comments by the Board as required under Section 134(3)(f) of the Companies Act, 2013 is not required. There are no frauds which are committed by the Company and therefore no such fraud has been reported by the Auditor under Section 143(12) of the Companies Act, 2013.

## INTERNAL AUDITORS

Pursuant to the provisions of the Section 138 of the Act, the Board of Directors of the Company had appointed M/s. Padam Dinesh & Company, Chartered Accountants as Internal Auditor of the Company for the Financial Year 2017-18.

## 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 – I**” to this Report. The extract is also available on the Company website ([www.shyamtelecom.com](http://www.shyamtelecom.com)) and can be read from there.

## SECRETARIAL AUDIT

In terms of the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s A.N. Kukreja & Company, a Practicing Company Secretary Firm to conduct the Secretarial Audit of your Company for the Financial Year ended 31<sup>st</sup> March, 2018. The Secretarial Audit Report in Form MR-3 is annexed herewith as “**Annexure - II**”. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and therefore explanations or comments by the Board as required under Section 134(3)(f) of the Companies Act, 2013 is not required..

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

The Statement of Disclosure of Ratio of Remuneration and other Details under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is appended as **Annexure III** to the Report and therefore explanations or comments by the board as required under Section 134(3)(f) of the Companies Act, 2013 is not required.

## RELATED PARTY TRANSACTIONS

During the Financial Year ended March 31, 2018, all transactions with the Related Party as defined under the Companies Act, 2013 read with Rules framed thereunder were in the 'Ordinary Course of Business' and 'at arm's length' basis. There has been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Pursuant to Section 177 of the Act and Regulation 23 of Listing Regulations, all Related Party Transactions were placed before the Audit Committee for its approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's Website. The Details of the Related Party Transactions as required under Accounting Standard - 18 are set out in Notes to the Financial statements forming part of this Annual Report. The Form 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.



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

In compliance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, a Statement containing Information on conservation of energy, technology absorption, foreign exchange earnings and outgo of the Company is annexed to this Board's Report and marked as **Annexure – V**.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the Year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section forming part of the Annual Report as **Annexure - VI**.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company has constituted a Corporate Social Responsibility (CSR) Committee to facilitate its CSR related operations in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. Composition of CSR Committee of your Company has been provided in the Corporate Governance Report which forms part of this Annual Report. The Company made various donations during the Year.

## **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

Your Company has established and maintained adequate Internal Financial Controls with respect to Financial Statements. Such Controls have been designed to provide reasonable assurance with regard to providing reliable Financial and Operational information. During the Year, such Controls were operating effectively and no material weaknesses were observed.

## **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.

## **NOMINATION AND REMUNERATION POLICY**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 19 of Listing Regulations, 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 and is also available on the Website of the Company.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Company has also implemented several best Corporate Governance practices as prevalent, globally. The Corporate Governance Report as stipulated under the Listing Regulations forms an integral part of this Report.

As per Regulation 34(3) read with Schedule V (c) of the Listing Regulations, a Report on Corporate Governance along with a Certificate from Mr. Sandeep Mehra, Practicing Company Secretary are annexed hereto and forms part of the Report.

## **FINANCE AND BORROWINGS**

Your Company had availed Working Capital Loan Facility of up to Rs. 5 Crores (Five Crores) during the period under review.

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

The particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the Financial Year 2017-18 form part of the Notes to the Financial Statements provided in this Annual Report.

## **COMPOSITION OF AUDIT COMMITTEE**

The Board of Directors of your Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee has been approved by the Board of Directors. The Information in respect of the Composition of the Audit Committee, Scope, Brief Terms of Reference, Number of Meetings held during the Year under Review and other relevant details have been provided in the Corporate Governance Report which forms part of this Annual Report.

The Board has accepted all Recommendations made by the Audit Committee during the Year under Review.

#### **SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS**

During the Year under review, there were no significant material orders passed by the Regulators / Courts / Tribunals. However, your Company has settled the claims of ICOMM Tele Limited (earlier known as ARM Limited) reflecting under the head “Contingent Liabilities” in the Financial Statements, by entering into a Settlement Agreement and discharged all its liabilities towards the claims of ICOMM Tele Limited.

#### **ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and Members during the Year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's Executives, Staff and Workers.

On Behalf of the Board of Directors

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

**Sd/-**  
**NISHI SABHARWAL**  
Director

**PLACE:** NEW DELHI  
**DATE:** 11<sup>th</sup> August, 2018

## ANNEXURE-I TO THE DIRECTOR REPORT

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

As on Financial Year ended on 31.03.2018

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	Shyam Tower, 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> / <a href="mailto:shyamtel1992@gmail.com">shyamtel1992@gmail.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> / <a href="mailto:cs.anamika@indusinvest.com">cs.anamika@indusinvest.com</a> Ph.: 91-11-47671200, 47671214 Web: <a href="http://www.indusinvest.com">www.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
I.	Wholesale of Telephone, Mobile Phone and Communications Equipment and parts	46524	100

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

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% shares held	Applicable Section
I.	No Subsidiary				



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

##### (a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	106,706	-	106,706	0.95%	106,706	-	106,706	0.95%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	7,152,482	-	7,152,482	63.46%	7,152,482	-	7,152,482	63.46%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>7,259,188</b>	<b>-</b>	<b>7,259,188</b>	<b>64.41%</b>	<b>7,259,188</b>	<b>-</b>	<b>7,259,188</b>	<b>64.41%</b>	<b>0.00%</b>
(2) <b>Foreign</b>									
a) NRI Individuals	204,295	-	204,295	1.81%	204,295	-	204,295	1.81%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>204,295</b>	<b>-</b>	<b>204,295</b>	<b>1.81%</b>	<b>204,295</b>	<b>-</b>	<b>204,295</b>	<b>1.81%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>7,463,483</b>	<b>-</b>	<b>7,463,483</b>	<b>66.22%</b>	<b>7,463,483</b>	<b>-</b>	<b>7,463,483</b>	<b>66.22%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	70	70	0.00%	-	70	70	0.00%	0.00%
b) Banks / FI	35	350	385	0.00%	35	350	385	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	35	-	35	0.00%	35	-	35	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	35	-	35	0.00%	35	-	35	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>105</b>	<b>420</b>	<b>525</b>	<b>0.00%</b>	<b>105</b>	<b>420</b>	<b>525</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	210,719	1,785	212,504	1.89%	160,598	1,785	162,383	1.44%	-23.59%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,212,846	27,471	2,240,317	19.88%	2,229,157	27,351	2,256,508	20.02%	0.72%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	657,953	-	657,953	5.84%	709,956	-	709,956	6.30%	7.90%
c) Others (specify)	14,105	-	14,105	0.13%	14,105	-	14,105	0.13%	0.00%
Non-Resident Indians	586,879	-	586,879	5.21%	584,893	-	584,893	5.19%	-0.34%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	42,216	-	42,216	0.37%	51,911	-	51,911	0.46%	22.97%
Clearing Houses	48,706	-	48,706	0.43%	22,907	-	22,907	0.20%	-52.97%
Trusts	3,312	-	3,312	0.03%	3,329	-	3,329	0.03%	0.51%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>3,776,736</b>	<b>29,256</b>	<b>3,805,992</b>	<b>33.77%</b>	<b>3,776,856</b>	<b>29,136</b>	<b>3,805,992</b>	<b>33.77%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>3,776,841</b>	<b>29,676</b>	<b>3,806,517</b>	<b>33.78%</b>	<b>3,776,961</b>	<b>29,556</b>	<b>3,806,517</b>	<b>33.78%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%			0.00%	0.00%	
<b>Grand Total (A+B+C)</b>	<b>11,240,324</b>	<b>29,676</b>	<b>11,270,000</b>	<b>100.00%</b>	<b>11,240,444</b>	<b>29,556</b>	<b>11,270,000</b>	<b>100.00%</b>	<b>0.00%</b>

**(b) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
1	Mehrotra InvoFin India Private Limited	1,560,877	13.85%	-	1,560,877	13.85%	-	0.00%
2	Cellphone Credit & Securities India Private Limited	760,165	6.75%	-	760,165	6.75%	-	0.00%
3	Shyam Antenna Electronic Limited	700,000	6.21%	-	700,000	6.21%	-	0.00%
4	Intell InvoFin India Private Limited	1,697,807	15.06%	-	1,697,807	15.06%	-	0.00%
5	A T InvoFin India Private Limited	809,890	7.19%	-	809,890	7.19%	-	0.00%
6	Teletec Finsec India Private Limited	803,913	7.13%	-	803,913	7.13%	-	0.00%
7	Cellcap InvoFin India Private Limited	818,081	7.26%	-	818,081	7.26%	-	0.00%
8	Intercity Cables Systems Private Limited	1,749	0.02%	-	1,749	0.02%	-	0.00%
9	Mr. Arush Tandon	1,295	0.01%	-	1,295	0.01%	-	0.00%
10	Mr. Rajiv Mehrotra	53,130	0.47%	-	53,130	0.47%	-	0.00%
11	Mr. S S Puri	17,608	0.16%	-	17,608	0.16%	-	0.00%
12	Mr. Alok Tandon	-	0.00%	-	-	0.00%	-	0.00%
13	Mrs. Tanu Arora	8,750	0.08%	-	8,750	0.08%	-	0.00%
14	Mr. Ajay Khanna	4,553	0.04%	-	4,553	0.04%	-	0.00%
15	Mr. Arun Kumar Khanna	490	0.00%	-	490	0.00%	-	0.00%
16	Mrs. Renu Mehrotra	35	0.00%	-	35	0.00%	-	0.00%
17	Mr. Rakesh Kanwar	185,500	1.65%	-	185,500	1.65%	-	0.00%
18	Mrs. Shammi Khanna	17,500	0.16%	-	17,500	0.16%	-	0.00%
19	Mr. Akash Khanna	35	0.00%	-	35	0.00%	-	0.00%
20	Mr. Udit Mehrotra	35	0.00%	-	35	0.00%	-	0.00%
21	Mr. Ashish Paul	4,500	0.04%	-	4,500	0.04%	-	0.00%
22	Mrs. Swapna Tandon	17,570	0.16%	-	17,570	0.16%	-	0.00%
	Total	7,463,483	66.22%	-	7,463,483	66.22%	-	0.00%

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

S. No.	Particulars	Shareholding at the beginning of the Year (01.04.2017)		Date of change	Reason	Increase / Decrease in Shareholding during the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares			No. of Shares	% of total Shares	No. of Shares	% of total Shares
	At the beginning of the year from 01.04.2017	7,463,483	66.22%		-	-	0.00%	7,463,483	66.22%
	Date wise increase/ decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the Year							
	At the end of the Year as on 31.03.2018	7,463,483	66.22%		-	-	0.00%	7,463,483	66.22%

(d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
1	Mr.Venkatesan Sukumar Iyer	-	0.00%	215,080	1.91%	215,080	1.91%
2	Mrs. Madhvi Sharma	187,332	1.66%	(265)	0.00%	187,067	1.66%
3	Mr. Sandeep Sharma	138,462	1.23%	(22,518)	-0.20%	115,944	1.03%
4	Mr.Vrit Pal Sindhu	50,000	0.44%	-	0.00%	50,000	0.44%
5	Mr. Girish Kumar Sharda	49,000	0.43%	-	0.00%	49,000	0.43%
6	Mr. Sampat Lal Jain	46,450	0.41%	-	0.00%	46,450	0.41%
7	Mr. Rajesh Agrawal	45,982	0.41%	-	0.00%	45,982	0.41%
8	Mr. Rajendra Malveasiya	36,418	0.32%	(2,000)	-0.02%	34,418	0.31%
9	Mr. Mohammad Zubair Hakeem	13,874	0.12%	19,812	0.18%	33,686	0.30%
10	Mr. Girdhar Lal Sharda	30,700	0.27%	-	0.00%	30,700	0.27%



(e) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2017)		Increase / Decrease in Shareholding		Shareholding at the end of the year (31.03.2018)	
		No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Rajiv Mehrotra	53,130	0.47%	-	0.00%	53,130	0.47%
2	Mr. Alok Tandon	-	0.00%	-	0.00%	-	0.00%
3	Mr. Ajay Khanna	4,553	0.04%	-	0.00%	4,553	0.04%
4	Mr. Arun Kumar Khanna	490	0.00%	-	0.00%	490	0.00%
5	Mr. Achintya Karati	-	0.00%	-	0.00%	-	0.00%
6	Mr. Narendra Kumbhat	-	0.00%	-	0.00%	-	0.00%
7	Mr. Vinod Kumar Anand Juneja	402	0.00%	(402)	0.00%	-	0.00%
8	Mr. Chander Sain Malhotra	-	0.00%	-	0.00%	-	0.00%
9	Mrs. Nishi Arora Sabharwal	35	0.00%	-	0.00%	35	0.00%
10	Mr. Gursharan Singh	-	0.00%	-	0.00%	-	0.00%
11	Mr. Vinod Raina	-	0.00%	-	0.00%	-	0.00%
12	Mr. Saurav Goel	-	0.00%	-	0.00%	-	0.00%

V. INDEBTEDNESS Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18.12	-	-	18.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.13	-	-	0.13
<b>Total (i+ii+iii)</b>	<b>18.25</b>	<b>-</b>	<b>-</b>	<b>18.25</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	7.36	-	-	7.36
Net Change	(7.36)	-	-	7.36
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	10.75	-	-	10.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.08	-	-	0.08
<b>Total (i+ii+iii)</b> (Mentioned in Note No. 15 and 17 of the Financial Statements)	<b>10.83</b>	<b>-</b>	<b>-</b>	<b>10.83</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
	Name	Mr. Ajay Khanna	
	Designation	Managing Director	
1	Gross salary	13.15	13.15
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.15	13.15
	(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	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify (PF Contribution)	1.44	1.44
	<b>Total (A)</b>	14.59	14.59
	Ceiling as per the Act		

B. Remuneration to other Directors

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Achintya Karati	Mr. Narendra Kumbhat	Mr. Chandar Sain Malhotra	Mr. Vinod Juneja	Mrs. Nishi Sabharwal	
1	Independent Directors						
	Fee for attending Board / Committee meetings	0.46	0.46	0.36	0.43	0.31	2.02
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	0.46	0.46	0.36	0.43	0.31	2.02
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>0.46</b>	<b>0.46</b>	<b>0.36</b>	<b>0.43</b>	<b>0.31</b>	<b>2.02</b>
	Total Managerial Remuneration						<b>2.02</b>
	Overall Ceiling as per the Act						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Mr. Gursharan Singh	Mr. Vinod Raina	Mr. Saurav Goel	
	Designation	CEO	CFO	CS	
1	Gross salary	11.28	18.05	7.14	36.47
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.28	18.05	7.14	36.47
	(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	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify (PF Contribution)	0.72	1.15	0.45	2.32
	Total	12.00	19.20	7.59	38.79

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
Penalty					
Punishment					
Compounding					

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

By Order of Board of Directors of  
**SHYAM TELECOM LIMITED**

Sd/-  
**AJAY KHANNA**  
Managing Director

Sd/-  
**NISHI SABHARWAL**  
Director

PLACE: NEW DELHI  
DATE: August 11, 2018



**ANNEXURE II TO THE DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(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, 2018** 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, 2018** 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, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (d) 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;
    - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
    - (f) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations) 2014\*;
    - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*;

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*.  
\*The Foreign Exchange Management Act, 1999 listed at sub-para (iv) of para I above and SEBI Regulations listed at Serial Nos. (e), (f), (g), (h) and (i) are not applicable for 2017-18 as there were no corporate decisions/actions attracting these regulations.
- vi. The Other Laws applicable specifically to the Company are:
  - (a) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - (b) Employees Provident Funds and Miscellaneous Provisions Act, 1952; and other applicable labour and general laws;
- 2. We have also examined the compliances with the applicable Regulations/Standards of the following:
  - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreements 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
- 3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines, 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, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken by the members.

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: 23<sup>rd</sup> May, 2018

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: 23<sup>rd</sup> May, 2018

## ANNEXURE III TO DIRECTORS' REPORT

### **PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**1. Ratio of remuneration of each Director to the Median remuneration of all the Employees of your Company for the Financial Year 2017-18.**

Median remuneration of all the employees of your Company for the Financial Year 2017-18.	2,77,746
Percentage increase in the median remuneration of all employees in the financial year 2017-18.	57.61%
Ratio of remuneration of Mr. Ajay Khanna, Managing Director to the Median remuneration of all the employees of your Company for the Financial Year 2017-18.	5.25:1

**Notes:**

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2017-18.
- The Remuneration to Director includes Sitting Fees, if any, paid to him for the Financial Year 2017-18

**2. Details of percentage increase in the remuneration of each Director and Chief Executive Officer (CEO) Chief Financial Officer (CFO) and Company Secretary in the Financial Year 2017-18 - Nil**

There has been no increase in the remuneration of any Director, CEO, CFO & Company Secretary during the financial year 2017-18

**3. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2018 – 41**

**4. Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of your Company:**

The Company earned a Total Comprehensive Income for the Year ended 31<sup>st</sup> March, 2018 stood at Rs. 14.90 Lakhs as compared to the Loss of Rs. 214.85 Lakhs in the previous Year. The Company is paying the same remuneration to the KMPs as paid in the preceding Year.

**5. 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 – 1:1.32**

**6. 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.**

**7. 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.

**For and on Behalf of the Board of Directors**

Place: Delhi  
Date: 11<sup>th</sup> August, 2018

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

**Sd/-**  
**NISHI SABHARWAL**  
Director

## ANNEXURE IV TO DIRECTORS' REPORT

### FORM NO. 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.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Think of Us India Private Limited	Sale of Goods and Services	2017-18	1.23 Lakhs	27.05.2017	Nil
Think of Technologies Private Limited	Sale of Goods and Services	2017-18	2206.63 Lakhs	27.05.2017	Nil
Vihaan Networks Limited	Sale of Goods and Services	2017-18	44.86 Lakhs	27.05.2017	Nil
Shyam Communication Systems	Rent	2017-18	6.00 Lakhs	27.05.2017	Nil
Intercity Cables Systems Private Limited	Rent	2017-18	1.35 Lakhs	27.05.2017	Nil

(Note - Figures taken from Note No. 35 under the head "Other Notes to Accounts" in the Financial Statements given with this Annual Report)

For and on Behalf of the Board of Directors

Place: Delhi  
Date: 11<sup>th</sup> August, 2018

Sd/-  
**AJAY KHANNA**  
Managing Director

Sd/-  
**NISHI SABHARWAL**  
Director



## ANNEXURE V TO DIRECTORS' REPORT

### 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 these endeavors 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.
<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>(a) The details of technology imported.</p> <p>(b) the year of import</p> <p>(c) whether the technology been fully absorbed?</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof.</p>	NIL

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the Year 2017-18, your Company's Foreign Exchange earnings were NIL as against Rs. 145.06 Lakhs during the Financial Year 2016-17 as there was no Export Sales

For and on Behalf of the Board of Directors

Place: Delhi  
Date: 11<sup>th</sup> August, 2018

Sd/-  
**AJAY KHANNA**  
Managing Director

Sd/-  
**NISHI SABHARWAL**  
Director

## ANNEXURE VI TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis Report is as under:

#### INDUSTRY AND INDIAN TELECOM SECTOR

Communications Sector has assumed the position of an essential Infrastructure for Socioeconomic Development in an increasingly knowledge-intensive world. The reach of Telecom Services to all regions of the Country has become an integral part of an innovative and Technologically-driven Society. Studies have shown a positive correlation of the Internet and Mobile Services on growth of the Gross Domestic Product of a Country. As a result of sustainable measures taken by the Government over the Years, the Indian Telecom Sector has grown exponentially and has become the Second largest network in the World, next only to China.

According to a Report by leading Research Firm Market Research Store, the Indian telecommunication services market will likely grow by 10.3 per cent Year-on-Year to reach US\$ 103.9 billion by 2020.

According to the Ericsson Mobility Report India, smartphone subscriptions in India is expected to increase four fold to 810 million users by 2021, while the total smartphone traffic is expected to grow seventeen-fold to 4.2 Exabytes (EB) per month by 2021.

Swedish telecom equipment maker Ericsson has announced the introduction of a new radio system in the Indian market, which will provide the necessary infrastructure required by mobile companies in order to provide Fifth-Generation (5G) services in future.

American Tower Corporation, a New York Stock Exchange-listed mobile infrastructure firm, has acquired 51 per cent stake in telecom tower Company Viom Networks in a deal worth Rs. 7,635 crore (US\$ 1.14 billion).

With daily increasing subscriber base, there have been a lot of investments and developments in the sector. The industry has attracted FDI worth US\$ 23.92 billion during the period April 2000 to December 2016, according to the data released by Department of Industrial Policy and Promotion (DIPP).

India's telecommunications market is expected to experience further growth, fueled by increased non-voice revenues and higher penetration in rural market. The emergence of an affluent middle class is triggering demand for the mobile and internet segments. Strong policy support from the government has been crucial to the sector's development. Foreign Direct Investment (FDI) cap in the telecom sector has been increased to 100 per cent from 74 per cent.

#### GOVERNMENT INITIATIVES

- The Ministry of Communications & Information Technology has launched Twitter Sewa, an online communications platform for registration and resolution of user complaints in the telecommunications and postal sectors.
- The Ministry of Skill Development and Entrepreneurship (MSDE) signed a Memorandum of Understanding (MoU) with DoT to develop and implement National Action Plan for Skill Development in Telecom Sector; with an objective of fulfilling skilled manpower requirement and providing employment and entrepreneurship opportunities in the sector.
- The Government of India has liberalized the payment terms for spectrum auctions by allowing two options of payments to telecom companies for acquiring the right to use spectrum, which include upfront payment and payment in instalments.

The Government of India is soon going to come out with a new National Telecom Policy, 2018 in lieu of rapid technological advancement in the Sector over the past few years. The Policy has envisaged attracting Investments worth US\$ 100 billion in the Sector by 2022.

#### PERFORMANCE

Your Company is exploring other avenues for business and is in discussions / negotiations with various vendors.

#### OPPORTUNITIES AND THREATS

The opportunities observed are based on the trends noticed in the past couple of Years, which continues to be relevant: some of the key ones are mentioned below:

Opportunities	Threats
Digitization	Growing Competition
Regional Markets	Constant Upgradation of Technology
Fast Growing Asian Market	Foreign Exchange Rate Changes

## ROAD AHEAD

India will emerge as a leading player in the virtual world by having 700 Million Internet Users of the 4.7 Billion Global Users by 2025, as per a Microsoft Report. With the Government's favorable regulation policies and 4G services hitting the market, the Indian telecommunication sector is expected to witness fast growth in the next few years. The Government of India also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative. From the Company's perspective, Your Company is exploring other avenues for business and is in discussions / negotiations with various vendors. The Company is hoping for better future prospects.

## RISKS AND CONCERNS

Shyam Telecom Limited actively stimulates entrepreneurship throughout the organization 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.

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

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 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 parameters.

## SNAPSHOT OF KEY RISKS AND ITS MITIGATION STRATEGY

S.NO.	KEY RISK	MITIGATION STRATEGY
1	Technology Risks – The world of technology is fast changing with disruptions across industries. Any material change in components can make its business less preferred	Our Company is well focused on modernization and technology upgradation.
2	Foreign Exchange Risks – The Company is exposed to Foreign Exchange Rates and Interest Rates	Our Company is well established to service financial risk and facilitates its growth objectives.
3	Product Risks - Lack of understanding of parameters leads to delay and/or improper launching of product resulting in delay	The Company has planned schedules for launching of new products in the market which is an ongoing process
4	Human Resources Risks – the Company has many operations which require skilled Human Resources. Non-availability of the talent may impact Business	The Company has an internal assessment and training program for developing the skills of the existing workforce. Also, the Company does recruitment and training on regular basis.

## HUMAN RESOURCES

Every Company is dependent on the quality of workforce. The Board places on record its appreciation for the dedicated services rendered by the employees for the smooth functioning of the Company. During the year under review, Company continued with its focus on training and development of its employees. The Company believes in retaining the best talent, clearly defining their roles and responsibilities

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is following a proper and adequate system of Internal Controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition. Further all transactions entered into by the Company are duly authorized and recorded correctly. M/s. Padam Dinesh & Company, Chartered Accountants were working as the Internal Auditors of the Company till 2017-18 and has been reappointed for the Financial Year 2018-19.

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial Controls commensurate with the size, scale and complexity of its Operations. During the Year such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable Financial Information.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Details of the Financial Performance of your Company are reflected in the Balance Sheet, Profit & Loss Account and other Financial Statements, appearing separately. Highlights are provided below:

(Rs. in Lakhs)

PARTICULARS	Financial Year 2017-2018	Financial Year 2016-2017
A. Revenue from Operations	2,368.40	4,392.27
B. Other Income	395.39	328.97
<b>C. Total (A + B)</b>	<b>2763.79</b>	<b>4721.24</b>
D. Profit / (Loss) before Exceptional Items and Tax	14.58	(146.59)
E. Exceptional Items/Loss–Discontinuing Operations	-	(56.89)
F. Profit / (Loss) Before Tax	14.58	(203.48)
G. Less: Provisions for Tax	0.95	7.92
H. Net Profit (F – G)	13.63	(211.40)
I. Other Comprehensive Income / (Loss)	1.27	(3.45)
J. Total Comprehensive Income (H + I)	14.90	(214.85)

During the Year under review your Company registered a Turnover of Rs. 2368.40 Lakhs as compared to a Turnover of Rs. 4392.27 Lakhs during the previous Financial Year ended March 31, 2017. Revenue from Operations for the Year ended March 31, 2018 has decreased by 46.078 % over the corresponding last Year. However, the Total Comprehensive Income for the period under review stood at Rs. 14.90 Lakhs as compared to a Loss of Rs. 214.85 lakhs in the corresponding last Year.

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important Developments that could affect the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw material costs and availability, changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, Exchange Rate fluctuations, Interest and other factors.

For and on Behalf of the Board of Directors

Place: Delhi  
Date: 11<sup>th</sup> August, 2018

Sd/-  
**AJAY KHANNA**  
Managing Director

Sd/-  
**NISHI SABHARWAL**  
Director

## **CORPORATE GOVERNANCE REPORT**

### **I. OVERVIEW**

#### **a) Company's Philosophy on Corporate Governance**

Corporate Governance philosophy at Shyam Telecom Limited is to comply not only with 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 Company's strategic direction, management policies and their effectiveness.

#### **b) 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 2017-18	4
Secretarial Audit	Yes
Code of Conduct for Directors & Senior Management	Yes

#### **c) Role of the Company Secretary in overall Governance Process**

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

#### **d) 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:**

- a. Freely convey or transfer shares subject to applicable law;
- b. Obtain relevant and material information about the company on a timely and regular basis, subject to any laws or principles of confidentiality;
- c. Participate and vote in general meetings of shareholders;



- d. Elect and remove members of the Board; and many others unstated rights which they have acquired through their association with the Company;
- e. Right to participate in, and to be sufficiently informed on, decisions concerning fundamental/material corporate changes;
- f. Amendments to the statutes and/or articles of incorporation or other governing documents of the Company;
- g. 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;

#### e) **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:**

- The financial and operating results of the company;
- Company objectives;
- Major share ownership and voting rights;
- Remuneration policy for members of the Board and key executives;
- 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;
- 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

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

## **2. BOARD OF DIRECTORS**

### **a) 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 Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 ("Listing Regulations") 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 (AGM) 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

S. No.	Name of the Director	Category	Number of outside Directorships held as on 31.03.2018	Number of Outside Committee Positions held as on 31.03.2018
1	Mr. Rajiv Mehrotra	Chairman and Non-Executive Director	10	-
2	Mr. Ajay Khanna	Managing Director	9	-
3	Mr. Alok Tandon	Non-Executive Director	8	-
4	Mr. Achintya Karati	Independent Director	9	7 out of which Chairman in 3
5	Mr. Vinod Juneja	Independent Director	6	1
6	Mr. Chandar Sain Malhotra	Independent Director	-	-
7	Mr. Narendra Kumbhat	Independent Director	7	2 out of which Chairman in 2
8	Mrs. Nishi Sabharwal	Independent Director	5	1
9	Mr. Arun Kumar Khanna	Non-Executive Director	1	-

**Notes:**

- “Number of outside Directorships held” includes both Public as well as Private Limited Companies but does not include “Shyam Telecom Limited”.
- “Number of Outside Committee Positions held as on 31.03.2018” includes Membership / Chairpersonship of the Audit Committee and Stakeholder's Relationship Committee of Listed Company as per the requirement of Listing Regulations.
- 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.
- Mr. Ajay Khanna & Mr. Arun Kumar Khanna are related to each other as Brothers

**b) Shareholding of Directors (Including Non-Executive Directors) as on 31st March, 2017**

Name of Director	No. of Shares held
Mr. Rajiv Mehrotra	53,130
Mr. Ajay Khanna	4,553
Mr. Alok Tandon	NIL
Mr. Achintya Karati	NIL
Mr. Vinod Juneja	NIL
Mr. Chandar Sain Malhotra	NIL
Mr. Narendra Kumbhat	NIL
Mr. Arun Kumar Khanna	490
Mrs. Nishi Sabharwal	35

**c) Non-Executive Directors' - Compensation and Disclosures**

Only sitting fees has been paid to the Independent Non-Executive Directors for attending Board/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.

**d) Attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM)**

During the Financial Year 2017-2018, 4 (four) Meetings of the Board of Directors were held on the following dates:

- 27<sup>th</sup> May, 2017
- 04<sup>th</sup> August, 2017
- 13<sup>th</sup> November, 2017
- 12<sup>th</sup> February, 2018

The attendance of each Director at Board Meeting and at the last Annual General Meeting is as under:

S. No.	Name of the Director	Number of Board Meeting attended	Attended AGM
1	Mr. Rajiv Mehrotra	1	N
2	Mr. Ajay Khanna	4	Y
3	Mr. Alok Tandon	1	Y
4	Mr. Achintya Karati	4	N
5	Mr. Vinod Juneja	4	Y
6	Mr. Chandar Sain Malhotra	3	Y
7	Mr. Narendra Kumbhat	4	Y
8	Mrs. Nishi Sabharwal	4	Y
9	Mr. Arun Kumar Khanna	3	Y

### e) Independent Directors

The Companies Act 2013 and the Rules there under and Listing Regulations 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 complied with the definition of Independence as per the Listing Regulations and Section 149(6) of Companies Act 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act 2013.

#### Meeting of Independent Director

The Independent Directors of the Company held a Meeting on 12<sup>th</sup> February, 2018 without the attendance of Non-Independent Directors and Members of Management. All the Independent

- Directors were present at the Meeting. The following issues were discussed in detail:
- Reviewed the performance of Non-Independent Directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the Company.
- Assessed the quality, quantity and timeliness of flow of information between the Company management and board of Directors that is necessary for the board to effectively and reasonably perform its duties

### 3. 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 Listing Regulations. 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 the Companies Act, 2013 and Listing Regulations, the Board has constituted the following Committees:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee

- Risk Management Committee
- Corporate Social Responsibility Committee
- Internal Complaints 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. **Saurav Goel**, 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
Mr. Achintya Karati	Independent Director	Chairman
Mr. Vinod Juneja	Independent Director	Member
Mr. Chandar Sain Malhotra	Independent Director	Member
Mr. Narendra Kumbhat	Independent Director	Member
Mr. Arun Kumar Khanna	Non-Executive Director	Member

#### **Audit Committee Meetings**

During the financial year 2017-2018, the Committee met four times on the following dates:

- 27<sup>th</sup> May, 2017
- 04<sup>th</sup> August, 2017
- 13<sup>th</sup> November, 2017
- 12<sup>th</sup> February, 2018

Attendance of each member at the Audit Committee Meeting held during the Year 2017-2018

Name of the Member	Number of Meetings Attended
Mr. Achintya Karati	4
Mr. Vinod Juneja	4
Mr. Chandar Sain Malhotra	3
Mr. Narendra Kumbhat	4
Mr. Arun Kumar Khanna	3

The Chairman of Audit Committee Mr. Achintya Karati did not attend the last AGM. However, Mr. Narendra Kumbhat, Member of the Audit Committee attended the last AGM and was 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:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal auditor/Internal Auditor shall be subject to review by the Audit Committee.

#### b) Stakeholder Relationship Committee

##### Composition of Committee

The Company has constituted Stakeholder's Relationship Committee as per the requirement of Listing Regulations. The Committee has three Members i.e. Mr. Arun Kumar Khanna, Non-Executive Director is the Chairman of the Committee, Mr. Narendra Kumbhat, Member of the Committee and Mr. Saurav Goel, Company Secretary, acts as the Secretary of the Committee:

Name of the Member	Category	Designation
Mr. Arun Kumar Khanna	Non-Executive Director	Chairman
Mr. Narendra Kumbhat	Independent Director	Member
Mr. Saurav Goel	Company Secretary	Company Secretary/ Compliance Officer

The Stakeholder 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 2017-2018, the committee met 13 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 2017-2018

Name of Queries/ Complaints	Solved (No.'s)	Received (No.'s)	Pending (No.'s)
Non- receipt of Share Certificates	Nil	Nil	Nil
Number of request for change of address	01	01	Nil
Number of request for Transfer	03	03	Nil
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
Others	02	02	Nil
	06	06	Nil

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, 2018, no complaints were pending.



### c) Nomination and Remuneration Committee (NRC) Composition of Committee

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

Name of the Member	Category	Designation
Mr. Achintya Karati	Independent Director	Chairman
Mr. Chandar Sain Malhotra	Independent Director	Member
Mr. Narendra Kumbhat	Independent Director	Member

The NRC 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 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 on 12.02.2018 during the year.

### 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 profit, 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:

(Rs. in Lakhs)

Name of Director	Designation	Salary	Other Perquisites*	Total **
Mr. Ajay Khanna	Managing Director	12.00	1.15	13.15.

(\* all benefits as per Company rules)

(\*\* Does not include PF Contribution of Rs. 1.44 Lakhs)

#### 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

Total Sitting fee paid to Independent Directors during the Financial Year 2017-18:

S. No.	Name of Director	Designation	Amount
1	Mr. Achintya Karati	Independent Director	46,000
2	Mr. Narendra Kumbhat	Independent Director	46,000
3	Mr. Chandar Sain Malhotra	Independent Director	36,000
4	Mr. Vinod Juneja	Independent Director	43,000
5	Mrs. Nishi Sabharwal	Independent Director	31,000
		<b>Total</b>	<b>2,02,000</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 31st March, 2018. The copy of such disclosure also forms part of this Report.

#### d) Risk Management Committee

##### Composition of Committee

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

Name of the Member	Category	Designation
Mr. Narendra Kumbhat	Independent Director	Chairman
Mr. Chandar Sain Malhotra	Independent Director	Member
Mr. Achintya Karati	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 separate Meeting held during the year 2017-2018 as it is not applicable on our Company pursuant to the Regulation 21(5) of Listing Regulations due to which the Committee had been dissolved vide Board Meeting dated 12<sup>th</sup> February, 2018

#### 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 neighbors'. 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 the Member	Category	Designation
Mr. Achintya Karati	Independent Director	Chairman
Mr. Chandar Sain Malhotra	Independent Director	Member
Mr. Narendra 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/President 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 one meeting held on 12.02.2018 during the year.

#### f) Internal Complaints Committee

Your Company recognizes its responsibility and continues to provide a safe working environment for Women free from sexual harassment and discrimination. Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the Internal Committee had been constituted which is given below :

Name of Member	Designation
Mrs. Yogita Mathur	Chairman
Mrs. Ranjana Raina	Member
Mrs. Nishi Sabharwal	Member

There was one meeting held on 12.02.2018 during the year.

#### 4. General Body Meetings

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

24 <sup>th</sup> Annual General Meeting in the Year 2017 on Friday, 29 <sup>th</sup> September, 2017 at 12.00 Noon	
Venue	Hotel Sarovar Portico, Plot No. 90, Prince Road, Queens Road, Vaishali Nagar, Jaipur-302021, Rajasthan, India
Special Resolution passed	<ul style="list-style-type: none"> <li>● To approve the Borrowing Powers to the Board under section 180 (1) (c)</li> <li>● To approve the Limits of Loan / Guarantee / Investment under Section 186.</li> <li>● To approve transactions with Think of Technologies Private Limited, Shyam Communication Systems, Sistema Shyam Teleservices Ltd, Vihaan Networks Ltd and Think of Us India Private Limited</li> </ul>
23 <sup>rd</sup> Annual General Meeting in the Year 2016 on Thursday, 29 <sup>th</sup> September, 2016 at 11.30AM	
Venue	Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-30200
Special Resolution passed	<ul style="list-style-type: none"> <li>● To approve the Borrowing Powers to the Board under section 180 (1) (c)</li> <li>● To approve transactions with Sistema Shyam Teleservices Ltd, Vihaan Networks Ltd and Think of Us India Private Limited</li> </ul>
22 <sup>nd</sup> Annual General Meeting in the Year 2015 on Tuesday, 29 <sup>th</sup> September, 2015 at 11.30AM	
Venue	Hotel Hilton, Plot No. 42, Geejgarh House, Hawa Sadak Road, Jaipur-302006
Special Resolution passed	<ul style="list-style-type: none"> <li>● To approve the Borrowing Powers to the Board under Section 180 (1) (c)</li> <li>● To approve transactions with Sistema Shyam Teleservices Ltd, Vihaan Networks Ltd and Think of Us India Private Limited</li> </ul>

**b) POSTAL BALLOT**

There has been no resolution passed through Postal Ballot during the year 2017-2018.

**5. DISCLOSURES**

**a) Materially Significant Related Party Transactions -** All the disclosure in the related party transactions are made in other Notes to the Accounts No. 35 to the Balance Sheet.

**b) Whistle Blower Policy –** Pursuant to Section 177(9) of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated the whistle blower policy for vigil mechanism for directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against the victimization of employees and directors who uses such mechanism and makes provision to direct access to the chairperson of the audit committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

**c) 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.

**d) 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.

**e) 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. The certification is provided below:

**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, 2017 to 31<sup>st</sup> March, 2018.

**Sd/-  
Gursharan Singh  
(CEO)**

**f) Proceeds from public issue, right issue, preferential issue etc. -** No proceeds has been made through public, right or preferential issue.

**g) Details of non-compliance by the company, penalties, etc. -** 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.

**h) Subsidiary Company -** The Company had no subsidiary during the reporting period.

**6. MEANS OF COMMUNICATION**

**a) Quarterly Results**

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

**b) Website/ Investors Grievance ID**

The results and official news are displayed 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
- Preservation of Records Policy
- Determining Materiality and Archival of Disclosures Policy

**c) Chairman's Communique:**

The printed copy of the Chairman's speech shall be distributed to Shareholders at Annual General Meetings. The document shall also be placed on the Company's website.

**d) NSE Electronic Application Processing System (NEAPS) & BSE Online Portal:**

The Company uses 2 mechanisms for periodical filings. NSE Electronic Application Processing System (NEAPS) is a web-based application designed by NSE for Corporates. BSE Corporate Compliance & Listing Centre (Listing BSE) is also web based application designed for corporate.

#### e) SEBI Complaints Redress System (SCORES)

It is a centralized web – based complaints redressal 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.

### 7. GENERAL SHAREHOLDERS INFORMATION

#### a) 25<sup>th</sup> Annual General Meeting

Date	24 <sup>th</sup> September, 2018, Monday
Time	11.00 AM
Venue	Hotel Sarovar Portico, Plot No. 90, Prince Road, Queens Road, Vaishali Nagar, Jaipur-302021, Rajasthan (INDIA)

#### b) Financial Calendar/Year

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

Financial Reporting for	Tentative Board Meeting Schedule (subject to change)
Quarter ending June 30, 2018	First Fortnight of August, 2018
Half Year ending September 30, 2018	First Fortnight of November, 2018
Quarter ending December 31, 2018	First Fortnight of February, 2019
Year ending March 31, 2019	Second Fortnight of May, 2019

#### c) Date of Book Closure/Record Date

The Books shall be closed from 18.09.2018 to 24.09.2018 (both days inclusive)

#### d) Dividend Payment Date

The Company has not declared dividend for the financial year ending 31<sup>st</sup> March, 2018.

#### e) 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
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	517411
<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	SHYAMTEL
<b>ISIN Number(Dematerialized share)</b>	INE635A01023

#### f) Market Price Data

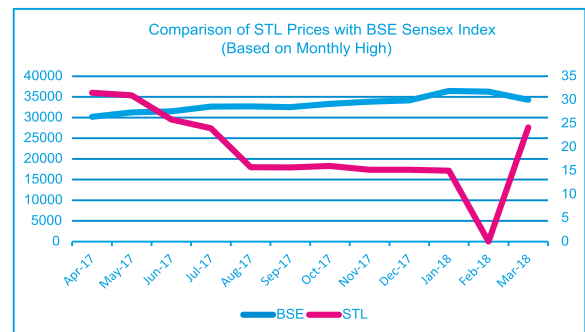
High, Low for each month during the financial year 2017-18 signifying the performance of the Company's equity shares is given in the chart below:

BSE			NSE		
Month	High	Low	Month	High	Low
Apr 17	31.50	28.05	Apr 17	30.90	28.10
May 17	30.95	22.65	May 17	30.40	22.50
June 17	25.85	20.00	June 17	25.50	20.10
July 17	24.00	15.25	July 17	23.80	18.60
Aug 17	15.75	13.60	Aug 17	18.20	16.50
Sept 17	15.70	14.95	Sept 17	-	-
Oct 17	16.00	15.25	Oct 17	-	-
Nov 17	15.20	14.50	Nov 17	16.10	11.65
Dec 17	15.20	14.45	Dec 17	12.25	08.90
Jan 18	15.00	15.00	Jan 18	12.50	11.40
Feb 18	-	-	Feb 18	-	-
Mar 18	24.20	12.85	Mar 18	23.75	10.55

(Source - This information is compiled from the data available on the website of BSE and NSE)

#### g) Performance in comparison to broad based indices such as BSE Sensex Index etc.

The performance of the Company's Share Price with BSE Sensex Index is given in the Chart below:



#### h) 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:

	BSE			NSE		
	As on 28 <sup>th</sup> March, 2018*	As on 31 <sup>st</sup> March, 2017*	Increase / (Decrease) %	As on 28 <sup>th</sup> March, 2018*	As on 28 <sup>th</sup> March, 2017	Increase / (Decrease) %
Market Price (High)	20.85	29.35	(28.96)%	21.50	29.40	(26.87)%
Market Capitalization (in Cr)	23.49795	36.07745	(28.96)%	24.2305	33.1338	(26.87)%

(Source - This information is compiled from the data available on the website of BSE and NSE)  
(\* - The scrip was not traded on 31<sup>st</sup> March, 2018)

**i) Comparison of Share Price at the time of first public offer and market price of the share of 31<sup>st</sup> March, 2018 :**

Market Price as on 28 <sup>th</sup> March, 2018* (BSE High)	20.85
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	108.50%

(\* - The scrip was not traded on 31<sup>st</sup> March, 2018)

**j) 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) / [cs.anamika@indusinvest.com](mailto:cs.anamika@indusinvest.com)  
Web: [www.indusinvest.com](http://www.indusinvest.com)

**k) Share Transfer System**

Physical share transfer is 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 Listing Regulations and files a copy of the said certificate with Stock Exchanges.

**l) Distribution of Shareholding:**

Distribution of shareholding as on 31<sup>st</sup> March, 2018 is as follows:

Number of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Total Equity
Up to 100	8908	72.33	358679	3.18
101-500	2499	20.29	618118	5.48
501-1000	460	3.73	372906	3.31
1001-5000	335	2.72	721431	6.40
5001-10000	57	0.46	410017	3.64
10001-20000	34	0.28	499235	4.43
20001-30000	4	0.03	91959	0.82
30001-40000	3	0.02	98804	0.88
40001-50000	4	0.03	191432	1.70
50001-100000	3	0.02	240162	2.13
1000001-500000	3	0.02	516524	4.58
500001 and above	7	0.06	7150733	63.45
<b>Total</b>	<b>12317</b>	<b>100.00</b>	<b>11270000</b>	<b>100.00</b>

**m) Categories of Shareholders as on 31<sup>st</sup> March, 2018**

Shareholder's Category	Holding	Percentage of Holding
Promoter's Relatives and Association	7463483	66.224
Bodies Corporate (Domestic)	162418	01.441
Banks & Financial Institutions	385	00.003
Mutual Funds	70	00.001
Foreign Institutional Investors	NIL	00.000
Non-Resident Indians & overseas	584928	05.190
Corporate Bodies		
Resident Individuals	2966464	26.322
Any Other (Clearing House, Clearing Member, Trust, unclaimed)	92252	00.819
<b>Total</b>	<b>11270000</b>	<b>100.00</b>

**n) Shareholding with more than One Percent Holding as on 31<sup>st</sup> March, 2018**

Shareholder's Category	Shares	%
Intell InvoFin India Private Limited	16,97,807	15.06
Mehrotra InvoFin India Private Limited	15,60,877	13.85
Cellcap InvoFin India Private Limited	8,18,081	7.26
A T InvoFin Private limited	8,09,890	7.19
Teletec Finsec India Private Limited	8,03,913	7.13
Cellphone Credit & Securities India Pvt. Limited	7,60,165	6.75
Shyam Antenna Electronic Limited	7,00,000	6.21
Mr. Venkatesan Sukumar Iyer	2,15,080	1.91
Mrs. Madhvi Sharma	1,87,332	1.66
Mr. Rakesh Kanwar	1,85,500	1.65
Mr. Sandeep Sharma	1,37,328	1.22

**o) 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 31<sup>st</sup> March 2018, 1,12,40,444 shares of the company held by shareholders are in dematerialized form, aggregating to 99.74 % of the equity share capital. With this the problem associated with the physical delivery will now be reduced to a large extent

**p) Outstanding Global Depository Receipts (GDR), American Depository Receipts (ADR), Warrants or any Convertible Instruments which have likely impact on equity**

The Company has no outstanding ADRs, GDRs, Warrants or any convertible instruments which have likely impact on its equity.

**q) 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

**r) Brief Resume of the Director proposed to be re-appointed: Mr. Arun Kumar 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 Kumar 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

#### Other Directorships (Public Companies)

S.No.	Name of the Company
I	AK SKILL DEVELOPERS LTD.

#### s) Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account

Particulars	No. of Shareholders	Shares
In the Beginning of the Year	256	14,105
No. of shareholder appeared during the year	Nil	Nil
No. of Shareholders to whom shares transfer	Nil	Nil
Balance at the end of the Year	256	14,105

**Remarks:** All the voting rights in shares held in the unclaimed Suspense Account are frozen till the rightful owner of such shares claim the shares.

- t) **Graded Surveillance Measure (GSM)** – The trading in Securities of Company was suspended due to it being under Graded Surveillance Measure (GSM) but in February it came out of the GSM and since then there was smooth trading in Securities of Company.

#### 8. CEO & CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer of the Company give annual certification of financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Chief Executive Officer and Chief Financial Officer is published in this Report.

**Date: 29.05.2018**

To,  
The Board of Directors  
Shyam Telecom Limited

**CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON THE FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

We, Gursharan Singh, CEO, & Vinod Raina, CFO, of the Company honestly and ethically, hereby certify and affirm that as on & up to the date of this certificate, there has been due compliance of Accounting Standards and other related provisions as laid down by the company, in pursuance to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. 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 listed entity's internal control system over financial reporting.

**Sd/-**  
**GURSHARAN SINGH**  
**(CEO)**

**Sd/-**  
**VINOD RAINA**  
**(CFO)**



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

### TO WHOMSOEVER IT MAY CONCERN

It is hereby affirmed that the Company has adopted a comprehensive Code of Conduct for its Board Members and Senior Management Executives and the said Code is available on the Company's Website.

Sd/-  
Gursharan Singh  
(CEO)

## 10. 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

Sd/-  
**NISHI SABHARWAL**  
Director

Place – Delhi

Date – 11<sup>th</sup> August, 2018

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

**Shyam Telecom Limited**

I have examined the compliance of the conditions of Corporate Governance by Shyam Telecom Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

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

Sd/-  
**Sandeep Mehra**  
Membership No.: A23624  
C.O.P No.: 15786

Place: New Delhi  
Date: 31<sup>st</sup> July, 2018



***Padam Dinesh & Co.***

Chartered Accountants

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

No'1560/2017-18

Dated: 19-05-2018

The Board of Directors

Shyam Telecom Ltd

A -60 Naraina Industrial Area, Phase - I

New Delhi – 110028

Dear Sirs,

**Subject: Internal Auditor's Report for the year ended on 31<sup>st</sup> March, 2018**

1. We have carried out internal audit of the company for the year 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 w.r.t. 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**
  - 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 IndAS Financial statements**

We have audited the accompanying Ind AS Financial Statements of **Shyam Telecom Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "IndAS Financial Statements").

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IndAS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the, Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IndAS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these IndAS Financial Statements based on our audit.

In conducting 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 provision of the Act and the Rules made thereunder and the order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IndAS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the IndAS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of information and according to the explanation given to us, the aforesaid IndAS Financial Statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the note no.30, which describe the uncertainty to the matter mentioned:

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 affected 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 18.45 Crores totaling Rs. 29.95 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 which comes to Rs. 4.28 crore 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 the above matter.

#### **Other Matters**

Attention is invited to advances from customers of Rs 34.08 crores classified under other current liabilities which are in process of being settled since long.

Our opinion is not qualified in respect of the above matter.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;
- e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company has disclose the impact of pending litigation on its financial position in its Ind AS Financial Statements – Refer Note 30 to the IndAS Financial statements;
  - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For VGM & Co.**  
**Chartered Accountants**  
**(FRN:029823N)**

**Aastha Jain**  
**Partner**  
**(M.No.519915)**

**Place:** New Delhi  
**Date:** 29<sup>th</sup> May 2018

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

- i. In respect of fixed assets:
  - 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
  - c. The title deeds of immovable properties are held in the name of the company
- ii. In respect of inventory:
  - 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 as at year end, 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 information and explanations given to us, the company has not given any loan, made any investment, given any guarantee, or provided securities covered under section 185. The company has complied with the provision of section 186 of the companies Act.
- v. In our opinion and according to information and explanation given to us, the Company has not accepted any deposits covered under Section 73 or any other provisions of the Companies Act, 2013.
- 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, Goods & Services 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, 2018 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 lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Assessment Year 2011-2012	24.91	CIT(Appeals)
Income Tax Act, 1961	Income Tax	Assessment Year 2012-2013	12.23	CIT(Appeals)
Income Tax Act, 1961	Income Tax	Assessment Year 2013-2014	110.37	CIT(Appeals)
Income Tax Act, 1961	Income Tax	Assessment Year 2014-2015	94.28	CIT(Appeals)
UPVAT Act	VAT	FY 2011-12 FY 2012-13	40.29 11.62	Assistant Commissioner Grade 2 (Appeals)
Karnataka VAT	VAT	FY 2010-11 FY 2011-12 FY 2012-13	16.06 18.69 29.60	Jt. Commissioner of Commercial Tax Appeals(5)
Maharashtra VAT	VAT	FY 2012-13	33.27	Maharashtra Sales Tax tribunal
Uttarakhand VAT	VAT	FY 2012-13 FY 2013-14	4.89 14.24	Jt. Commissioner (appeals) Commercial Tax, Dehradun.
Rajasthan VAT	VAT	FY 2012-13	9.00	Appellate Authority Commercial Taxes- I Jaipur

- viii. 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.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The company is primarily engaged in manufacturing and Trading of Telecommunication equipment and accessories. Debtors and advances to suppliers balances are related to the telecommunication business. So the company is not required to be registered under Section 145-IA of the Reserve Bank Of India Act, 1934.

**For VGM & Co.**  
**Chartered Accountants**  
**(FRN:029823N)**

**Aastha Jain**  
**Partner**  
**(M.No. 519915)**

**Place:** New Delhi  
**Date:** 29<sup>th</sup> May 2018

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Shyam Telecom Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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



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

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

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

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

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

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

#### **Opinion**

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

**For VGM & Co.**  
**Chartered Accountants**  
**(FRN:029823N)**

**Aastha Jain**  
**Partner**  
**(M.No. 519915)**

**Place:** New Delhi  
**Date:** 29<sup>th</sup> May 2018

## BALANCE SHEET

Rs. in lakhs

PARTICULARS	NOTE	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	310.93	341.83	421.92
Financial assets				
- Investments	3	8.42	1.63	2.23
- Loans	4	7.42	10.79	10.73
- Others	10	15.55	57.04	42.86
Deferred tax assets (Net)	5	6.94	7.51	14.07
Other non-current assets	6	269.35	270.23	289.74
<b>Current assets</b>				
Inventories	7	217.21	161.47	3,403.55
Financial assets				
- Investments	8	124.41	548.85	345.83
- Trade Receivables	9	128.91	54.27	756.73
-Cash and cash equivalents	10	802.83	411.09	670.59
- Loans	11	194.60	114.40	58.65
Current Tax Assets (net)		7.20	10.32	31.57
Other current assets	12	3,249.32	3,229.35	3,362.11
<b>TOTAL ASSETS</b>		<b>5,343.09</b>	<b>5,218.78</b>	<b>9,410.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	13	1,127.00	1,127.00	1,127.00
Other equity	14	(722.37)	(737.27)	(522.41)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	15	4.64	10.75	18.12
Provisions	16	12.97	12.97	20.55
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	17	6.19	7.50	7.29
- Trade payables	18	981.72	1,093.17	4,771.21
Other Current Liabilities	19	3,928.24	3,700.07	3,974.21
Provisions	20	4.70	4.59	14.57
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,343.09</b>	<b>5,218.78</b>	<b>9,410.58</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **VGM & Co.**

**Chartered Accountants**

Firm Registration No.029823N

**AASTHA JAIN**  
(Partner)  
M. No.519915

**RAJIV MEHROTRA**  
Chairman & Director

**AJAY KHANNA**  
Managing Director

**PLACE : New Delhi**  
**Dated : 29<sup>th</sup> May 2018**

**GURSHARAN SINGH**  
Chief Executive Officer

**VINOD RAINA**  
Chief Financial Officer

**SAURAV GOEL**  
Company Secretary

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE

Rs. in lakhs

PARTICULARS	NOTE	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Revenue From Operations	21	2,368.40	4,392.27
Other Income	22	395.38	328.97
<b>TOTAL REVENUE</b>		<b>2,763.78</b>	<b>4,721.24</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade		2,042.11	790.82
Changes in Inventory of Stock-in-Trade	23	(55.74)	3,242.08
Employee Benefits	24	261.63	249.77
Finance Cost	25	19.81	4.40
Other Expenses	26	446.41	545.05
Depreciation And Amortisation Expense	2	34.98	35.71
		<b>2,749.20</b>	<b>4,867.83</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>14.58</b>	<b>(146.59)</b>
Provision for Taxation		-	-
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax		(0.21)	7.92
Income Tax / Deferred Tax For Earlier Year		1.16	-
<b>PROFIT/ (LOSS) AFTER TAX FOR THE YEAR FROM CONTINUING OPERATION</b>		<b>13.63</b>	<b>(154.51)</b>
<b>DISCONTINUING OPERATION</b>			
LOSS BEFORE TAX FROM DISCONTINUING OPERATION		-	(56.89)
TAX EXPENSE OF DISCONTINUING OPERATION		-	-
<b>PROFIT/(LOSS) AFTER TAX FOR THE YEAR FROM DISCONTINUING OPERATION</b>		<b>-</b>	<b>(56.89)</b>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>13.63</b>	<b>(211.40)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Statement of Profit and Loss</b>	27	2.05	(4.81)
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		0.78	(1.36)
<b>Items that will be reclassified to Statement of Profit and Loss</b>		-	-
Income tax relating to items that will be reclassified to Statement of Profit and Loss		-	-
<b>Total Comprehensive Income</b>		<b>14.90</b>	<b>(214.85)</b>
Basic and Diluted Earning Per Share (for continuing operations)		0.13	(1.41)
Basic and Diluted Earning Per Share (for discontinuing operations)		-	(0.50)
Basic and Diluted Earning Per Share (for discontinuing and continuing operations)		0.13	(1.91)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I		

The accompanying notes are an integral part of these financial statements  
As per our report of even date attached  
For **VGM & Co.**  
**Chartered Accountants**  
**Firm Registration No.029823N**

**AASTHA JAIN**  
(Partner)  
M. No.519915

**RAJIV MEHROTRA**  
Chairman & Director

**AJAY KHANNA**  
Managing Director

**PLACE : New Delhi**  
**Dated : 29<sup>th</sup> May 2018**

**GURSHARAN SINGH**  
Chief Executive Officer

**VINOD RAINA**  
Chief Financial Officer

**SAURAV GOEL**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

PARTICULARS	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax from continuing operations including other comprehensive income	16.63	(151.41)
Profit/(Loss) before tax from discontinuing operations	-	(56.89)
	16.63	(208.30)
Adjustments for:		
Depreciation and Amortization expense of continuing operations	34.98	35.71
Depreciation and Amortization expense of discontinuing operations	-	5.14
Interest income	(62.39)	(37.63)
Bad debts written off	21.00	0.90
Liabilities written back	(283.33)	(185.36)
Interest and financial charges	1.56	2.21
Allowances for doubtful debts/ advances (net) including expected credit losses	4.29	9.36
Provisions for leave encashment and retirement benefit	0.10	(9.98)
Dividend received	(8.56)	(23.03)
Loss/ (Profit) on sale of Assets	0.02	21.29
Exchange fluctuations	4.41	(26.76)
Provisions written back	7.51	-
Other non-cash adjustments	(6.79)	0.60
Operating profit before working capital changes	<b>(270.55)</b>	<b>(415.84)</b>
Movements in working capital :		
(Increase) / Decrease in trade receivables	(99.93)	692.20
(Increase) / Decrease in Inventories	(55.74)	3,242.08
(Increase) / Decrease in loans and advances	(76.82)	(55.81)
(Increase) / Decrease in other current assets	(19.97)	132.77
(Increase) / Decrease in Other Non-Current Assets	13.40	76.16
Increase /(Decrease) in trade payables	968.31	(4,735.45)
Increase /(Decrease) in other current liabilities	511.49	(88.82)
Increase /(Decrease) in provisions	(7.50)	(7.59)
Increase /(Decrease) in Other Long Term Liabilities		
Fixed Deposits		
Cash Generated From / (used in) operations	<b>962.69</b>	<b>(1,160.32)</b>
Direct taxes paid	(10.55)	(35.39)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>952.14</b>	<b>(1,195.71)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipments	(4.73)	(7.81)
Increase in Capital WIP		
Purchase of Non Current Investment		
Investments in/ Proceeds from Fixed Deposits	41.49	(14.18)
Investments in Mutual Funds and deposits		
Proceeds from Sale of Investments in Mutual Funds		
Proceeds from sale of property, plant & equipments	0.62	25.76
Proceeds of Non - Current Investments		
Purchase of Non - Current Investments		
Proceeds from sale of Current Investments	424.44	
Purchase of Current Investments		(203.02)
Investment in Bank Deposits (having original maturity of more than 3 months)		
Investment in Bank Deposits (having original maturity of more than 3 months)		

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018 (Contd.)

PARTICULARS	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Interest received	62.39	37.63
Dividend Received	8.56	23.03
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>532.77</b>	<b>(138.59)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(7.37)	(7.11)
Proceeds from long term borrowings		
Repayment of long term borrowings		
Proceeds from short term borrowings		
Repayment of short term borrowings		
Interest paid	(1.61)	(2.26)
Dividend Paid		
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(8.98)</b>	<b>(9.37)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,475.93</b>	<b>(1,343.67)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>411.09</b>	<b>670.59</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,887.02</b>	<b>(673.08)</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand	2.87	2.18
With Banks		
- In current account	187.62	134.24
- Deposits with banks	612.34	274.67
	<b>802.83</b>	<b>411.09</b>

As per our report of even date attached  
For **VGM & Co.**  
**Chartered Accountants**  
**Firm Registration No.029823N**

**AASTHA JAIN**  
(Partner)  
M. No.519915

**RAJIV MEHROTRA**  
Chairman & Director

**AJAY KHANNA**  
Managing Director

**PLACE : New Delhi**  
**Dated : 29<sup>th</sup> May 2018**

**GURSHARAN SINGH**  
Chief Executive Officer

**VINOD RAINA**  
Chief Financial Officer

**SAURAV GOEL**  
Company Secretary

## NOTES FORMING PART OF FINANCIAL STATEMENT

### NOTE-I COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

#### 1. Company overview

Shyam Telecom limited ('the Company') is a Public Company domiciled and incorporated in India as a limited liability company with CIN No. L32202RJ1992PLC017750. Its shares are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the company is situated at Jaipur, Rajasthan.

The Company is presently primarily engaged in trading of mobile accessories in India. The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 29, 2018.

#### 2. Basis for Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention method on accrual basis. Certain financial instruments are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in note 2

#### 3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimate, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and if material are reflected in the financial statements in the period in which changes are made, and, if material, their effects are disclosed in the notes to financial statements.

#### 4. Current versus non – current classification

An asset is considered as current when it is:

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

All other assets are classified as noncurrent.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

#### 5. Measurement of Fair Value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Input for the asset or liability that is not based on observable market data (unobservable inputs).

## 6. Property Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2016 measured as per previous GAAP as it deemed cost on the date of transition.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows.

<u>Asset</u>	<u>Useful Life (in years)</u>
Building	30
Plant & Equipment	15
Furniture & Fixture	10
Office Equipment	5
Computer	3
Vehicles (Motorcars)	8
Vehicles (Scooters & Bikes)	10

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

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

## 7. Intangible assets

As per IND AS 38 Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. Intangible assets are amortised on straight line basis over their estimated useful economic life not exceeding ten years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2016 measured as per previous GAAP as it deemed cost on the date of transition.



## 8 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are recognized as deduction from equity net of any tax effect.

## 9 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.

## 10 Revenue Recognition

As per Ind As 18 Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### ▪ Sale of Product

Revenue from sale of products is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products. It also includes excise duty and excludes value added tax / sales tax. It is measured at fair value of consideration received or receivable, net of returns and allowances.

### ▪ Rendering of Services

Revenue from services is recognised as they are rendered based on arrangements with the customers.

### ▪ Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

### ▪ Dividend Income

Dividend income is recognised when the Company's right to receive such dividend is established.

## 11 Inventories

Inventories are valued at lower of cost or 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.

## 12 Financial Instruments

### 12.1 Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

### 12.2 Subsequent Measurement

#### A. Non-Derivative Financial Instruments

##### **A. Financial Assets Carried at Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **B. Financial Assets at Fair Value Through Other Comprehensive Income**

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

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### C. Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

### D. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### B. Derivative Financial Instruments

Financial Assets or Liabilities, at Fair Value Through Profit or Loss:

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

### C. Derecognition of Financial Instrument

The Company derecognizes a financial asset when the contractual right to receive the cash from the financial asset expires or it transfers the financial asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

## 13 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.

## 14 Foreign Currency

### 14.1 Functional Currency

Financial statements of the Company's are presented in Indian Rupees (₹), which is also the functional currency.

### 14.2 Transactions and Translation

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

## 15 Borrowing Costs

AS per Ind AS 23 Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period, in which they occur in the statement of profit and loss.

## 16 INCOME ON INVESTMENTS

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

## 17 CLAIMS

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

## 18 EMPLOYEE BENEFITS

- i) Short term employee benefits are recognized as 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 is charged to revenue every year.
  - (1) 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).
  - (2) Termination benefits are recognized as expense immediately.
  - (3) Gain or Loss arising out of actuarial valuation is recognized in the Statement of Profit & Loss as income or expense.

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized in the statement of profit and loss.

## 19 TAXATION

Income tax comprises of current and deferred income tax. 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.

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 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 profit and loss account.

## 21 PROVISION AND CONTINGENT LIABILITIES

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.

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.

## 22 LEASES

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

## 23 PROPOSED DIVIDEND

The final dividend on shares is recorded as liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 24 CASH AND CASH EQUIVALENT

Cash and cash equivalents for the purpose of cash flow statement comprise cash and bank balance.

## 25 EARNING PER SHARE

The earnings considered in ascertaining the company's Earnings per Share ('EPS') comprise the profit/ (loss) for the year. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for event of bonus element in a rights issue to existing shareholders.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares.

## 26 Impairment

### 26.1 Financial Assets

The Company recognizes loss allowances using the Expected Credit Losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

### 26.2 Non-Financial Asset

Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior year.

## 27 First time adoption of Ind-AS

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the year ended up to March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in above note have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in below note. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Point No. 28.

## 28 Exemptions availed on First time adoption of Ind-AS.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 2

#### PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Gross Carrying Value	Land-Free Hold	Land-Lease Hold	Building	Plant & Equipment	Furniture & Fixture	Office Equipment	Computer	Software	Vehicles	Total
<b>As At 01-04-2016</b>	1.77	83.52	376.32	7.41	20.30	78.49	44.51	228.58	240.55	1,081.47
Additions	-	-	-	-	0.22	7.59	-	-	-	7.81
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	68.31	-	1.56	1.94	7.34	-	31.90	111.05
<b>As At 31-03-2017</b>	1.77	83.52	308.00	7.41	18.97	84.14	37.17	228.58	208.65	978.22
Additions	-	-	-	-	-	1.47	2.53	-	0.73	4.73
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	8.69	8.69
<b>As At 31-03-2018</b>	1.77	83.52	308.00	7.41	18.97	85.61	39.70	228.58	200.69	974.26
<b>Accumulated Depreciation</b>										
<b>As At 01-04-2016</b>	-	-	157.01	7.04	18.62	54.85	38.39	228.58	155.06	659.55
Charge for the Year	-	-	12.50	-	0.16	7.60	2.21	-	18.38	40.85
Impairment loss	-	-	-	-	-	-	-	-	-	-
Adjustments on sale	-	-	24.62	-	0.66	1.51	6.91	-	30.31	64.01
<b>As At 31-03-2017</b>	-	-	144.89	7.04	18.12	60.94	33.70	228.58	143.13	636.40
Charge for the Year	-	-	9.75	-	0.12	5.27	1.95	-	17.88	34.98
Impairment loss	-	-	-	-	-	-	-	-	-	-
Adjustments on sale	-	-	-	-	-	-	-	-	8.05	8.05
<b>As At 31-03-2018</b>	-	-	154.65	7.04	18.24	66.21	35.65	228.58	152.96	663.33
<b>Net block as at 01-04-2016</b>	1.77	83.52	219.31	0.37	1.68	23.64	6.12	-	85.50	421.92
<b>Net block as at 31-03-2017</b>	1.77	83.52	163.11	0.37	0.85	23.21	3.47	-	65.53	341.83
<b>Net block as at 31-03-2018</b>	1.77	83.52	153.36	0.37	0.72	19.40	4.06	-	47.73	310.93

### NOTE - 3

#### INVESTMENTS

##### NONTRADE

##### QUOTED - Fully Paid-up

Long - Term (At Fair Market Value through Other Comprehensive Income)

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

33070 Equity Shares of Rs. 10/- each of Reliance Communication Ltd @Rs.21.75 \*\*

1,41,426 Equity Shares of Rs 10/- each of Spanco Limited

Provision of Value Diminution of 141426 shares of Spanco Limited from Rs.37.00 to Rs.0.00

##### UNQUOTED - Fully Paid-up

1,41,426 Equity Shares of Rs 10/- each of Spanco Limited\*

Provision of Value Diminution of 141426 shares of Spanco Limited from Rs.37.00 to Rs.0.00

\* During the year shares of Spanco Limited were Delisted from stock exchange

##### TRADE INVESTMENTS

UNQUOTED - Fully Paid-up (Valued at Cost)

Nil (P.Y. 3,80,307) Equity Shares of Rs. 10/- each of Sistema Shyam Teleservices Ltd.\*\*

Provision of Value Diminution of 380307 shares of Sistema Shyam teleservices Limited from Rs.37.00 to Rs.0.00

Aggregate Amount of Quoted Investment

	As at 31-03-2018	As at 31-03-2017
	1.23	1.63
	7.19	-
	-	52.33
	8.42	53.96
	-	52.33
	8.42	1.63
	52.33	-
	52.33	-
	-	-
	-	27.12
	8.42	28.75
	-	27.12
	8.42	1.63
	8.42	53.96

## NOTES FORMING PART OF THE ACCOUNTS

	As at 31-03-2018	As at 31-03-2017
Aggregate Amount of Unquoted Investment	-	27.12
Aggregate Provision for diminution in value of Investment	-	79.45
Market Value of Quoted Investment	8.42	1.63

\*\* Pursuant to the scheme of demerger between Sistema Shyam Teleservices Ltd. (SSTL) and Reliance Communication Limited under section 391 to 394 of the Companies Act 1956, passed by High Court of Bombay & High Court of Jaipur, effective date being 31st October 2017, shares of Reliance Communication Limited were allotted to existing shareholder of SSTL in ratio of 1 share for every 11.5 share held.

### NOTE - 4

#### LOANS

##### ADVANCE FOR INVESTMENT

##### IN SUBSIDIARY COMPANY

Shyam Telecom Inc, USA

Considered Good

Doubtful

Less : Allowance for Doubtful Advance

Loan to Shyam Telecom Inc - USA

Considered Good

Doubtful

Less : Allowance for Doubtful Loan

(Unsecured, Considered Doubtful)

Advances recoverable \*

Doubtful Advances

Less : Allowance for Doubtful Advances

	-	-
	16.29	16.24
	16.29	16.24
	16.29	16.24
	-	-
	-	-
	2,191.39	2,184.65
	2,191.39	2,184.65
	2,191.39	2,184.65
	-	-
	7.42	10.79
	-	-
	7.42	10.79
	-	-
	7.42	10.79
	7.42	10.79

\*Advances include recoverable from Employees

### NOTE -5

#### DEFERRED TAX ASSETS (NET)

Deferred Tax Assets

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

Total (A)

Deferred Tax Liabilities

- Related to Fixed Assets

Total (B)

Total (A-B)

	6.94	7.51
	6.94	7.51
	-	-
	-	-
	6.94	7.51

### NOTE -6

#### OTHER NON CURRENT ASSETS

Considered Good

Considered Doubtful

Less: Allowance for doubtful securities

Tax Asset (Net)

- Prepaid Rent

- Cenvat/VAT Recoverable

	9.76	15.12
	1.32	1.32
	11.08	16.44
	1.32	1.32
	9.77	15.12
	-	-
	258.26	245.75
	1.32	2.38
	-	6.98
	269.35	270.23



## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 7

#### INVENTORIES

(As taken, valued and certified by the Management)

Stock in Trade

As at 31-03-2018	As at 31-03-2017
217.21	161.47
<b>217.21</b>	<b>161.47</b>

### NOTE -8

#### INVESTMENTS

In Mutual Fund - Quoted

**BirlaSun Life Cash Plus -Daily Dividend Regular Plan**

113,473.380 (Previous year 291038.754) units of Rs. 100.4280 each

**BirlaSun Life Cash Plus -Daily Dividend**

10,420.846 (Previous year 255,646.844) units of Rs. 100.2721 each

113.96	291.60
10.45	257.25
<b>124.41</b>	<b>548.85</b>

### NOTE - 9

#### TRADE RECEIVABLES

(Unsecured, Considered Good unless otherwise stated)

- Considered Good
- Considered Doubtful

Less: Allowance for Doubtful debt\*

128.91	25.40
806.48	837.84
935.39	863.24
806.48	808.97
128.91	54.27
<b>128.91</b>	<b>54.27</b>

(\* Includes Allowance for Expected Credit Loss)

### NOTE -10

#### Cash & Cash Equivalents

Cash In Hand

Balance With Scheduled Banks in :

- Current Account

Considered Good

Considered Doubtful

Less : Provision for Doubtful Advances

2.87	2.18
187.62	134.24
-	-
187.62	134.24
-	-
187.62	134.24
627.89	331.71
15.55	57.04
612.34	274.67
<b>802.83</b>	<b>411.09</b>

#### OTHER BANK BALANCES

- Fixed Deposits (\*)

Less: Non-current Fixed Deposits-More than 12 months

(\*) Rs. 234.17 Lacs (Previous Year Rs.318.39 Lacs) under lien with Bank as Margin Money

### NOTE - 11

#### LOANS

(Unsecured, Considered Good)

Advances recoverable in cash to be received\*

Considered doubtful

Less: Allowance for doubtful advances

194.60	114.40
97.18	97.18
291.78	211.58
97.18	97.18
194.60	114.40
<b>194.60</b>	<b>114.40</b>

(\*Advances includes recoverable from employees)

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 12

#### OTHER CURRENT ASSETS

##### Advance to Supplier and others

Considered Good

Considered Doubtful

Less : Provision for Doubtful Advances

##### Cenvat/VAT Receivable

Considered Good

Considered Doubtful

Less : Provision for Doubtful Advances

##### Security Deposits

Considered Good

Doubtful

Less : Provision for Doubtful Debt

Excess payment to LIC for Gratuity

Prepaid

	As at 31-03-2018	As at 31-03-2017
	3,171.65	3,193.06
	38.12	38.62
	3,209.77	3,231.68
	38.12	38.62
	3,171.65	3,193.06
	65.87	20.53
	-	-
	65.87	20.53
	-	-
	65.87	20.53
	1.00	1.00
	7.90	7.90
	8.90	8.90
	7.90	7.90
	1.00	1.00
	6.48	6.85
	4.32	7.91
	<b>3,249.32</b>	<b>3,229.35</b>

### NOTE -13

#### EQUITY 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

	5,000.00	5,000.00
	2,500.00	2,500.00
	<b>7,500.00</b>	<b>7,500.00</b>
	1,127.00	1,127.00
	<b>1,127.00</b>	<b>1,127.00</b>

**Terms/ Rights attached to Equity Shares:** 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 after distribution of all preferential amounts. The distribution will be in proportion to the

#### Share holding Pattern

##### Name of Share Holders

##### Equity Shares of 10 each fully paid up

Cellphone Credit & Securities India Pvt Ltd

Mehrotra Invofin India Pvt Ltd.

Shyam Antenna Electronics Ltd

Intell Invofin India Pvt Ltd

AT Invofin India Pvt Ltd

Teletec Finsec India Pvt Ltd

Cellcap Invofin India Pvt Ltd

	31-03-2018		31-03-2017	
	No of Shares held	% held in Shareholding	No of Shares held	% held in Shareholding
	7,60,165.00	6.75	7,60,165.00	6.75
	15,60,877.00	13.85	15,60,877.00	13.85
	7,00,000.00	6.21	7,00,000.00	6.21
	16,97,807.00	15.06	16,97,807.00	15.06
	8,09,890.00	7.19	8,09,890.00	7.19
	8,03,913.00	7.13	8,03,913.00	7.13
	8,18,081.00	7.26	8,18,081.00	7.26

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 14

#### Other Equity

##### Investment Subsidy

Acquired under the scheme of Arrangement

##### Surplus

As per last Balance Sheet

Add: Balance transferred from Profit & Loss account

Less: OCI

As at 31-03-2018	As at 31-03-2017
15.00	15.00
(752.27)	(537.41)
14.90	(214.86)
(737.37)	(752.27)
<b>(737.37)</b>	<b>(752.27)</b>
<b>(722.37)</b>	<b>(737.27)</b>

### NOTE - 15

#### BORROWINGS

##### SECURED LOANS

Vehicle Loans\*

- From Bank
- From Others

Less: Current Maturities of Long Term borrowings

1.13	3.94
9.62	14.18
<b>10.75</b>	<b>18.12</b>
6.11	7.37
<b>4.64</b>	<b>10.75</b>

\*Secured by hypothecation of Specific Vehicle and are repayable in 60 equal instalments from the date of disbursement.

Detail Of Repayment Of Vehicle Loans

TERM LOAN	ROI	UPTO 1 YEAR	2-3 YEARS	TOTAL
ICICI	10.50%	0.97	0.06	1.02
ICICI	10.80%	0.11	-	0.11
KOTAK MAHINDRA PRIME LIMITED	10.00%	5.03	4.59	9.62
<b>TOTAL</b>		<b>6.11</b>	<b>4.64</b>	<b>10.75</b>

### NOTE - 16

#### PROVISIONS

##### Provision for employee benefits

Leave Encashment

12.97	12.97
<b>12.97</b>	<b>12.97</b>

### NOTE - 17

#### Borrowings

Current maturity of Long Term Borrowings

Interest Accrued but not due on Loans

6.11	7.37
0.08	0.13
<b>6.19</b>	<b>7.50</b>

### NOTE - 18

#### TRADE PAYABLES

##### CURRENT LIABILITIES

Trade Payable - Others

Due to Micro, Small Enterprises & Medium Enterprises

981.72	1,093.17
-	-
<b>981.72</b>	<b>1,093.17</b>

(The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no amount is payable on the basis of Information received)

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 19

#### OTHER CURRENT LIABILITIES

Advance From Customers & Others
Statutory Liabilities
Employees related Liabilities
Other Payable

As at 31-03-2018	As at 31-03-2017
3,862.94	3,634.32
7.39	7.64
40.41	37.15
17.50	20.96
<b>3,928.24</b>	<b>3,700.07</b>

### NOTE-20

#### PROVISIONS

##### **Provision for employee benefits**

Leave Encashment
Retirement Benefit

4.70	4.59
-	-
<b>4.70</b>	<b>4.59</b>

### NOTE-21

#### REVENUE FROM OPERATIONS

Sale of Goods
Repair & Maintenance Service ( Income)
Sale of Services

2,325.99	4,035.32
42.41	21.25
-	335.70
<b>2,368.40</b>	<b>4,392.27</b>

### NOTE - 22

#### OTHER INCOME

Interest On Deposits (*)
Dividend received
Exchange Rate Variation
Interest recd from IT DEPTT
Liability Written Back
Miscellaneous Income
Provision Written Back
Profit on Sale of Assets (Net)
Interest on Employee Loan
Intrest on Security Deposit

61.99	37.27
8.56	23.03
-	78.51
2.10	-
283.33	185.36
30.42	2.78
7.51	-
-	0.62
1.07	1.04
0.40	0.36
<b>395.38</b>	<b>328.97</b>

(\*) Tax deducted at source Rs. 6.27 Lacs (Previous Year Rs 3.21 Lacs)

### NOTE - 23

#### (INCREASE)/DECREASE OF INVENTORY STOCK IN TRADE

Add : Opening Stock
Less : Closing Stock

161.47	3,403.55
217.21	161.47
<b>(55.74)</b>	<b>3,242.08</b>

### NOTE - 24

#### EMPLOYEE BENEFITS

Salary, Wages & Bonus
Employer's Contribution to P.F. & Other Fund
Staff Welfare

206.60	192.16
18.92	17.38
36.11	40.23
<b>261.63</b>	<b>249.77</b>

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 25

#### FINANCIAL COST

Interest on  
 - Vehicle Loans  
 - Interest Others  
 Other borrowing charges\*

As at 31-03-2018	As at 31-03-2017
1.43	2.15
0.14	0.06
18.24	2.19
<b>19.81</b>	<b>4.40</b>

\* Includes charges for bank guarantees.

### NOTE - 26

#### OTHER EXPENSES

Stores & Spares Consumed  
 Power & Fuel  
**Repair to:**  
 Plant & Machinery  
     Office  
     others  
     Vehicles  
 Directors Remuneration  
**Auditor's Remuneration :**  
 Audit Fee  
 Tax Audit Fee  
 Other Services  
 Exchange rate Fluctuation ( Net)  
 Bank Charges  
 Communication Expenses  
 Printing & Stationery  
 Travelling & Conveyance  
 Insurance  
 Rent  
 Director Sitting Fees  
 Advertisement & Publicity  
 Packing & Forwarding  
 Allowance for Doubtful Debts\*  
 Legal & Professional Charges  
 Commission  
 Listing Fee  
 Business/Sales Promotion  
 Membership & Subscription  
 Security Expenses  
 Job Charges  
 Rates & Taxes  
 Bad Debts Written Off ( Net)  
 Loss on Exchange of Investments  
 Loss on Sale of Assets (Net)  
 Donation & Charity  
 Other Administrative Expenses  
 Prepaid Rent Expense

-	29.23
15.27	17.25
-	-
5.48	4.88
13.38	37.61
0.28	-
32.46	32.86
12.00	12.00
-	-
8.91	8.91
2.00	2.00
7.43	2.88
4.41	-
1.14	1.44
14.69	25.60
5.75	5.89
36.31	30.05
4.78	7.07
7.84	26.10
2.02	2.02
14.14	25.40
8.13	43.37
4.29	9.36
124.37	98.53
4.20	-
6.48	6.01
15.79	32.58
5.55	4.26
1.32	19.91
39.00	19.22
11.59	2.27
21.00	0.90
-	-
0.02	21.91
0.55	11.97
15.39	3.11
0.44	0.44
<b>446.41</b>	<b>545.05</b>

\*Includes Allowance for Expected Credit Loss

## NOTES FORMING PART OF THE ACCOUNTS

### NOTE - 27

#### Items that will not be reclassified to Statement of Profit and Loss

- Remeasurement of gain and loss on defined benefit liab./assets
- Change in fair value of investment

Income tax relating to items that will not be reclassified to Statement of Profit and Loss

As at 31-03-2018	As at 31-03-2017
2.77	(4.22)
(0.72)	(0.60)
<b>2.05</b>	<b>(4.81)</b>
0.78	(1.36)
<b>1.26</b>	<b>(3.45)</b>

### Other Notes to Accounts

#### NOTE - 28. Reconciliation

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

Reconciliation of equity Between Previous IGAAP and IND AS is as under:

(Rs. in Lakhs)

		Opening Balance sheet as at April 1, 2016		
	IGAAP	Effects of transition		IND AS
Assets		IND AS	Other Adjustments	
<b>1. Non-Current Assets</b>				
Property, Plant and Equipment	421.92			421.92
Financial Assets				
-Investments	0.33	1.90		2.23
-Loans	306.05	(5.58)	(289.74)	10.73
-Others	-		42.86	42.86
Deferred Tax Assets(Net)	14.07			14.07
Other Non-Current Assets	42.86		246.88	289.74
<b>Total Non-Current Assets</b>	<b>785.23</b>			<b>781.55</b>
<b>2. Current Assets</b>				
Inventories	3403.55			3403.55
Financial Assets				
-Investments	345.83			345.83
-Trade Receivables	764.37	(7.64)		756.73
-Cash and Cash Equivalents	670.59			670.59
-Loans	3452.33		(3393.68)	58.65
Current Tax Assets(net)	-		31.57	31.57
Other Current Assets	-		3362.11	3362.11
<b>Total Current Assets</b>	<b>8636.67</b>			<b>8629.03</b>
<b>Total Assets</b>	<b>9421.90</b>			<b>9410.58</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity Share Capital	1127.00			1127.00
Other Equity	(511.09)	(11.32)		(522.41)
<b>Total Equity</b>	<b>615.91</b>			<b>604.59</b>
<b>Liabilities</b>				
<b>1. Non-Current Liabilities</b>				
Financial Liabilities				
-Borrowings	18.12			18.12
Provisions	20.55			20.55
<b>Total Non-Current liabilities</b>	<b>38.67</b>			<b>38.67</b>



<b>2. Current Liabilities</b>				
Financial Liabilities				
-Borrowings	-		7.29	7.29
-Trade Payables	4771.21			4771.21
Other Current Liabilities	3981.54		(7.29)	3974.25
Provisions	14.57			14.57
<b>Total Current Liabilities</b>	<b>8767.32</b>			<b>8767.26</b>
<b>Total Equity and Liabilities</b>	<b>9421.90</b>			<b>9410.58</b>

#### NOTE - 29. Reconciliation

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with IND AS 101

**Reconciliation of equity Between Previous IGAAP and IND AS is as under:**

(Rs. in Lakhs)

		Balance sheet as at March 31, 2017		
	IGAAP	Effects of transition		IND AS
Assets		IND AS	Other Adjustments	
<b>1. Non-Current Assets</b>				
Property, Plant and Equipment	341.83			341.83
Financial Assets				
-Investments	0.33	1.30		1.63
-Loans	285.63	(4.54)	(270.30)	10.79
-Others	-	-	57.04	57.04
Deferred Tax Assets(Net)	6.15	1.36	-	7.51
Other Non-Current Assets	57.04	(0.08)	213.26	270.23
<b>Total Non-Current assets</b>	<b>690.98</b>			<b>689.02</b>
<b>2. Current Assets</b>				
Inventories	161.47			161.47
Financial Assets				
-Investments	548.85			548.85
-Trade Receivables	54.82	(0.55)		54.27
-Cash and Cash Equivalents	411.09			411.09
-Loans	3354.07		(3239.67)	114.40
Current Tax Assets(net)	-		10.32	10.32
Other Current Assets	-		3229.35	3229.35
<b>Total Current Assets</b>	<b>4530.30</b>			<b>4529.75</b>
<b>Total Assets</b>	<b>5221.28</b>			<b>5218.78</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity Share Capital	1127.00			1127.00
Other Equity	(734.77)	(2.51)		(737.27)
<b>Total Equity</b>	<b>392.23</b>			<b>389.73</b>
<b>Liabilities</b>				
<b>1. Non-Current Liabilities</b>				
Financial Liabilities				
-Borrowings	10.75			10.75
Provisions	12.97			12.97
<b>Total Non-Current Liabilities</b>	<b>23.72</b>			<b>23.72</b>

<b>2. Current Liabilities</b>				
Financial Liabilities				
-Borrowings	-		7.50	7.50
-Trade Payables	1093.16			1093.17
Other Current Liabilities	3707.58		(7.50)	3700.07
Provisions	4.59			4.59
<b>Total Current Liabilities</b>	<b>4805.33</b>			<b>4805.32</b>
<b>Total Equity and Liabilities</b>	<b>5221.28</b>			<b>5218.78</b>

**Reconciliation statement of Profit and loss Between Previous IGAAP and IND AS is as under:**

(Rs. in Lakhs)

		Year Ended March 31, 2017		
	IGAAP	Effects of transition		IND AS
Income		IND AS	Other Adjustments	
Revenue from operations	4392.27	-	-	4392.27
Other Income	327.57	1.40	-	328.97
<b>Total Income</b>	<b>4719.84</b>	<b>1.40</b>	<b>-</b>	<b>4721.24</b>
<b>Expenses</b>				
Purchase of Stock-In-Trade	790.82	-	-	790.82
Change in Inventories of Stock-In-Trade	3242.08	-	-	3242.08
Employee Benefits Expense	253.99	-	(4.22)	249.77
Finance Costs	2.21	-	2.19	4.40
Depreciation and Amortization Expense	35.71	-	-	35.71
Other Expenses	553.90	(6.66)	(2.19)	545.05
<b>Total Expenses</b>	<b>4878.71</b>	<b>(6.66)</b>	<b>(4.22)</b>	<b>4867.83</b>
<b>Profit/(Loss) Before tax For the year</b>	<b>(158.87)</b>			<b>(146.59)</b>
Tax Expense:				
-Current Tax -				
-Deferred Tax	7.92			7.92
Income tax/Deferred Tax for earlier year -				
<b>Profit/(Loss) After tax For the year from Continuing Operation</b>	<b>(166.79)</b>			<b>(154.51)</b>
<b>Discontinuing Operation</b>				
Loss before tax from discontinuing operation	(56.89)			(56.89)
Tax expense of discontinuing operation -				
<b>-Profit/(Loss) After tax For the year from Discontinuing Operation</b>	<b>(56.89)</b>			<b>(56.89)</b>
<b>Profit/(Loss) For the year</b>	<b>(223.68)</b>			<b>(211.40)</b>
<b>Profit after tax For the year</b>				
Other Comprehensive Income-A		(4.81)		(4.81)
Tax Effect		(1.36)		(1.36)
<b>Total Comprehensive Income</b>				<b>214.85</b>

## Other Notes to Accounts

### NOTE - 30

#### Contingent liabilities :

	As at 31-03-2018 Current Year	As at 31-03-2017 Previous Year
	(Rs in Lacs)	(Rs in Lacs)
-Income Tax**	241.79	476.19
-Claims of ARM Ltd *	3,442.79	3,311.31
-VAT***	177.69	306.38
- Bank Guarantees	234.17	142.14

\* 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 29<sup>th</sup> 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. 18.45 Crores totaling Rs. 29.95 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 which comes to Rs. 4.28 Crore 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.

\*\* Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed, non-deduction of tax at source with respect to dealers / distributor's margin and payments to international operators for access charges. (Net of amount paid).

\*\*\* VAT/Sales Tax demand mainly relates to demand raised by VAT & Sales Tax Department of few states on supply of charger. (Net of amount paid)

31 As on 31.03.2018 an amount of Rs. 3590.97 Lacs payable to (Aquarius Technology Pvt. Ltd. Rs. 3364.64 and Nisshoiwai Corporation Rs. 226.33 Lacs) in Foreign Currency remains outstanding for a period exceeding three years.

32. Company had in the previous year(s) given advance against share capital and extended long term loans to Wholly Owned Subsidiary Shyam Telecom Inc. (STI) which as on 31-03-2018 amounted to Rs. 16.29 lacs (US\$ 25,050) and Rs. 2191.39 lacs (US\$33,69,294) respectively. The Subsidiary company had liquidated all assets and had Accumulated losses amounted to Rs. 2124.63 lacs (US\$ 33,94,371). Shyam Telecom Inc. (Corporation), erstwhile subsidiary of the company has been dissolved as per the certificate issued by State Of Delaware (USA) pursuant to Section 275 and 391 (a) (b) (c) with effect from 22<sup>nd</sup> December, 2015. The company had given advances against share capital and granted long term loans amounting to US\$ 3394344 for which the Company had made provision in the previous financial year. An application to write-off the same post dissolution shall be made subject to approval from Reserve Bank of India. Since the corporation has been dissolved w.e.f. 22<sup>nd</sup> December, 2015, the same will be written off after taking necessary approval from RBI however full provision for the same is made in the books of account.

### 33. Financial Risk Management

The Company is exposed primarily to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### Market Risk:

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices due to foreign exchange rate changes and interest rates that will fluctuate affecting Company's revenue and the value of its financial instruments.

#### (a) Interest Rate Risks

The Company does not have any floating interest bearing borrowings as on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017. Hence, company is not exposed to any significant interest rate risks.

#### (b) Foreign Currency Risks

The Company has following un-hedged foreign currency risks on financial assets and financial liabilities

Particulars	Foreign Currency exposure in	Foreign Currency (In Lacs)		Rs. (In Lacs)	
		As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017	Amount as on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Trade Receivables	USD	5.84	6.55	380.09	424.12
	Euro	0.21	0.21	16.71	14.36
	CHF	2.48	2.48	169.47	161.27
Trade Payables	USD	7.38	10.91	480.09	7.07
	Euro	0.07	0.07	5.42	4.65

#### Credit Risk:

Credit risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due, causing financial loss to the Company. Credit risk arises from Company's activities in investments and outstanding receivables from customers. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

#### Liquidity Risk:

Liquidity risk arises from the inability to meet cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities.

Maturity analysis of Non-derivative Financial Liabilities					
Particulars	Below 3 months	3 - 12 months	1 - 5 Years	More than 5 Years	Total
Principal maturities of Borrowings	1.91	4.20	4.64	-	10.75
Interest on borrowings	0.08	-	-	-	0.08
Trade Payables	242.18	739.54	-	-	981.72

The company does not have obligation towards derivate financial liabilities.

The company maintains stock of appropriate cash and marketable securities to mitigate its short-term liquidity risks.

#### 34. Fair Value measurement

Particulars	Level of Information used	Carrying Amount		
		As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Financial Assets</b>				
<u>At Amortised Cost</u>				
Trade Receivables	-	128.91	54.27	756.73
Loans	-	202.02	125.19	69.38
Cash and Bank Balances( Including FDR)	-	818.38	468.13	713.45
<u>At Fair Value through Other Comprehensive Income</u>				
Investments	Level I	132.83	550.48	348.06
<b>Financial Liabilities</b>				
<u>At Amortised Cost</u>				
Borrowings	-	10.83	18.25	25.41
Trade Payables	-	981.72	1093.17	4771.21

### 35. Related Party Information Relationship

- a) Subsidiary :  
- Shyam Telecom Inc. up to 22 December ,2015
- b) Key Management Personnel and relative of Key Management personal :  
Mr. Rajiv Mehrotra, Mr. Alok Tandon, Mr. Arun Kumar Khanna, Mr. Ajay Khanna, Mr. Gursharan Singh, Mr. Vinod Raina, Mr. Saurav Goel and Late Sh. Dharmender Dhingra (till 29<sup>th</sup> March ,2017)
- c) Enterprises over which Key Management Personnel and relatives are able to exercise significant influence:  
Shyam Antenna Electronic 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. and Vihaan Networks Ltd. Think of Us India Pvt Ltd., Think of Technologies Pvt. Ltd.

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

(Rs. in Lacs)

PARTICULARS	31.03.2018				31.03.2017			
	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>								
Sistema Shyam Teleservices Ltd.		-		-		1157.48		1157.48
Think of Us India Pvt. Ltd.		1.23		1.23		3.07		3.07
Think of Technologies Pvt. Ltd.		2,125.76		2,125.76		70.08		70.08
<b>Sub Total</b>	-	2,126.99	-	2,126.99	-	1,230.63	-	1,230.63
b) <b>Purchase of the goods</b>								
Vihaan Networks Ltd.		44.86		44.86		155.55		155.55
Think of Us India Pvt. Ltd.		-		-		20.07		20.07
Think of Technologies Pvt. Ltd.		80.87		80.87		-		-
RMS Automation Systems Ltd.		-		-		-		-
<b>Sub Total</b>	-	125.73	-	125.73	-	175.62	-	175.62
c) <b>Rent Paid</b>								
Shyam Communication Systems		6.00		6.00		13.00		13.00
Intercity Cable System Pvt. Ltd.		1.35		1.35		-		-
<b>Sub Total</b>	-	7.35	-	7.35	-	13.00	-	13.00
d) <b>Remuneration</b>								
Mr. Dharmender Dhingra			13.44	13.44			13.44	13.44
Mr. Saurav Goel			7.27	7.27			12.77	12.77
Mr. Gursharan Singh			12.00	12.00			12.00	12.00
Mr. Vinod Raina			19.20	19.20			19.20	19.20
<b>Sub Total</b>	-	-	51.91	51.91			57.41	57.41
e) <b>Provision for Bad &amp; Doubtful against Loans and Advance Against equity</b>								
Shyam Telecom Inc.	2,207.68	-		2,207.68	2,200.89			2,200.89
Ubico Networks Pvt. Ltd.		18.53		18.53		18.53		18.53
Shyam Digital Communication Ltd		1.29		1.29		1.29		1.29
<b>Sub Total</b>	2,207.68	19.82		2,227.50	2,200.89	19.82		2,220.71
<b>Recoverables &amp; Payables</b>								
a) <b>Amount Receivable</b>								
Shyam Digital Communication Ltd		1.29		1.29		1.29		1.29
Sistema Shyam Teleservices Ltd.						3.46		3.46
Ubico Networks Pvt. Ltd.		18.53		18.53		18.53		18.53
Think of Us India Pvt. Ltd.		0.59		0.59				
Think of Technologies Pvt. Ltd.		39.87		39.87		29.08		29.08
Vihaan Networks Ltd.								
RMS Automation Systems Ltd.		2,887.72		2,887.72		2,887.37		2,887.37
<b>Sub Total</b>	-	2,948.00	-	2,948.00	-	2,939.73	-	2,939.73
b) <b>Amount Payable</b>								
Shyam Communication Systems		5.69		5.69		5.28		5.28
Shyam Infratel Pvt. Ltd.						4.91		4.91
Intercity Cable System Pvt. Ltd.		3.02		3.02		1.18		1.18
Think of Us India Pvt. Ltd.						0.64		0.64
Vihaan Networks Ltd.		42.71		42.71		-		-
<b>Sub Total</b>	-	51.42		51.42		12.01		12.01
c) <b>Security deposit recoverable</b>								
Intercity Cable System Pvt. Ltd.		-		-		-		-
Shyam Communication Systems		6.00		6.00		6.00		6.00
<b>Sub Total</b>	-	6.00		6.00		6.00		6.00
d) <b>Loans and Advance</b>								
Shyam Telecom Inc.	2,207.68	-		2,207.68	2,200.89			2,200.89

36. The figures of Long-term / Short-term borrowings, Trade payable, Trade receivables & Other Current Assets and Loans and Advances shown in the foregoing Balance Sheet are subject to confirmation.
37. 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.
38. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are funded. The following tables summarises the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the Balance Sheet. 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.12.52 Lacs (previous Year Rs. 12.08 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.1.71 lacs (Previous year Rs.1.41 lacs) towards contribution to ESI and Rs NIL (previous Year NIL) towards welfare fund, in the Statement of Profit and Loss.

**C) Defined Benefit Plans**

The actuarial valuation carried out is based on following assumption:

**a) Contribution to Gratuity Fund - Employee's Gratuity Fund.**

**Table I: Principal Assumptions used for the purposes of this valuation are as follows:-**

**Financial Assumptions**

	As at 31.03.2018	As at 31.03.2017
Interest Rate for Discounting	7.60%	7.00%
Salary Increase Rate	5.50%	5.50%

**Demographic Assumptions**

	As at 31.03.2018	As at 31.03.2017
Retirement Age:	58 yrs	58 yrs.

**Mortality:** Published rates under Indian Assured Lives Mortality (2006-08) ultimate table.

Rates of Indian Assured Lives Mortality (2006-08) ultimate table at specimen ages are as shown below:

Age (Years)	Rates	Age (Years)	Rates
15	0.000614	60	0.011534
20	0.000888	65	0.017009
25	0.000984	70	0.025855
30	0.001056	75	0.039637
35	0.001282	80	0.060558
40	0.001803	85	0.091982
45	0.002874	90	0.138895
50	0.004946	95	0.208585
55	0.007888	100	0.311628

Indian Assured Lives Mortality (2006-08) ultimate table are used of calculations as on 31.03.2017 & 31.03.2018.

**Withdrawal:** Withdrawal rates are for all causes in accordance with the following table:

Age	31.03.2018	31.03.2017
Up to 30 Years	3% per annum	3% per annum
31 to 44 Years	2% per annum	2% per annum
Above 44 Years	1% per annum	1% per annum

Disability: Leaving service due to disability is included in the provision made for withdrawals from service (refer above for withdrawals)

**Table 2: Movements in the present value of the Defined Benefit Obligations**

	31.03.2018	31.03.2017
Opening defined benefit obligation	46,71,082/-	53,27,928/-
Current Service Cost	3,63,775/-	3,27,591/-
Interest Cost	3,26,976/-	4,10,250/-
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	NIL	NIL
Actuarial (gains)/losses arising from changes in financial assumptions	(1,35,169/-)	1,78,176/-
Actuarial (gains)/losses arising from experience adjustments	(1,54,874/-)	1,94,164/-
Other (describe)		
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefit Paid: (i) Directly Paid by the Enterprise	NIL	NIL
(ii) Payment made out of the Fund	(8,43,952/-)	(17,67,027/-)
Others [describe]	-	-
Closing defined benefit obligation	42,27,838/-	46,71,082/-

**Table 3: Movements in the fair value of the Plan Assets**

	31.03.2018	31.03.2017
Opening fair value of plan assets	53,56,268/-	66,59,709/-
-Interest Income	3,74,939/-	5,12,798/-
Remeasurement gain/(loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(13,287/-)	(49,212/-)
Others (describe)	-	-
Contributions from the employer	2,188/-	NIL
Benefits paid	(8,43,952/-)	(17,67,027/-)
Other [describe]	-	-
Closing fair value of plan assets	48,76,156/-	53,56,268/-

**Table 4: Service Cost**

	31.03.2018	31.03.2017
Current Service Cost	3,63,775/-	3,27,591/-
Past Service Cost including curtailment gains/losses	-	-
Gains or Losses on non routine settlements	-	-
Total	3,63,775/-	3,27,591/-



**Table 5: Net Interest Cost (Income)**

	As at 31-03-2018	As at 31-03-2017
Interest Cost on Defined Benefit Obligation	3,26,976/-	4,10,250/-
Interest Income on Plan Assets	3,74,939/-	5,12,798/-
Net Interest Cost (Income)	(47,963/-)	(1,02,548/-)

**Table 6: Remeasurements of the net defined benefit liability (asset) (see paragraphs 127-130) in other comprehensive Income.**

Return on plan assets (excluding amounts included in net interest expense)	13,287/-	49,212/-
Actuarial (gains)/losses arising from changes in demographic assumptions	NIL	NIL
Actuarial (gains)/losses arising from changes in financial assumptions	(1,35,169/-)	1,78,176/-
Actuarial (gains)/losses arising from experience adjustments	(1,54,874/-)	1,94,164/-
Other (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(2,76,756/-)	4,21,552/-

**Table 7: Amount recognised in the Statement of Profit or Loss**

Service Cost	3,63,775/-	3,27,591/-
Net Interest Cost (Income)	(47,963/-)	(1,02,548/-)
Defined Benefit Cost recognised in statement of Profit or Loss	3,15,812/-	2,25,043/-

**Table 8: The amount included in the Balance sheet**

Present value of defined benefit obligation	42,27,838/-	46,71,082/-
Fair value of plan assets	48,76,156/-	53,56,268/-
Funded status	6,48,318/-	6,85,186/-
Restrictions on asset recognised	-	-
Other [describe]	-	-
Net liability arising from defined benefit obligation	(6,48,318/-)	(6,85,186/-)

**Table 9: Illustration of the components of Net Defined Benefit Obligation**

Net defined benefit liability at the start of the period	(6,85,186/-)	(13,31,781/-)
Service Cost	3,63,775/-	3,27,591/-
Net Interest Cost (Income)	(47,963/-)	(1,02,548/-)
Remeasurements	(2,76,756/-)	4,21,552/-
Contribution paid to the Fund	(2,188/-)	NIL
Benefits paid directly by the enterprise	NIL	NIL
Net defined benefit liability at the end of the period	(6,48,318/-)	(6,85,186/-)

#### b) Leave Encashment

**Table 1: Principal Assumptions used for the purposes of this valuation are as follows:-**

##### Financial Assumptions

Interest Rate for Discounting	7.60%	7.00%
Salary Increase Rate	5.50%	5.50%

##### Demographic Assumptions

Retirement Age:	58 yrs	58 yrs.
-----------------	--------	---------

**Mortality:** Published rates under Indian Assured Lives Mortality (2006-08) ultimate table.

Rates of Indian Assured Lives Mortality (2006-08) ultimate table at specimen ages are as shown below:

Age (Years)	Rates	Age (Years)	Rates
15	0.000614	60	0.011534
20	0.000888	65	0.017009
25	0.000984	70	0.025855
30	0.001056	75	0.039637
35	0.001282	80	0.060558
40	0.001803	85	0.091982
45	0.002874	90	0.138895
50	0.004946	95	0.208585
55	0.007888	100	0.311628

Indian Assured Lives Mortality (2006-08) ultimate table are used of calculations as on 31.03.2017 & 31.03.2018.

**Withdrawal:** Withdrawal rates are for all causes in accordance with the following table:

Age	31.03.2018	31.03.2017
Up to 30 Years	3% per annum	3% per annum
31 to 44 Years	2% per annum	2% per annum
Above 44 Years	1% per annum	1% per annum

Disability: Leaving service due to disability is included in the provision made for withdrawals from service (refer above for withdrawals)

	31.03.2018	31.03.2017
Rate of Availing Leave in the Long Run	10.00% per annum	10.00% Per annum
Per Rate of Encashment of Leave whilst in service	NIL	NIL

**Table 2: Movements in the present value of the Defined Benefit Obligations**

	As at 31-03-2018	As at 31-03-2017
Opening defined benefit obligation	17,55,997/-	27,20,212/-
Current Service Cost	1,75,222/-	68,031/-
Interest Cost	1,22,920/-	2,09,456/-
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	NIL	NIL
Actuarial (gains)/losses arising from changes in financial assumptions	(35,416/-)	41,265/-
Actuarial (gains)/losses arising from experience adjustments	(2,20,138/-)	(6,45,699/-)
Other (describe)	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefit Paid	(32,191/-)	(6,37,268/-)
Others [describe]	-	-
Closing defined benefit obligation	17,66,394/-	17,55,997/-

**Table 3: Movements in the fair value of the Plan Assets**

	As at 31-03-2018	As at 31-03-2017
Opening fair value of plan assets	-	-
Interest Income	-	-
Remeasurement gain/(loss):	-	-
Contributions from the employer	-	-
Benefits paid	-	-
Other [describe]	-	-
Closing fair value of plan assets	-	-

**Table 4: Service Cost**

Current Service Cost	1,75,222/-	68,031/-
Past Service Cost including curtailment gains/losses	-	-
Gains or Losses on non routine settlements	-	-
Total	1,75,222/-	68,031/-

**Table 5: Net Interest Cost (Income)**

Interest Cost on Defined Benefit Obligation	1,22,920/-	2,09,456/-
Interest Income on Plan Assets	-	-
Net Interest Cost (Income)	1,22,920/-	2,09,456/-

**Table 6: Remeasurements of the net defined benefit liability (asset) (see paragraphs 127-130) in other comprehensive Income.**

Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	NIL	NIL
Actuarial (gains)/losses arising from changes in financial assumptions	(35,416/-)	41,265/-
Actuarial (gains)/losses arising from experience adjustments	(2,20,138/-)	(6,45,699/-)
Other (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in the Statement of Profit or Loss	(2,55,554/-)	(6,04,434/-)

**Table 7: Amount recognised in the Statement of Profit or Loss**

Service Cost	1,75,222/-	68,031/-
Net Interest Cost (Income)	1,22,920/-	2,09,456/-
Remeasurements	(2,55,554/-)	(6,04,434/-)
Defined Benefit Cost recognised in statement of Profit or Loss	42,588/-	(3,26,947/-)

**Table 8: The amount included in the Balance sheet**

Present value of defined benefit obligation	17,66,394/-	17,55,997/-
Fair value of plan assets	-	-
Funded status	17,66,394/-	17,55,997/-
Restrictions on asset recognised	-	-
Other [describe]	-	-
Net liability arising from defined benefit obligation	17,66,394/-	17,55,997/-

**Table 9: Illustration of the components of Net Defined Benefit Obligation**

	As at 31-03-2018	As at 31-03-2017
Net defined benefit liability at the start of the period	17,55,997/-	27,20,212/-
Service Cost	1,75,222/-	68,031/-
Net Interest Cost (Income)	1,22,920/-	2,09,456/-
Remeasurements	(2,55,554/-)	(6,04,434/-)
Contribution paid to the Fund	-	-
Benefits paid directly by the enterprise	(32,191/-)	(6,37,268/-)
Net defined benefit liability at the end of the period	17,66,394/-	17,55,997/-

**39** None of the creditors have informed that they comprise Micro, Small & Medium enterprises as defined under MSMED Act, 2006. Hence there are no creditors which comprise amount outstanding for more than 45 days at Balance Sheet date. Based on information available with Company, the balance due to micro and small enterprise as defined in MSMED Act, 2006 in current year is Rs. **NIL** and no interest during the year has been paid or payable under terms of MSMED Act, 2006.

**40 Earning Per Share**

(i) Weighted Average No. of Equity Shares		
Adjusted No. of Equity Shares (in Nos.)	1,12,70,000	1,12,70,000
(ii) Equity Shares for Calculating Diluted Earnings per Share		
Weighted Average No. of Equity Shares (in Nos.)	1,12,70,000	1,12,70,000
(iii) Total Comprehensive Income (Rs. In lacs)	14.90	(214.85)
(iv) Earnings per share - from discontinuing and continuing operations		
- Basic	0.13	(1.91)
- Diluted	0.13	(1.91)
(v) Earnings per share - from discontinuing operations		
- Basic	-	(0.50)
- Diluted	-	(0.50)
(vi) Earnings per share - from continuing operations		
- Basic	0.13	(1.41)
- Diluted	0.13	(1.41)

**41 Segment Reporting**

The Company is primarily engaged in the business of "Trading", which in terms of Ind AS 108 on "Operating Segments" constitutes a single reporting segment.

**42 Taxation**

Income tax recorded in Statement of Profit and Loss

(i) Profit/ (Loss)		
Current tax expense	-	-
Tax expense relating to earlier year	1.16	-
	1.16	-
Deferred tax	(0.21)	7.92
	0.95	7.92
(ii) Other Comprehensive Income		
Remeasurement of gain and loss on defined benefit liab./assets	0.86	(1.30)
Change in fair value of investment	(0.07)	(0.06)
	0.78	(1.36)
Tax expense recorded in statement of profit/ (loss)	<b>1.73</b>	<b>6.56</b>

(iii) Reconciliation

	As at 31-03-2018	As at 31-03-2017
Income before tax	16.63	(208.29)
Enacted Tax Rate	30.90	30.90
Expected Tax Expense	5.14	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of losses carried forward from earlier years	3.98	-
Net tax expense to be recognized	-	-
Tax expense recognised in the statement of profit and loss (excluding provision pertaining to prior years)	1.16	-
(Excess)/Short provision for tax relating to prior year	-	-
Tax Expense recognized in statement of profit or loss	1.16	-
Deffered tax liability/ (asset)	0.57	6.56
Net tax expense recognised	<b>1.73</b>	<b>6.56</b>

(iv) Movement of deferred tax

Tax effect of items constituting deferred tax assets

Employee Benefits	7.45
Fair value measurement	(0.06)
Provisions	-
Other Items	-

31 <sup>st</sup> March 2018			
Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
	(0.21)	0.85	6.81
	-	(0.07)	(0.13)
	-	-	-
	-	-	-

Tax effect of items constituting deferred tax assets

Employee Benefits	14.07
Fair value measurement	-
Provisions	-
Other Items	-

31 <sup>st</sup> March 2017			
Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
	7.92	(1.30)	7.45
	-	(0.06)	(0.06)
	-	-	-
	-	-	-

43 Based upon the projection for future profits, timing difference of Fixed assets has been considered of permanenet nature. Accordingly Deferred Tax Assets on fixed assets has not been recognised.

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

As per our report of even date attached  
For **VGM & Co.**  
**Chartered Accountants**  
**Firm Registration No.029823N**

**AASTHA JAIN**  
(Partner)  
M.No.519915

**RAJIV MEHROTRA**  
Chairman & Director

**AJAY KHANNA**  
Managing Director

**PLACE : New Delhi**  
**Dated : 29<sup>th</sup> May 2018**

**GURSHARAN SINGH**  
Chief Executive Officer

**VINOD RAINA**  
Chief Financial Officer

**SAURAV GOEL**  
Company Secretary

CORPORATE INFORMATION	
Board of Directors/Compliance Officer	
<b>Mr. Rajiv Mehrotra</b> <i>Chairman &amp; Director</i> DIN- 00035766	<b>Mr. Ajay Khanna</b> <i>Managing Director</i> DIN- 00027549
<b>Mr. Alok Tandon</b> <i>Director</i> DIN- 00027563	<b>Mr. Achintya Karati</b> <i>Director &amp; Chairman of Audit Committee</i> DIN- 00024412
<b>Mr. Vinod Juneja</b> <i>Director</i> DIN- 00044311	<b>Mr. Chandar Sain Malhotra</b> <i>Director</i> DIN- 00276335
<b>Mr. Arun Kumar Khanna</b> <i>Director</i> DIN-00041724	<b>Mr. Narendra Kumbhat</b> <i>Director</i> DIN-00035665
<b>Mrs. Nishi Sabharwal</b> <i>Woman Director</i> DIN- 06963293	<b>Mr. Saurav Goel</b> <i>Company Secretary</i>
Statutory Auditors	Registrar and Transfer Agent
<b>M/s VGM &amp; Co.</b> Chartered Accountants 512-A, Chiranjiv Towers, 43, Nehru Place, New Delhi-110019	<b>Indus Portfolio Pvt. Ltd.</b> G-65, Bali Nagar, New Delhi-110015, India rnt@indusinvest.com/ cs.anamika@indusinvest.com Ph: 91-11-47671200, 47671214 Fax: 91-11-25449863 Web: <a href="http://www.indusinvest.com">www.indusinvest.com</a>
Registered Office	
Regd. Office : Shyam 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: <a href="http://www.shyamtelecom.com">www.shyamtelecom.com</a> CIN : L32202RJ1992PLC017750	
Depository	
<b>National Securities Depository Ltd.</b> 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: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	<b>Central Depository Services (India) Ltd.</b> 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: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

**Equity Shares Listing** – Equity Shares of the Company are listed at BSE & NSE

 [www.shyamtelecom.com](http://www.shyamtelecom.com)

**REGD.OFFICE:**

Shyam Tower,  
3, Amrapali Circle  
Vaishali Nagar, Jaipur -302021  
Rajasthan, India