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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

TELECOM INDUSTRY IN INDIA

AN OVERVIEW

The telecom services have been recognized the world-over as an important tool for socioeconomic development of a nation. Telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. It has become especially important in recent years because of enormous growth of information technology and its significant potential for the impact on the rest of the economy. The Telecom Sector, which has the multiplier effect on the economy, has a vital role to play in economy by way of contributing to the increased efficiency. The available studies suggest that income of business entities and households increases by the use of telecom services. Thus it contributes to the growth in GDP.

Indian Telecom is more than 168 years old, beginning with the commissioning of the first telegraph line between Kolkata and Diamond Harbour in 1839. In 1948, India had only 0.10 million telephone connections with a telephone density of about 0.02 telephones per hundred population. In recent times, country has emerged as one of the fastest growing telecom markets in the world. Indian telecom still continues to register a significant growth in the current fiscal year. Indian telecom network has about 562.21 million connections as on 31st December, 2009. With 525.15 million wireless connections, Indian telecom has become the second largest wireless network in the world after China. Overall teledensity has reached around 47.88%. Urban teledensity crossed 100% mark whereas rural teledensity is at 21.19% which is also steadily increasing. Broadband connections have increased to 7.98 million by December 31, 2009.

The future progress of telecom in our country is very encouraging. The current addition of about 15 million connections per month puts the telecom sector on strong footing. The target of 500 million connections by 2010 has been achieved in September 2009 itself. Approximately 94% of the eleventh plan target of 600 million connections has already been achieved at the half-way point.

This boom in the telecom sector has slowly and steadily paved the way for another industry: the telecom equipment manufacturing industry. Indian telecom industry manufactures a complete range of telecom equipment using state of art technology. Considering the growth of telecom, there are excellent opportunities for domestic and foreign investors in manufacturing sector. The last five years saw many renowned

telecom companies setting up their manufacturing base in India. The production of telecom equipments in value terms has increased from Rs. 412700 million (2007-08) to Rs.488000 million during 2008-09 and expected to increase to Rs. 575840 million during 2009-10.

The total number of telephones stands at 562.21 million as on 31st December, 2009 showing addition of 132.49 million during the period from March to December of 2009. Wireless Telephone connections have contributed to this growth as the number of wireless connections rose from 3.57 million in March 2001 to 13.29 million in 2003, 101.86 million in March 2006, 391.76 million in March 2009 and 525.15 million as on 31st December, 2009. The wireline has shown increase from 32.70 million in 2001 to 41.42 million in March 2005 but then started declining to 40.22 million in March 2006, 37.96 million in March 2009 and 37.06 million as on 31st December, 2009. Therefore, the share of wireless telephones as on 31st December, 2009 is above 93% of the total phones. The share of private sector in total telephone is about 82.33%.

The Department of Telecommunications has set a target of 1.1 billion subscribers by 2015. To meet this target by 2015 and to meet the demand created by the telecom services sector, it is said telecom equipment worth Rs. 3,500,000 million – Rs. 5,000,000 million will be required by 2015.

India is without question one of the most compelling emerging telecom markets in the world. Due to its low-cost, high-quality networks and innovative marketing, the country is a model of efficiency in global telecom. Vendors working in India believe that their presence there and relationship with Indian companies will eventually benefit all of their customers globally. Multinationals are increasingly taking notice of India beyond just its talent pool and viewing it as a key proving and development ground for their R&D efforts.

● Exports

Exports increased from Rs. 4020 million in 2002-03 to Rs. 1,10,000 million in 2008-09 accounting for 21 per cent of the total equipment produced in the country and further expected to increase to Rs. 132,500 million during 2009-10.

● Foreign Direct Investment

The liberalization in financial sector has also given beneficial results in telecom sector. Liberalization with allowing entry to the private firms has resulted in unprecedented growth in telecom sector. Allowing greater participation of foreign investor has helped in growth of the sector. Today, telecom is the third major sector attracting FDI inflows after services and computer software sector. At present 74% to 100% FDI is permitted for various telecom services. This investment has helped telecom sector to grow. The total FDI equity inflows in telecom sector have been US\$ 2223 million during April-November 2009-10.

● Research & Development

C-DoT, an autonomous society under DoT, is carrying out Research & Development for areas of national importance in Telecommunication. C-DoT is working on various developmental projects like Shared Global System of Mobile Communication Radio Access Network (SG-RAN) for rural India, upgradation of legacy switches to Next Generation services for North Eastern region, communication monitoring systems, secure dedicated communication networks, broadband service delivery platforms like Gigabit Passive Optical (GPON) systems. The projects like SGRAN & GPON are expected to give an impetus to indigenous manufacturing. A large number of companies like Alcatel, Cisco etc. have also set up their research & development (R&D) centers in India.

STRENGTHS OF INDUSTRY

India has all the makings of a globally competitive telecom manufacturing and R&D destination. This is evident from:

- A large and booming domestic market with Indian operators reaching out to the global market providing wider access to Indian telecom companies.
- Strong management experience in critical functions such as SCM, high tech manufacturing systems, working capital management, value chain with EMS companies, captive facilities of MNCs (willing to invest further in India), auxiliary component manufacturing base (e.g., for cables, cabinets, shelves, power electronics, tooling, bare PCBs, etc.).
- Strong technical and R&D workforce having experience in R&D centers of MNC companies, IT service companies doing telecom projects, strong academic and research labs and an increasing number of Indians who are returning back from USA/Europe.
- Skilled & trained shop floor workforce for electronics circuit assembly, testing and integration from widely available resources from Industrial Training Institutes and Polytechnics.
- Cost advantage arising from lower manufacturing plant establishment cost and competitive labor costs.
- Availability of capital from a well established financing industry as well as private equity network.
- Exports growth at 25 percent CAGR over next 5 years, reaching over USD 10 Billion.
- Domestic telecom products growth of 18 percent CAGR over next 5 years.
- Employment generation (direct and in-direct) of 20 million
- At least 70 percent of Indian domestic telecom needs are met by products manufactured in India.
- Handset and other Data Products imports and manufacturing has become a very big market in India. India is the largest importer of Handsets & Data Products in the world.

COMPANY'S OVERVIEW

Your company is a complete telecom solution provider. Your company offers an entire suite of both in-build and outdoor Repeater and DAS Products. Your company offers a wide range

of band selective repeaters from low power up to very high power available in a single and dual band version allowing any frequency combination in GSM/DCS, GSM/CDMA, DCS/CDMA with support up to 6 sub bands.

Your company also deals in In- building solutions & state of the art Turnkey projects. The company has penetrated the GSM & CDMA markets. The company is first one to get the products TEC Certified.

Your company has been a proven supplier of the Telecom Equipment to Telecom Equipment Manufacturers like Huawei, Ericsson, Nokia, ZTE, etc. and Telecom Service Providers like Vodafone, MTS, Idea, etc. Service providers are going big way in In-Building solution where your company is one of the leading solution providers.

In International Market, your Company has marked its presence in Asia Pacific, USA, Europe and Russia. The Company has also been successful in procuring big orders from Latin America for repeaters. Your Company also got the product approved from operators in North & South America and is also testing various products with major operators in Europe.

The future plans of your company include development of new Repeaters with advanced technologies and Repeaters with Single Chip Solution. The company is currently working on the advance software feature which will help the products to become user friendly.

The major contribution to the top line is from dealing in CDMA Handsets and Accessories. We are the single supplier of Handsets and Accessories for the retail market for MTS and are actively working with other Service Providers on the same line. The company is importing these from the top handset manufactures of the world like LG, Samsung, ZTE, etc. The company would be introducing a range of new handsets and accessories in the market for MTS in the coming years.

FINANCIAL PERFORMANCE

(Rupees in Lacs)

PARTICULARS	Financial Year 2009-2010	Financial Year 2008-2009
Sales and Services	29329.75	18943.74
Profit before Tax & Extraordinary Items	(655.90)	80.73
Provision for Income Tax		
Current Tax	-	12.92
Deferred Tax	(209.18)	0.78
MAT Credit available for set-off	-	(12.92)
Wealth Tax	1.07	0.93
Fringe Benefit Tax	-	35.90
Income Tax for earlier year	-	23.48
Extraordinary Item – Profit on sale of Land (Net of Taxes)	-	56.27
Profit after Tax & Extraordinary Items	(447.79)	75.91

OPERATIONS

During the period under review your company has registered a turnover of Rs. 29329.75 Lacs against Rs. 18943.74 Lacs in the year 2008-09. A net loss of Rs. 447.79 Lacs was incurred during this period as against a net profit of Rs.75.91 Lacs in the previous period. The loss has been incurred on the grounds of business promotion expenses and write-off's.

EXPORTS

Your Company is exporting Telecommunication products and system to various countries worldwide.

The Export revenue is growing on yearly basis. In the recent past the company has completed some major In-building projects in different countries. The Company has taken Turnkey Projects worldwide, which include the survey, planning, installation, commissioning etc. The products are being sold to more than 100 operators in 40 countries. We have appointed more than 50 Agents/ Distributors/ Value Added Resellers worldwide. In the recent past we have been short listed as a preferred supplier for many operators in Europe, Africa, Latin America, etc.

The product was approved and the company has got the big order by one of the biggest operator in USA i.e. Verizon Wireless.

DIVIDEND

The Board is considering prudent to conserve resources for investments in business, therefore regrets its inability to recommend any dividend for the year ended 31st March, 2010.

SUBSIDIARY

The Company has only one subsidiary viz., Shyam Telecom Inc, USA and therefore as per Section 212 of the Companies Act, 1956, the Reports and Audited Accounts of the subsidiary company along with the statement form the part of Annual Report.

PUBLIC FIXED DEPOSIT

The Company has not accepted deposits from Public under Section 58A of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company, Mr. Rajiv Mehrotra, Mr. Alok Tandon and Mr. Arun Khanna, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Their brief profile has been stated in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provision of Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures wherever necessary.
- ii) The Directors had 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 affairs of the company at the end of financial year 2009-10 and of the profit of the company for the year ended on that date.

- iii) The Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s Mehra Goel & Co., Chartered Accountants, the retiring Auditors of your company expressed their willingness to continue as auditors, if re- appointed at the Annual General Meeting to hold the office until the conclusion of the next Annual General Meeting. The Company has received from the Auditors a certificate to this effect that their appointment, if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

AUDITOR'S REPORT AND CLARIFICATION

The notes to the accounts in Auditor's Report are self-explanatory and no further explanation is considered necessary.

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

The information relating to conservation of energy, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed and form the part of this Report.

PARTICULARS OF THE EMPLOYEES

In compliance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, statement of particulars of employees is annexed hereto and forms the part of this report.

INDUSTRIAL RELATIONS

Relations with the Employees remain cordial and your Directors wish to place on record their appreciation of the co-operation and contribution made by the employees at all levels.

CORPORATE GOVERNANCE

A Report on Corporate Governance as required under Clause 49 of the Listing Agreement, as applicable, form the part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis as required under Clause 49 of the Listing Agreement, as applicable, form the part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21, Audited Consolidated Financial Statements have been attached which form the part of this report & accounts.

COMPOSITION OF AUDIT & FINANCE COMMITTEE

Disclosure pursuant to the provisions of Section 292A of the Companies Act, 1956, the Audit & Finance Committee of the Company consists of:

Mr. Achintya Karati	- Independent Director & Chairman
Mr. Narendra Kumbhat	- Independent Director & Member
Mr. Ravikant Jaipuria	- Independent Director & Member
Dr. Vinod Juneja	- Independent Director & Member
Mr. Praveen K. Bhatia	- Independent Director & Member
Mr. C.S. Malhotra	- Independent Director & Member
Mr. Arun Khanna	- Non Executive Director & Member
Mr. Dharmender Dhingra	- Vice President (Legal) & Company Secretary

ACKNOWLEDGMENT

Your Directors acknowledge with gratitude the co-operation received from Bankers, Central and State Government Departments, Local Authorities and Customers abroad for their continued guidance and support.

Your Directors also convey their gratitude to the Shareholders, Statutory Auditors and Employees of the company for their commitment and support which has contributed to the growth and success of the company.

On Behalf of the Board of Directors of
SHYAM TELECOM LIMITED

Sd/-

PLACE: NEW DELHI

RAJIV MEHROTRA

DATE : 30th July, 2010

Chairman & Managing Director

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE-I

STATEMENT OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 ARE GIVEN HEREIN BELOW:

CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- All high-energy lighting is controlled to switch off with manual switches, thus consuming energy only during essential periods.
- Employment of highly efficient low power consuming manufacturing equipment e.g. SMT, Progressive Assembly, Conveyor Belt system and utilizing state-of-the art technology.
- Factory layout helps to utilize daylight for illumination in working areas and passages, thus reducing substantially the consumption of electrical energy.
- Replaced chilled water air-washer system in 180 TR central air-conditioning plant to Split AC Units.
- Use of programmable and high efficiency power supply units for our equipment consumes less power than other power supplies.

- Use of automatic power factor correction panel for energy conservation.
- Replaced all tungsten bulbs with CFL Bulbs.
- Installed automatic voltage regulator for maintaining electricity voltage enabling to reduce consumption of energy units
- All soldering workstation are automated, if not in use it goes in idle mode.

(b) Additional investments and proposals, if any, being implemented for reducing consumption of energy:

A continuous study is being made on measures to conserve energy and several new measures are under implementation.

(c) Impact of measures at (a) and (b) above:

By high level of integration and automation in the manufacturing process cycle, saving in the energy/fuel consumption has been achieved which definitely has an impact on production cost.

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY:

With its established in-house Research and Development Department, Shyam has built its reputation with its customers by offering a winning combination of sophisticated technical expertise, innovative design and high volume manufacturing.

We understand the economic and competitive pressures of the rapidly growing Telecom Market and have responded to this with the on-going development program to increase overall value to our customers. Efforts are being made to hire highly qualified and experienced personnel in the said Department, to further enhance the quality of work, processes and products for this could come out to be another step towards customer satisfaction and thus in-turn capturing more share in the market.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts, in brief, made towards Technology absorption, adaptation and innovation.	The commercialization of in-house developed technology has been done to provide enhanced infrastructure management services. Technical up-gradation has been done with the unstinted efforts of its R & D which has lead to total control of Technology.
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Increased the range of services offerings to domestic and international customers. With continuous efforts, the benefits derived are namely coverage of area along with cost reduction.
In case of imported technology (imported during the last 5 years reckoned from the beginning of the information) may be furnished: (a) Technology imported (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons therefore and further plans of action.	Optimum utilization of indigenously developed technology is done so as to cater the market with better features in terms of coverage and cost effectiveness, since it has inversely affected European countries and also China, in terms of both, price and performance.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and exports plans:

The company has added Tri-Band RF & Optical Repeaters in existing product range with new features such as SNMP protocol, sleep mode, oscillation detection, potential free contacts etc. All our repeaters have advance features where the operators can Remotely Monitor and Control various parameters from a central location.

The company exports has increased due to increasing demand of Repeaters and Accessories in various countries across the globe including USA, Turkey, Portugal, Spain, Russia, Argentina, France, Bulgaria, Italy, Bahrain, Indonesia, Nigeria, Ghana and many more, outpacing their competitors like Chinese and European Companies in terms of price, performance and services. The company has also done several trials with software customisation for TNM (Malawi) & Vodafone.

Company is committed towards developing in-building coverage solutions that help its customer's address their needs. Company leverages its experience of the entire Telecom value-chain to provide customized solutions for its customers, whether mobile operators, real-estate owners/developers, or neutral-host providers.

Enabling growth and extending the reach of Wireless in under-developed sectors of an economy, mobile operators require innovative and cost-effective solutions that make business sense and connect even the remotest villages to global information.

During the period under review the product of the Company are being used in more than 12 networks worldwide. The company has also got favorable response by participating in more than 10 exhibitions in North and South America, Europe, South East Asia and the Indian Subcontinent.

2) Total foreign exchange used:

a) Expenditure in Foreign Currency	Rs. (In Lacs)
- Travelling	73.84
- Commission	35.11
- Exhibition Expenses	173.60
- Legal & Professional and Consultancy Charges	125.41
- Raw Material	1850.81
- Capital Goods	27.44
- Communication Systems & Accessories	999.96
- Mobile Handsets & Accessories	20645.93
b) Income in Foreign Currency	Rs. (In Lacs)
- F.O.B. Value of Export Goods	2058.02
- F.O.B. Value of Export Service	3.33

ANNEXURE II

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FROM 01.04.2009 TO 31.03.2010.

S. No.	Name	Designation	Remuneration Received (Rs. in Lacs)	Nature of Employment	Other terms & conditions	Nature of Duties	Qualification & Experience	Date of Commencement of Employment	Age (Years)	Last Employment	% of Equity Shares held
(A) Employed throughout the year in receipt of remuneration of not less than Rs. 24 Lakh p.a.											
1	Umesh Garg	C.F.O.	36.07	Regular	As per the service rules of the Company	Finance & Accounts	B. Com, C.A., 26 years	1st Jan. 2009	49	H.F.C.L.	Nil
2	Jaideep S. Thosar	V.P.	25.12	Regular	As per the service rules of the Company	Sales & Marketing	B.E., M.M.M.; 20 years	20th Nov. 2007	44	Asian Electronic Ltd.	Nil
(B) Employed for part of the year and in receipt of remuneration at the rate of Rs. 2 Lakh p. m. or more											
-	-	-	-	-	-	-	-	-	-	-	-

Note: 1. Remuneration shown above includes salary, bonus, house rent allowance, or perquisite for accommodation, leave travel allowance, medical reimbursement, commission, perquisite for use of furniture and company's contribution to provident fund but doesn't include leave encashment and Company's contribution to the gratuity fund. The monetary value of Perquisites is calculated in accordance with the provisions of the Income Tax Act. 1961 and Rules made thereunder.

2. None of the Employees are related to the Directors of the Company.

CORPORATE GOVERNANCE REPORT 2009-2010

I. COMPANY'S PHILOSOPHY

Corporate governance is the set of processes, customs, policies, laws, rules and practices by which Board of Directors ensures accountability, fairness and transparency in the company's relationship with its all stakeholders (financers, customers, management, employees, government and the community). The four pillars of Corporate Governance are Transparency, Responsibility & Accountability, Fairness and Ethical Behavior.

The company's corporate governance practices include:

- Code of conduct for Directors and senior executives that promotes ethical and responsible decision making.
- Clearly defined roles and responsibilities of Board members and senior executives to facilitate Board and Senior Executives' accountability to both the company and its shareholders.
- Timely and accurate disclosure of all material matters including financial and operational to ensure that all investors have access to clear and factual information.
- Creation of various committees for Audit, Investor Grievance and Management Remuneration to work as a watch dog on management's action.
- Internal control procedures to provide reasonable assurance of the company achieving its objectives related to reliable financial reporting, operating efficiency and compliance with laws and regulations.
- Regular meetings to allow potential problems to be identified, discussed and avoided.

2. BOARD OF DIRECTORS

(i) COMPOSITION OF BOARD OF DIRECTORS

In compliance with Clause 49 (I)(A) of the Listing Agreement, the Board comprises of three Executive Directors & seven Non-Executive Directors of whom six are Independent Directors. The Chairman of the Board is an Executive Director and in compliance with said clause more than half of the Board comprises of Independent Directors. All the members of Board are highly experienced professional drawn from the field of business, finance and public enterprises.

Name of the Director	Category	Designation	Number of Directorships held in other Companies	Number of memberships in Committees of the Board of Other Companies	Number of Chairmanship in Committees of the Board of Other Companies
Rajiv Mehrotra	Promoter & Executive	Chairman & Managing Director	3	-	-
Ajay Khanna	Promoter & Executive	Managing Director	3	2	-
Alok Tandon	Promoter & Executive	Managing Director	3	2	-
Arun Khanna	Non Executive	Director	1	2	2
Narendra Kumbhat	Independent	Director	1	-	-
Ravi Kant Jaipuria	Independent	Director	7	-	-
Achintya Karati	Independent	Director	7	3	-
Vinod Juneja	Independent	Director	3	-	-
Praveen Kumar Bhatia	Independent	Director	1	-	-
C. S. Malhotra	Independent	Director	-	-	-

NOTES:

- Number of other Directorships and Committee membership indicated above is exclusive of Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and only two committees viz., Audit Committee and Shareholders' Grievance Committee are considered.
- None of the Director is a member of more than ten committees or act as a chairman of more than five committees across all companies in which he is a Director.
- Mr. Ajay Khanna and Mr. Arun Khanna are related to each others as brothers.

• **Shareholding of Directors as on 31st March, 2010 is as follows:**

Name of the Director	No. of Shares held as on 31 st March, 2010
Rajiv Mehrotra	52605
Ajay Khanna	4518
Alok Tandon	17570
Arun Khanna	490
Narendra Kumbhat	Nil
Ravikant Jaipuria	Nil
Achintya Karati	Nil
Dr. Vinod Juneja	402
P. K. Bhatia	Nil
C. S. Malhotra	Nil

(ii) BOARD MEETINGS

- During the financial year 2009-2010, the Board met Five times on the following dates in compliance with Section 285 of the Companies Act, 1956 and Clause 49 of the Listing Agreement:
- 24th April, 2009 & 25th April, 2009
- 30th July, 2009
- 7th August, 2009
- 29th October, 2009
- 25th January, 2010

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

Name of the Director	Number of Board Meetings Attended	Presence at the Sixteenth Annual General Meeting held on 25 th September, 2009 at Jaipur, Rajasthan.
Rajiv Mehrotra	2	NO
Ajay Khanna	4	YES
Alok Tandon	4	YES
Arun Khanna	4	YES
Narendra Kumbhat	4	YES
Ravi Kant Jaipuria	-	NO
Achintya Karati	5	NO
Vinod Juneja	2	YES
Praveen kumar Bhatia	5	YES
C.S. Malhotra	5	YES

- In accordance with Clause 49 of the Listing Agreement, the requisite information was placed before the Board and was also made a part of the minutes of the meeting of the Board.
- All the pecuniary relationship or transactions of the Non Executive Directors vis-à-vis the company, if any, have been disclosed in the Financial Statements of the company for the year ended 31st March, 2010. (Refer Note No. 9 of Schedule 15 forming part of Accounts).

(iii) BOARD PROCESS

It has always been the company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the company, financial restructuring, capital expenditure proposals, collaboration, material investment proposal in joint venture/ promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations etc. are regularly placed before the Board.

(iv) CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreement, the Board Members and Senior Management Executives of the Company have confirmed compliance with the Code of Conduct for the period ended 31st March, 2010.

SEBI (Prohibition of Insider Trading) Regulations, 1992, are adhered strictly.

The CEO of the company affirms the compliance of the Code of Conduct of the company.

(v) CEO/ CFO CERTIFICATION

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

We, B. S. Yadav, Acting C.E.O. & Umesh Garg, C.F.O. of the company, hereby certify and affirm that as on & upto the date of this certificate, there has been due compliance of Accounting Standards and other related functions as laid down by the company, under Clause 49 V of Listing Agreement, honestly and ethically.

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

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee:

- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

B SYADAV
(Acting CEO)

UMESH GARG
(CFO)

(vi) COMMITTEES OF THE BOARD

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

- Audit & Finance Committee
- Shareholder & Investor Grievance Committee
- Remuneration Committee

3. AUDIT & FINANCE COMMITTEE

(i) COMPOSITION OF COMMITTEE

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

Name of the Member	Category	Designation
Achintya Karati	Independent Director	Chairman
Narendra Kumbhat	Independent Director	Member
Ravi Kant Jaipuria	Independent Director	Member
Vinod Juneja	Independent Director	Member
Praveen Kumar Bhatia	Independent Director	Member
C. S. Malhotra	Independent Director	Member
Arun Khanna	Non Executive Director	Member

(ii) AUDIT & FINANCE COMMITTEE MEETINGS

During the financial year 2009-2010, the Committee met five times on following dates:

- 24th April, 2009 & 25th April, 2009
- 30th July, 2009
- 7th August, 2009
- 29th October, 2009
- 25th January, 2010

ATTENDANCE OF EACH MEMBER AT THE AUDIT & FINANCE COMMITTEE MEETINGS HELD DURING THE YEAR 2009-2010

Name of the Member	Number of Meetings Attended
Achintya Karati	5
Narendra Kumbhat	4
Arun Khanna	4
Ravi Kant Jaipuria	-
Vinod Juneja	2
Praveen Kumar Bhatia	5
C. S. Malhotra	5

The Chairman of the Committee was unable to attend the last Annual General Meeting, in place of whom Mr. Praveen Kumar Bhatia was appointed to answer the queries of shareholders.

(iii) ROLE AND POWERS OF AUDIT & FINANCE COMMITTEE

The role and the powers of the Audit Committee are as per provisions of Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement.

ROLE

The Audit Committee will assist the Board in fulfilling its oversight responsibilities for :

1. The integrity of the company's statements;
2. The company's compliance with legal and statutory requirements;
3. The Independent Auditor's qualifications and independence;
4. The performance of the company's Internal Audit function and Independent Auditors; and
5. The appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

POWERS

The powers of Audit & Finance Committee shall include the following :

- To investigate any activity within its terms of reference.
- To seek information from any employee.

- To obtain information outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise if it considers necessary.

(iv) BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The Committee looks after the following matters:

1. Oversight of company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable.
2. Review major issues regarding accounting principles and financial statements presentations, including any significant changes in the company's selection or application of accounting principles, the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the company.
3. Recommending to the Board, to appoint, re-appoint and oversee the work of the public accounting firm employed by the organization to conduct the statutory external audit and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
4. Approval of payment of Statutory Audit for any other services rendered by the Statutory Auditors.
5. Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualification in the draft Audit Report.
6. Reviewing with the management, the quarterly financial statements before submission to the Board for approval. Such review will include scrutiny of earnings and the effects of any changes in accounting practice.
7. Reviewing with the management effectiveness of the company's internal control systems.
8. Review with management and the chief internal auditors, the charter, plans, activities, including the structure of

the internal audit function, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Obtain and review a report by the independent Auditor describing the company's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the firm and assess the auditor's independence.
10. Discussion with management the company's major policies with respect to risk assessment and risk management.
11. Reviewing the company's procedure for detecting fraud and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.
12. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
13. 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.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(v) REVIEW OF INFORMATION BY AUDIT & FINANCE COMMITTEE

The Audit & Finance Committee shall mandatory review the following information:

1. Management Discussion and Analysis of Financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit & Finance Committee) submitted by management.
3. Management letters/ letters of internal control weaknesses issued by the Internal Auditors.
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit & Finance Committee.

(vi) SUBSIDIARY COMPANY

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

4. REMUNERATION COMMITTEE :

(i) COMPOSITION OF COMMITTEE

The committee comprises of four independent directors, the details are as follows:

Name of Member	Category	Designation
Achintya Karati	Independent Director	Chairman
Ravi Kant Jaipuria	Independent Director	Member
Praveen Kumar Bhatia	Independent Director	Member
C.S. Malhotra	Independent Director	Member

There was no meeting held during the year 2009-2010.

(ii) TERMS OF REFERENCE

The Committee looks after the following matters:

- To determine the company's policy on and approve remuneration packages for Executive Directors and their relatives working in the Company including pension rights and compensation payment.
- To approve the remuneration payable to the managerial personnel under the Companies Act, 1956, taking into account the financial position of the Company, trend in the industry, the appointee's qualification, experience, past remuneration and performance.

(iii) REMUNERATION POLICY

The Remuneration Policy as outlined by the Committee aims at:

- Recognizing and rewarding performance and achievements.
- Motivating and inducing the concerned executive to put in their best.

This policy is in tune with current national and international practices considering the highly competitive business scenario.

(iv) DETAILS OF REMUNERATION TO ALL DIRECTORS

A. Remuneration to Executive Directors

The Company is not paying any remuneration to its Executive Directors.

B. Details of Remuneration to Non-Executive Directors:

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

5. SHAREHOLDER & INVESTOR GRIEVANCE COMMITTEE

(i) COMPOSITION OF COMMITTEE

Mr. Arun Khanna, Non Executive Director is the Chairman of the Committee along with Mr. Narendra Kumbhat, who in

his absence chairs the meeting and Mr. Dharmender Dhingra, Vice President (Legal) & Company Secretary acts as the compliance officer of the Committee.

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

During the financial year 2009-2010, the committee met 26 times.

(ii) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Committee looks after the following matters :

- Redressal of shareholder and investor's complaints, etc. relating to transfer of shares, non receipt of Annual Report, non receipt of declared dividends, etc.
- Consolidation and sub-division of Share Certificates.
- Approval of Transfer and Transmission of Share Certificates.
- Issue of Duplicate or Fresh Share Certificates.

(iii) DETAILS OF QUERIES/ COMPLAINTS RECEIVED AND SOLVED DURING THE FINANCIAL YEAR 2009-2010

Nature of Queries/Complaints	Received (No.'s)	Solved (No.'s)	Pending (No.'s)
Non- receipt of Share Certificate	NIL	NIL	NIL
No. of requests for change of address	NIL	NIL	NIL
No. of requests for Transfer/DMAT	560	560	NIL
Issue of Duplicate Share Certificates	NIL	NIL	NIL
Non-receipt of Dividend Warrants	I	I	NIL
Revalidation of Dividend Warrants	NIL	NIL	NIL
Non - receipt of Annual Report	I	I	NIL
TOTAL	562	562	NIL

- The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent /issues resolved usually within 15 days.
- The Company has complied with submission of its response to the queries/clarifications sought by the Stock Exchanges on various market related information like clarifications on market rumors, 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 31st March, 2010, no complaints were pending.

6. GENERAL BODY MEETINGS

(i) DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

AGM	Year	Day & Date	Time	Venue
14 th Annual General Meeting	2007	Wednesday, 12 th December, 2007	11.30 A.M.	Hill View Restaurant, Near Anokhi Farm, Jagatpura, Jaipur-302025
15 th Annual General Meeting	2008	Tuesday, 30 th September, 2008	10.00 A.M.	Hotel Pink Pearl, 10 th Mile, Mahapura, Ajmer Road, Jaipur-302026
16 th Annual General Meeting	2009	Friday, 25 th September, 2009	10.00 A.M.	Hotel Pink Pearl, 10 th Mile, Mahapura, Ajmer Road, Jaipur-302026

(ii) SPECIAL RESOLUTION PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS

Mr. Nitin Mehrotra, S/o Mr. Rajiv Mehrotra (Chairman & Managing Director of the Company) was appointed as the Assistant Vice President of the Company w.e.f. 30th January, 2007 in the 15th Annual General Meeting.

(iii) POSTAL BALLOTT

There has been no resolution passed through Postal Ballot during the year 1st April, 2009 to 31st March, 2010.

7. DISCLOSURES

- (i) **Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its Promoters, Directors or the management, their subsidiaries or relative that may have potential conflict with the interest of the company at large:**

Disclosure on related party transaction is made in Note No. 9 of Schedule 15 to the Balance sheet.

- (ii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirement of regulatory authorities of capital markets and no penalties/ strictures have ever been imposed against it in the last three years.

- (iii) **Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has effective Whistle Blower Policy mechanism in place & during the year no personnel has been denied access to the Audit Committee.

- (iv) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the Clause 49 of the Listing Agreement:**

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

8. MEANS OF COMMUNICATION

(i) QUARTERLY RESULTS

Quarterly Results along with the notes are normally published in Business Standard and Mehka Bharat and also informed to all Stock Exchanges where the shares of the Company are listed.

(ii) EDIFAR

In accordance with Clause 51 of the Listing Agreement, the Quarterly as well as Annual Results is simultaneously posted on the Electronic Data Information Filing and Retrieval

website viz., www.sebiedifar.nic.in. The website is also accessible through a hyperlink EDIFAR through SEBI's official website: www.sebi.gov.in . * (However, the EDIFAR requirement has been discontinued w.e.f. 1st April, 2010).

(iii) WEB-SITE/INVESTORS GRIEVANCE ID:

The results and official news are displayed on the company's website viz. 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

9. GENERAL SHAREHOLDERS INFORMATION

(i) ANNUAL GENERAL MEETING

AGM	Year	Day & Date	Time	Venue
17 th AGM	2010	Monday, 27 th September 2010	10.00 AM	Hotel The Fern Plot No. 3, Airport Plaza, Tonk Road, Durgapura, Jaipur-302018, Rajasthan

(ii) FINANCIAL CALENDER

The Company follows financial year from 1st April to 31st March each year.

Particulars	Due Date
First Quarter Results	Released on 30 th July, 2009
Second Quarter Results	Released on 29 th October, 2009
Third Quarter Results	Released on 25 th January, 2010
Fourth Quarter Results	Released on 30 th April, 2010
Audited Annual Results	Released on 30 th July, 2010
Audited Consolidated Results	Released on 30 th July, 2010

(iii) DATE OF BOOK CLOSURE

The book closure shall be from 23rd September, 2010 (Thursday) to 27th September, 2010 (Monday) (both days inclusive)

(iv) DIVIDEND PAYMENT DATE

The company has not declared dividends for the financial year ending 31st March, 2010.

(v) LISTING ON STOCK EXCHANGES

The company's shares are listed on the **National Stock Exchange of India Limited** and the **Stock Exchange, Mumbai**.

The company has paid the Annual Listing Fees due to all stock exchanges upto the year 2010-2011.

(vi) STOCK CODE

BSE 517411

NSE SHYAMTEL

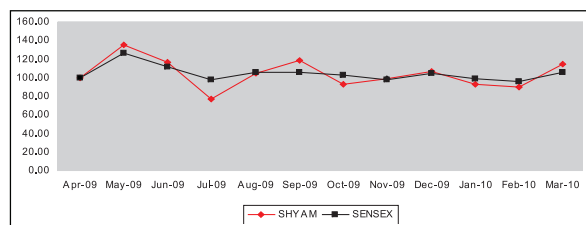
ISIN INE635A01023

(vii) MARKET PRICE DATA

High, Low during each month during the financial year 2009-2010

Month	BSE (In Rs.)		NSE (In Rs.)	
	High	Low	High	Low
April 2009	57.75	46.00	57.00	42.55
May 2009	90.20	50.00	91.00	50.00
June 2009	99.40	64.10	93.30	65.00
July 2009	70.60	55.90	71.95	53.50
August 2009	72.00	60.00	73.00	60.00
September 2009	90.90	65.00	90.45	65.00
October 2009	84.20	60.90	87.00	61.20
November 2009	84.25	59.00	85.05	58.15
December 2009	82.35	70.00	82.70	70.00
January 2010	79.50	62.05	79.50	62.50
February 2010	69.00	57.80	68.00	59.00
March 2010	85.45	60.00	85.80	59.00

The Performance of the company's equity share relative to the BSE Sensitive Index (Sensex) is given in the chart below:



(viii) REGISTRAR AND TRANSFER AGENTS

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

Indus Portfolio Private Limited

G-65, Bali Nagar, New Delhi – 110015.

Email: rnt@indusinvest.com; rnt@indusinvest.com

(ix) SHARE TRANSFER SYSTEM

Physical share transfers are registered and returned within a period of 15 days of receipt, if the documents are correct and valid in all respects.

(x) DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding as on 31st March, 2010 is as follows:

Number of shares	No. of shareholders	% of Total shareholders	No. of Shares held	% of Total Equity
Upto 100	12434	77.45	513512	4.56
101-500	2932	18.26	684585	6.07
501-1000	367	2.29	287321	2.55
1001-5000	243	1.51	518933	4.60
5001-10000	31	0.19	210953	1.87
10001-20000	21	0.13	315451	2.80
20001-30000	7	0.04	169463	1.50
30001-40000	0	0.00	0	0.00
40001-50000	3	0.02	141530	1.26
50001-100000	2	0.01	126436	1.12
100001-500000	8	0.05	2372125	21.05
500001 and above	7	0.04	5929691	52.61
Total	16055	100.00	11270000	100.00

(xi) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2010

Shareholder's Category	Percentage of Holding
Promoters', Relatives and Associates	66.28
Bodies Corporate (Domestic)	4.92
Banks & Financial Institutions	0.00
Mutual Funds	0.01
Foreign Institutional Investors	8.57
Non-Resident Indians & Overseas Corporate Bodies	0.47
Resident Individuals	18.51
Any Other (Clearing Houses, Clearing Members, Trust)	1.24
Total	100.00

(xii) SHAREHOLDING WITH MORE THAN ONE PERCENT HOLDING AS ON 31ST MARCH, 2010

Shareholder's Category	Percentage of Holding
Intell Invofin India Private Limited	15.06
Mehrotra Invofin India Private Limited	13.85
Cellcap Invofin India Private Limited	7.26
A T Invofin India Private Limited	7.19
Teletec Finsec India Private Limited	7.14
Cellphone Credit & Securities India Private Limited	6.75
Shyam Antenna Electronic Limited	6.21
Cresta Fund Limited	4.19
Melchior India Opportunity Fund	3.12
Rakesh Kanwar	1.65
Silver Stallion Limited	1.25

(xiii) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Securities and Exchange Board of India (SEBI) mandated compulsory trading in shares of the company by all investors in electronic form. As on 31st March, 2010, 11220166 shares of the company held by shareholders are in dematerialized form, aggregating to 99.56 % of the equity share capital. With this the problem associated with the physical delivery has now been reduced to a large extent.

(xiv) OUTSTANDING ADRs/ GDRs/ WARRANTS/ ANY CONVERTIBLE INSTRUMENTS WHICH HAVE LIKELY IMPACT ON EQUITY

The company has no outstanding ADRs/ GDRs /Warrants/ any Convertible Instruments which have likely impact on its equity.

(xv) PLANT LOCATION

246, Phase-IV, Udyog Vihar,

Gurgaon-122015, Haryana

INDIA

Telephone No.: +91 124 4311 600-609

(xvi) INVESTOR QUERY/ ADDRESS FOR CORRESPONDENCE

The Vice President (Legal) & 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, +91 11 4141 0839

Brief Resume of the Directors proposed to be re-appointed:

■ MR. RAJIV MEHROTRA

Date of Birth	5 th August, 1954
Date of Appointment	15 th June, 1992
Qualification	Electronics Engineer

Mr. Rajiv Mehrotra is the Chairman & Managing Director of the Company. He is an Electronics Engineer who founded the Shyam Group, which began its operations in Entertainment hardware with the launch of Cable TV and Satellite TVRO systems in 1974.

His vision and foresight have established Shyam Telecom as a front-runner and a well-known name in Telecom. Be it manufacturing, services or R&D, he has been the driving force behind the Shyam Group of Companies.

With his exemplary, innovative and global experience, he has engineered the diversification of the group on several fronts including cellular and basic telephony services in the State of Rajasthan.

He is associated with Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), and Telecom Equipment Manufacturers Association (TEMA).

OTHER DIRECTORSHIPS

S. No.	Name of the Company	Position
1.	Vihaan Networks Limited	Chairman & Managing Director
2.	Sistema Shyam TeleServices Limited	Director
3.	Shyam Antenna Electronic Limited	Director

COMMITTEE CHAIRMANSHIP/ MEMBERSHIP IN OTHER COMPANIES:

S. No.	Name of the Company	Committee	Position
-	-	-	-

■ MR. ALOK TANDON

Date of Birth	5 th March, 1961
Date of Appointment	30 th January, 1993
Qualification	Chartered Accountant

Mr. Alok Tandon, Managing Director of the Company, is one of the co-promoters and heads the financial and business operations of the Shyam Group. He is actively involved in promoting its various businesses. He successfully launched the IPO of Shyam Telecom in 1994 that received an overwhelming response and was oversubscribed by 25 times. He was instrumental in formulating consortiums and closing the financing for the Cellular, V-SAT & Basic Services projects.

He has contributed immensely in restructuring operations and reorganizing the various Group companies through strategic Mergers, Amalgamations and Acquisitions.

OTHER DIRECTORSHIPS

S. No.	Name of the Company	Position
1.	Sistema Shyam TeleServices Limited	Managing Director
2.	RMS Automation Systems Limited	Director
3.	Kribhco Shyam Fertilizers Limited	Director

COMMITTEE CHAIRMANSHIP/ MEMBERSHIP IN OTHER COMPANIES:

S. No.	Name of the Company	Committee	Position
1.	RMS Automation Systems Limited	Audit Committee	Member
2.	RMS Automation Systems Limited	Share Grievance Committee	Member

■ MR. ARUN KHANNA

Date of Birth	10 th May, 1951
Date of Appointment	29 th May, 1998
Qualification	B.Com, L.L.B.

Mr. Arun Khanna, Non-Executive Director, was inducted on the Board in 1998 as Director. He is associated with various reputed institutions like Confederation of Indian Industries, Indian Institute of Bankers, Indian Institute of Materials Management, and Electronic & Computer Software Export Promotion Council. He has been the President of Telecom Equipment Manufacturers Association (TEMA). He is responsible for the 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

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

COMMITTEE CHAIRMANSHIP/ MEMBERSHIP IN OTHER COMPANIES

S. No.	Name of the Company	Committee	Position
1.	RMS Automation Systems Limited	Audit Committee	Chairman
2.	RMS Automation Systems Limited	Share Grievance Committee	Chairman

CERTIFICATE

To

The Members of

Shyam Telecom Limited

We have examined the compliance of conditions of Corporate Governance by **SHYAM TELECOM LIMITED**, for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the stock exchange(s).

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

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

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

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

**For MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS**

**PLACE : NEW DELHI
DATE : 30TH JULY, 2010**

**GEETIKA MEHRA
(PARTNER)
M. No. 510525**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The Telecommunication Equipment Industry can be categorized into **three** segments:

- **Enterprise Equipment:** This category consists of Voice Solutions, Routers, Switches, Modem, Audio Video Conferencing, Network Storage, Structured cabling, etc.
- **Carrier Equipment:** This category consists of Broadband infrastructure, Wireless infrastructure and its telecom software, transmission, cables, WiMAX and others.
- **Customer Centric Equipment:** This category includes Mobile Handsets and Fixed Phones.

Indian telecom industry manufactures a complete range of telecom equipment using state of art technology. India has fast emerged as a manufacturing hub as Multinational companies look for long term alternatives. As a result of Government policy, progress has been achieved in the manufacturing of telecom equipment in the country. There is a significant telecom equipment-manufacturing base in the country and there has been steady growth of the manufacturing sector during the past few years. In the last 5 years, the country's contribution in mobile devices has been increased from 0% to 6% of the global device production. Several Indian companies in the telecom and electronics industry are creating global scale.

Rising demand for a wide range of telecom equipment, particularly in the area of mobile telecommunication, has provided excellent opportunities to domestic and foreign investors in the manufacturing sector. The last two years saw many renowned telecom companies setting up their manufacturing base in India. Nokia and Nokia Siemens Networks have set up their manufacturing plant in Chennai. Ericsson has set up GSM Radio Base Station Manufacturing facility in Jaipur. Motorola, Foxconn (OEM) has set up large manufacturing plants in Chennai. Elcoteq has set up handset manufacturing facilities in Bangalore. LG Electronics has set up plant of manufacturing GSM mobile phones near Pune. Ericsson has launched their R&D Centre in Chennai. Flextronics has set up an SEZ in Chennai. A large number of companies like Alcatel, Cisco have shown interest in setting up their R&D centers in India. With above initiatives, India is expected to be a manufacturing hub for the telecom equipment.

With upcoming broadband revolution, the demand for wireline products, transmission equipment, wireless equipment, fibre and devices will multiply, providing large scale opportunities for Indian and Multinational companies. The rapid development of semiconductor ecosystem and the electronic ecosystem in India is connected with the growth of telecom sector in India, as both domestic and foreign companies are expanding their operations across the whole value chain in the country.

OPPORTUNITIES & THREATS

OPPORTUNITIES:

- **Increase in the mobile subscriber base:**
With more and more telecom service providers starting their operations, the number of people using mobiles is increasing at a rapid pace.
- **Foreign Direct Investment (FDI):**
India's liberalized FDI policy allows up to a 74% FDI in Telecom Industry with up to 100% FDI in the manufacturing of telecom equipments.

• Replacement of Mobiles

In India, handset usage is primarily a voice-centric affair. Therefore, the replacement cycle is longer. However, as handset features gain prominence, the replacement rate is expected to grow further. The sales of middle and high-end phones have increased significantly. A few years ago, it was merely 8-10% of the total sales of mobile handsets and the industry experts estimated that at present the figure has risen to approximately 20-25%. The share of replacement market is set to grow in the coming years, giving rise to more innovations and better models. With the impending launch of 3G in India, the replacement mobile market is expected to grow at a faster rate.

• Trade and Investment Policy

An attractive trade and investment policy and lucrative incentives for foreign collaborations have made India one of the world's most attractive markets for the telecom equipment suppliers and service providers:

- No Industrial License required for setting up manufacturing units for telecom equipment.
- Amortization of license fee
- Enhanced limit of external commercial borrowings
- Rebate on subscription to shares/ debentures
- Scope for tax exemption on financing through venture capital
- Concessional import duties for import of equipment by telecom service projects (including cellular, basic, internet etc.)
- Full repatriability of dividend income and capital invested in the telecom sector.

THREATS:

• New Technology Emergence:

India is gearing up for 3G services but the 3G compatible handsets available are about 5-7 per cent only. The percentage can be higher in metros and 'A' class cities but at national level it is 5-7 per cent only.

The handset and device manufacturers have to make devices with multi technology and multi frequency capability that supports GSM with 3G in different bands. The initial cost of these devices will be very high.

India has got maximum number of operators and least amount of spectrum; therefore, spectrum efficient solutions are highly required in India. India needs to take strong lead to dictate the standards so that the 3GPP and vendors are able to come out with solutions which are more spectrum efficient.

• Reduced Margins:

Indian Telecom Market is characterized by huge volume and low margins.

• Competition from Chinese players:

There is a serious threat from rising Chinese companies like Huawei and ZTE. These companies are not just competing on cost but are also innovating technologies.

PRODUCT-WISE PERFORMANCE

Your company is a global supplier of RF repeaters, optical distributed antenna systems, IP cellular backhaul solutions and other wireless signal enhancement accessories.

Your company is a leading global telecom equipment manufacturer supplying innovative indoor and outdoor wireless signal enhancement solutions for more than 100 networks in five continents. The company designs and manufactures cost effective RF repeaters, optical distributed antenna solutions, IP cellular backhaul systems and signal enhancement accessories that enable mobile operators, real estate developers, neutral-host providers and businesses to provide seamless wireless coverage within their networks.

Your company has been manufacturing RF and fiber equipments for over 30 years, enabling reliable mobile communication for SMR, US Cellular, GSM 900, DCS 1800, CDMA, PCS, iDEN®, UMTS, AWS and Public Safety. The product line is designed to provide solutions that meet all of today's network standards, wireless protocols and frequencies to ensure coverage today and state-of-the-art technology to meet the needs of the future. Catering to global markets, your company is present in most countries either through its subsidiaries or through its business partners.

OUTLOOK

Indian telecom market has still large untapped potential to grow further. With large population yet to have access to telecommunication and teledensity still being 48% and rural teledensity being only 22%, the potential for the sector remains large especially in rural areas where wireline and internet services are yet to make significant inroads. Even the mobile services space, which has seen exponential growth in urban areas, has not reached the vast majority in rural areas. The engine for the second phase of growth in Indian Telecom will be these untapped rural areas. Department of Telecommunication has upgraded the rural teledensity target to 40% by 2014. There is talking about one billion telephones in the country by 2015.

RISKS AND CONCERNS

The Indian telecom manufacturing sector needs great attention, as it has the potential to emerge as a telecom manufacturing hub. India has proven its dominance as a technology solution provider, and knowledge and skill intensive industry. Rising demand for wide range of telecom equipments, particularly in the area of mobile telecommunications, has provided excellent opportunities to domestic and foreign investors in India. Further, introduction of 3G in India is also a positive sign because it is creating a lot of excitement and hope among the manufacturers. However, the industry is still not in a good position and a lot needs to be done to make India an attractive destination for manufacturers and foreign investors. Some of the drawbacks facing the Indian telecom manufacturing industry are:

- Indian manufacturers had the disadvantage of higher interest costs on capital equipments and working capital, and they had to compete in zero import duty against dumping from Chinese vendors. This has resulted in complete destruction of the Indian telecom equipment manufacturers, and only few companies who had been innovative enough to take on the Chinese low-cost challenges have survived this free onslaught.
- Indian telecom manufacturing industry is facing frequent power shortages as electricity is one of the major inputs required in this industry.
- Poor infrastructure in terms of factory and industrial areas has affected manufacturing and delivery processes.
- Though India has a large pool of manpower, limited trained manpower in manufacturing as compared to China has remained a big problem.

- Operators are not supporting manufacturing because they want low cost products, whether they are made in India or not.
- Lack of continuous sustained policy in India.

MANAGEMENT OF RISKS AND CONCERNS

The company ensures that it has a proper continuous risk identification and management process. This process involves the following steps:

- Identifying, ranking and sourcing risks inherent in the company's strategy (including its overall goals and appetite for risk);
- Selecting the appropriate risk management approaches and transferring or avoiding those risks that the business is not competent or willing to manage;
- Implementing controls to manage the remaining risks;
- Monitoring the effectiveness of risk management approaches and controls;
- Learning from experience and making improvements

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company believes in formulating adequate and effective internal control system to ensure that the assets are safeguarded against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly with proper checks.

The Board of Directors has constituted a qualified and independent Audit Committee as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement that reviews along with the top management, the adequacy, relevance and effectiveness of the internal control systems and compliances with the policies, plans and statutory requirements. It also reviews the findings and recommendations of internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

FINANCIAL PERFORMANCE

The company has achieved the turnover of Rs. 29,480.61 Lacs for the year ended 31st March, 2010, representing a growth of 55.49% over the previous year. The other income earned during the year is Rs. 185.09 Lacs.

A net loss of Rs. 447.78 Lacs was incurred during this period as against a net profit of Rs. 75.91 Lacs in the previous period. The loss has been incurred on the ground of business promotion expenses and write-off's.

HUMAN RESOURCES DEVELOPMENT

The company has a participative work environment where employees can learn, upgrade their skills and build competencies to take on higher responsibilities. The company provides host of facilities to the employees to make them feel comfortable and much a part of the company. Besides this, the company encourages a culture of mutual respect and trust amongst peers, superiors and subordinates.

The employees at all levels are required to undergo training and development every year which includes Coaching, Presentations, Group Discussions, Role Play, Position Rotation, Conference and Seminars to meet the challenges ahead and to thrive in fast paced environment. The company with benchmark processes and practices relating to Performance Management, Rewards & Recognition and Competency & Capability Building manages to have the lowest attrition rate in the industry.

AUDITORS' REPORT

TO THE MEMBERS OF SHYAM TELECOM LIMITED

1. We have audited the attached Balance Sheet of **SHYAM TELECOM LIMITED** as at 31st March, 2010, and also the Profit & Loss Account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion, and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
DATED: 30th July 2010

R.K.MEHRA
PARTNER
M.No. 6102

ANNEXURE

(Referred to in paragraph 3 of our report of even date)

- i) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets. 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 assets. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification.
- ii) In our opinion, the Management at reasonable intervals has physically verified the inventories of the Company in its possession. Stocks in the possession and custody of the third parties have been verified by the Management with regard to confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods. The procedures of physical verification of inventory of the Company followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- iii) As per information & explanation given to us, the company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of Audit, no major weakness has been noticed in the internal controls systems.
- v) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered into the register maintained under Section 301 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices where available on the parties at which the transaction for the similar items have been made with other parties, where comparable.

- vi) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposits covered under Section 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956.
- vii) To the best of our knowledge and as per the information and explanations given to us, the Company has a reasonable internal audit system, being carried by a firm of Chartered Accountants, commensurate with its size and nature of its business.
- viii) The central government has under clause (d) of sub section (I) of section 209 of the Companies Act, 1956 prescribed maintenance of cost records for the company and the company has maintained the prescribed records.
- ix) To the best of our knowledge and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Investor Education and Protection fund, Employee State Insurance, Provident Fund, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues, where applicable with the appropriate authorities. However some delays have been noticed in depositing Income Tax, ESI & Provident fund.

There were no arrears of outstanding statutory dues at the last day of financial year for a period of more than six months from the date they became payable.

Further according to the information and explanations given by the management, there were no disputed dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess.

- x) The Company has no brought forward losses and has not incurred any cash losses during the financial year and in the immediate preceding financial year.
- xi) On an examination of the records of the company & information & explanation given to us, the company has not defaulted in the repayment of dues to any financial institutions or bank or debenture holder as at the balance date.
- xii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge & belief, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, and to the best of our information and according to the explanation by the management, we are of the opinion that the company is neither a chit fund nor a nidhi/mutual benefit society.
- xiv) To the best of our knowledge and according to information given to us, the Company is not dealing or trading in shares, debentures and other securities.
- xv) To the best of our knowledge and according to the information and explanation given to us, the Company has not given guarantee for loans taken by others from Banks/ Financial Institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.
- xvi) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the Cash Flow Statement and other records examined by us and information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xviii) According to the information & explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information & explanations given to us the Company has not issued any debentures during the year.
- xx) According to the information & explanations given to us, the Company has not raised any money by Public Issue during the year.
- xxi) Based upon the audit procedure performed and information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
DATED: 30th July 2010

R.K.MEHRA
PARTNER
M.No. 6102

BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE NO.	AS AT 31-Mar-2010 (Rs.)	AS AT 31-Mar-2009 (Rs.)
I SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	112,700,000	112,700,000
Reserves and Surplus	2	344,208,602	388,987,341
LOAN FUNDS	3		
Secured Loans		75,167,484	83,627,165
Unsecured Loans		283,665,000	261,616,158
Deferred Tax Liability (Net)		44,201,220	65,119,475
		859,942,306	912,050,139
II APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		552,353,063	536,664,690
Less : Depreciation		179,231,870	144,062,108
Net Block		373,121,193	392,602,582
Capital Work in Progress		20,490,518	404,580
INVESTMENTS	5	26,289,570	26,205,787
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets			
Inventories	6	484,261,811	281,726,024
Sundry Debtors	7	813,658,194	1,056,668,548
Cash & Bank Balances	8	186,519,997	117,591,852
Loans & Advances	9	287,049,219	308,671,580
		1,771,489,221	1,764,658,004
Less : CURRENT LIABILITIES & PROVISIONS	10		
Current Liabilities		1,316,094,796	1,258,167,337
Provisions		15,353,400	13,653,477
		1,331,448,196	1,271,820,814
NET CURRENT ASSETS		440,041,025	492,837,190
		859,942,306	912,050,139
SIGNIFICANT ACCOUNTING POLICIES	14		
NOTES TO ACCOUNTS	15		

The schedules referred above form an integral part of the Balance Sheet.

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	SCHEDULE NO.	YEAR ENDED 31-Mar-2010 (Rs.)	YEAR ENDED 31-Mar-2009 (Rs.)
INCOME			
Sales & Services		2,948,061,057	1,895,986,319
Less : Excise Duty & Service Tax		33,594,702	43,234,785
Net Sales		2,914,466,355	1,852,751,534
Other Income	11	18,508,678	41,622,685
		2,932,975,033	1,894,374,219
EXPENDITURE			
Manufacturing & Other Expenditure	12	2,917,540,885	1,815,453,336
Financial Charges	13	45,220,709	37,387,698
		2,962,761,594	1,852,841,034
PROFIT/(LOSS) BEFORE DEPRECIATION & TAX		(29,786,561)	41,533,185
Less : Depreciation		35,803,433	33,459,778
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS & TAX		(65,589,994)	8,073,407
Provision for Taxation			
Income Tax			
- Current Tax		-	1,292,374
- Deferred Tax		(20,918,255)	78,557
- MAT Credit available for set-off		-	(1,292,374)
Wealth Tax		107,000	93,000
Fringe Benefit Tax		-	3,590,000
Income Tax For Earlier Year		-	2,347,785
PROFIT/(LOSS) AFTER TAX & BEFORE EXTRAORDINARY ITEMS		(44,778,739)	1,964,065
Extraordinary Items			
Profit on Sale of Land (Net of Tax)		-	5,626,656
PROFIT/(LOSS) AFTER TAX & AFTER EXTRAORDINARY ITEMS		(44,778,739)	7,590,721
Balance Carried to Balance Sheet		(44,778,739)	7,590,721
Basic and Diluted Earning Per Share before extraordinary items (Refer Point No. 6 of Schedule 15)		(3.97)	0.17
Basic and Diluted Earning Per Share after extraordinary items (Refer Point No. 6 of Schedule 15)		(3.97)	0.67
Nominal Value of equity share		10	10
SIGNIFICANT ACCOUNTING POLICIES	14		
NOTES TO ACCOUNTS	15		

The schedules referred above form an integral part of the Profit & Loss Account.

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	Current Year	(Rs. in lacs) Previous Year
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after tax and before extraordinary items	(447.79)	19.64
Adjustments for :		
Depreciation	358.03	334.60
Interest and Financial Charges	452.21	373.88
Interest & Dividend Income	(41.09)	(65.86)
Provision for Tax	(208.11)	61.09
Bad Debts Written Off	152.42	251.10
Provision for Doubtful Debts/ Advances (Net)	(22.54)	1.69
Provision (Leave Encashment & Retirement Benefit)	17.00	45.04
Profit / Loss on Sale Of Fixed Assets	1.78	5.80
Exchange Fluctuation	-	(0.93)
Operating Profit before working capital change	261.91	1,026.05
Adjustments for :		
Trade & Other Receivables	2,444.83	(2,236.89)
Inventories	(2,025.36)	(1,399.18)
Trade & Other Payables	369.88	477.82
Cash Generated From Operations	1,051.26	(2,132.20)
Direct Taxes Paid	70.54	(75.49)
Cash flow from operating activities (A)	1,121.80	(2,207.69)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Aseets (including Capital Work in Progress)	(368.17)	(347.27)
Sale of Fixed assets	2.31	78.72
Interest & Dividend Income	41.09	65.86
Investments	(0.84)	-
Net cash Used In / from Investing Activities (B)	(325.61)	(202.69)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from Long Term Borrowings	2,048.00	1,417.51
Repayment of long term borrowing	(1,869.16)	(487.61)
Short term borrowings (net)	(42.95)	(373.33)
Interest and financial charges paid	(242.80)	(261.81)
Net cash (used in) / from financing activities (C)	(106.91)	294.76
Net increase / (decrease) in cash and cash equivalents (A+B+C)	689.28	(2,115.62)
Cash and cash equivalents at beginning of the year	1,175.92	3,291.54
Cash and cash equivalents at the end of the year	1,865.20	1,175.92

Notes :

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

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31-Mar-2010 (Rs.)	AS AT 31-Mar-2009 (Rs.)
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED		
50,000,000 Equity Shares of Rs. 10/- each	500,000,000	500,000,000
2,500,000 Preference Shares of Rs 100/- each.	250,000,000	250,000,000
	750,000,000	750,000,000
ISSUED , SUBSCRIBED AND PAID UP		
11,270,000 Equity Shares of Rs 10/- each, fully paid up	112,700,000	112,700,000
	112,700,000	112,700,000
SCHEDULE - 2 RESERVES & SURPLUS		
Investment Subsidy		
Acquired under the scheme of arrangement	1,500,000	1,500,000
Profit & Loss Account		
As per last Balance Sheet	387,487,341	379,896,620
Add: Balance transferred from Profit & Loss account	(44,778,739)	7,590,721
	342,708,602	387,487,341
	344,208,602	388,987,341
SCHEDULE - 3 LOAN FUNDS		
SECURED LOANS		
Term Loans		
- Vehicle Loans (*) (#)	2,903,429	6,176,143
- From Corporate Bodies (*)	-	891,968
Cash Credit		
- From Bank (**)	72,264,055	76,559,054
	75,167,484	83,627,165
UNSECURED LOANS		
- From Bank	-	26,251,158
- From Corporate Bodies	283,665,000	235,365,000
	283,665,000	261,616,158

(*) Secured by hypothecation of specific Assets.

(**) Secured by way of first charge on Stock and Book Debts of the Company and second charge on Movable and Immovable Fixed Assets of the Company, on Pari Passu basis among member banks and personal guarantee of Three Promoter Directors.

(#) Includes Rs.29.03 Lacs (Previous Year Rs 61.76 Lacs) from banks.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 4 FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-Apr-09 (Rs.)	Additions/ Adjustments During the year (Rs.)	Deletions/ Adjustments during the year (Rs.)	As At 31-Mar-10 (Rs.)	As At 01-Apr-09 (Rs.)	During the year (Rs.)	Written Back (Rs.)	Up to 31-Mar-10 (Rs.)	As At 31-Mar-10 (Rs.)	As At 31-Mar-09 (Rs.)
Tangible Assets										
Land Free Hold	177,150	-	-	177,150	-	-	-	-	177,150	177,150
Land Lease Hold	6,719,694	1,632,735	-	8,352,429	-	-	-	-	8,352,429	6,719,694
Building	44,474,745	-	-	44,474,745	6,783,284	1,485,456	-	8,268,740	36,206,005	37,691,461
Plant & Machinery	397,297,596	3,333,955	675,069	399,956,482	105,427,767	24,114,639	453,521	129,088,885	270,867,597	291,869,829
Electric Installation	11,874,790	27,193	-	11,901,983	998,649	721,676	-	1,720,325	10,181,658	10,876,141
Furniture & Fixture	15,034,958	4,464,349	-	19,499,307	5,616,925	1,106,401	-	6,723,326	12,775,981	9,418,033
Vehicles	24,060,802	701,342	367,191	24,394,953	7,163,848	2,310,583	180,150	9,294,281	15,100,672	16,896,954
Office Equipment	14,391,638	1,980,422	-	16,372,060	3,122,638	898,900	-	4,021,538	12,350,522	11,269,000
Computer Lease hold	3,998,203	(3,998,203)	-	-	1,754,025	(1,754,025)	-	-	-	2,244,178
Computer		5,487,833	-	5,487,833		2,391,098	-	2,391,098	3,096,735	-
TOTAL	518,029,576	13,629,626	1,042,260	530,616,942	130,867,136	31,274,728	633,671	161,508,193	369,108,749	387,162,440
Intangible Assets										
Software	18,635,114	3,101,007	-	21,736,121	13,194,972	4,528,705	-	17,723,677	4,012,444	5,440,142
GRAND TOTAL	536,664,690	16,730,633	1,042,260	552,353,063	144,062,108	35,803,433	633,671	179,231,870	373,121,193	392,602,582
Previous Year figures :	507,546,669	34,322,517	5,204,496	536,664,690	112,981,316	33,459,778	2,378,986	144,062,108	392,602,582	
Capital Work in Progress									20,490,518	404,580
									393,611,711	393,007,162

- Capital Work in Progress Includes advance for capital expenditure. (Unsecured, Considered Good.)

SCHEDULE - 5 INVESTMENTS

NON TRADE

QUOTED - Fully Paid-up(*)

Long - Term (At Cost)

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

1,41,427 Equity Shares of Rs10/- each of Spanco Ltd.

4,86,667 Equity Shares of Rs10/- each fully paid up in Sparsh BPO Services Ltd.

TRADE INVESTMENTS

UNQUOTED - Fully Paid-up

IN SUBSIDIARY COMPANIES

100 Common stock of \$ 1.00 each of Shyam Telecom Inc.USA

IN OTHERS

2,92,544 Equity Shares of Rs. 10/- each of Sistema Shyam Teleservices Ltd.

SHORT TERM

80.63 Units, UTI Treasury Advantage Fund

ADVANCE FOR INVESTMENT

IN SUBSIDIARY COMPANY

Shyam Telecom Inc, USA

**AS AT
31-Mar-2010
(Rs.)**

**AS AT
31-Mar-2009
(Rs.)**

33,000

33,000

5,232,799

5,232,799

18,006,679

18,006,679

23,272,478

23,272,478

4,374

4,374

1,834,251

1,834,251

83,783

-

1,094,684

1,094,684

3,017,092

2,933,309

26,289,570

26,205,787

(*) Aggregated market value of Quoted Investments Rs.294.28 Lacs (Previous Year Rs. 151.86 Lacs) including cost where market value is not readily available.

SCHEDULE - 6 INVENTORIES

(As taken, valued and certified by the Management)

Raw Material

137,402,141

136,685,367

Finished Goods

301,044,776

123,550,551

Work In Process

34,001,368

20,450,841

Packing Material

473,753

154,972

Stores & Spares

1,017,081

264,584

Material In Transit

10,322,692

619,709

484,261,811

281,726,024

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31-Mar-2010 (Rs.)	AS AT 31-Mar-2009 (Rs.)
SCHEDULE - 7 SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
Debts Outstanding for over 6 months		
- Considered Good	479,707,670	478,127,383
- Considered Doubtful	7,642,329	9,896,043
	487,349,999	488,023,426
Less : Provision for Doubtful Debt.	7,642,329	9,896,043
	479,707,670	478,127,383
Others	333,950,524	578,541,165
	813,658,194	1,056,668,548
SCHEDULE - 8 CASH & BANK BALANCES		
Cash in Hand	1,707,251	860,957
Balance With Scheduled Banks in :		
- Fixed Deposits (including interest accrued) (*)	109,907,940	61,827,019
- Current Account	74,904,806	54,903,876
	186,519,997	117,591,852
(*) Under lien with Bank as Margin Money		
SCHEDULE - 9 LOANS & ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- Considered Good	48,786,195	52,982,189
	48,786,195	52,982,189
Security Deposits	10,968,256	12,490,475
Due From Subsidiary (interest Free)	167,602,563	189,174,803
Cenvat Receivable	42,764,922	29,961,322
Balance with Excise Department	37,402	12,077
Advance Tax (Net)	15,597,507	22,758,340
MAT Credit available	1,292,374	1,292,374
	287,049,219	308,671,580
SCHEDULE - 10 CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	661,508,299	722,069,844
Advance From Customers	588,709,205	490,060,182
Book Overdraft	-	1,099,951
Interest Accrued But Not Due on Loans	65,877,292	44,937,360
	1,316,094,796	1,258,167,337
PROVISIONS		
Leave Encashment	10,061,654	8,835,623
Retirement Benefit	5,291,746	4,817,854
	15,353,400	13,653,477

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 11 OTHER INCOME

Interest on Deposits (*)
Dividend on Non Trade Long Term Investments
Exchange rate Fluctuation (Net)
Miscellaneous Income (**)

YEAR ENDED
31-Mar-2010
(Rs.)
3,937,076
171,928
10,612,282
3,787,392
18,508,678

YEAR ENDED
31-Mar-2009
(Rs.)
6,301,405
284,502
8,646,779
26,389,999
41,622,685

(*) Tax deducted at source Rs. 5.96 Lacs (Previous Year Rs 14.48 Lacs)

(**) Includes Rs. Nil (Previous Year Rs. 200 Lacs) received by assigning a keyman policy to a Managing Director.

SCHEDULE - 12 MANUFACTURING & OTHER EXPENDITURE

Material Consumed	267,127,910	202,721,357
Purchase of Goods Traded	2,453,854,921	1,388,444,291
Network planning, Projects, Software & Software Systems	-	661,647
Stores & Spares Consumed	2,696,497	6,271,222
Power & Fuel	6,907,694	7,353,915
Manufacturing Expenses	12,359,708	6,208,403
Excise Duty on Closing Stock (Finished Goods) (Net)	(763,940)	1,327,589
Salary, Wages & Bonus	115,484,618	101,376,569
Employer's Contribution to P.F. & Other Fund	7,544,858	5,958,583
Staff Welfare	8,323,825	8,518,943
Repair to:		
Plant & Machinery	1,928,974	1,804,394
Building	4,983,390	10,407,076
Auditor's Remuneration :		
Audit Fee	653,000	644,442
Tax Audit Fee	150,000	150,000
Other Services	216,000	217,864
Communication Expenses	9,483,437	10,444,067
Printing & Stationery	2,067,978	1,872,472
Travelling & Conveyance	29,015,426	34,198,737
Insurance	5,332,472	2,255,941
Rates & Taxes	1,431,227	6,486,020
Rent	14,677,498	12,093,615
Director Sitting Fees	56,000	46,000
Advertisement & Publicity	34,811,946	12,912,163
Packing & Forwarding	25,165,997	12,109,192
Prior Period Adjustments (Net)	-	2,733,973
Bad Debts Written Off (Net)	15,242,268	25,126,867
Add/(Less): Provision for Doubtfull Debts	(2,253,714)	169,467
Legal & Professional Charges	37,257,392	27,360,234
Foreign Consultancy Charges	4,999,876	3,540,230
Other Administrative Expenses	23,652,517	23,759,776
Loss on Sale of Assets (Net)	177,862	579,679
Discount on Sales	26,000,000	-
	3,108,585,637	1,917,754,728
Add / Less Decrease / Increase in Stocks :		
Add : Opening Stock :		
Work In Process	20,450,841	19,234,253
Finished Goods	123,550,551	22,465,747
Less: Closing Stock :		
Work in Process	34,001,368	20,450,841
Finished Goods	301,044,776	123,550,551
	2,917,540,885	1,815,453,336

SCHEDULES FORMING PART OF THE ACCOUNTS

	YEAR ENDED 31-Mar-2010 (Rs.)	YEAR ENDED 31-Mar-2009 (Rs.)
SCHEDULE - 13 FINANCIAL CHARGES		
Interest on		
- Fixed Period Loans	3,380,312	2,316,484
- Others	33,320,816	27,931,631
Bank Charges	8,519,581	7,139,583
	45,220,709	37,387,698

SCHEDULE - 14 SIGNIFICANT ACCOUNTING POLICIES

1. BASIS FOR PREPARATION OF ACCOUNTS

The Financial Statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards and the provisions of Companies Act, 1956.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Fixed Assets are stated at cost, net of VAT/ CENVAT, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production are capitalised. Capital expenditure on assets not owned by company is reflected in capital work in progress account till the period of completion and thereafter in the fixed assets. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

4. INTANGIBLE ASSETS

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

5. IMPAIRMENT OF ASSETS

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

6. EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD

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

7. INVESTMENTS

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

8. REVENUE RECOGNITION

Sales are inclusive of, excise duty, service tax and net of sales tax. Export sales are net of ocean freight and insurance. Revenue in respect of long-term turnkey works contracts is recognized under percentage of completion method, subject to such contracts having progressed to a reasonable extent.

9. INVENTORY VALUATION

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

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

10. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Individual assets costing Rs.5000 or less are depreciated in full in the year of purchase. Leasehold land for lease period below 90 years is amortised over the period of lease from the date of commencement of commercial operations.

11. PRODUCT WARRANTY EXPENSES

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

12. FOREIGN CURRENCY TRANSACTIONS

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

13. BORROWING COST

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

14. INCOME ON INVESTMENTS

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

15. CLAIMS

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

16. EMPLOYEE'S BENEFITS

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

17. Derivatives

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

18. TAXATION

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

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

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

Minimum alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered

Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

19. GOVERNMENT GRANTS

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

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

20. PROVISION AND CONTINGENT LIABILITIES

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

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

21. LEASES

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

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

22. PROPOSED DIVIDEND

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

23. CENVAT/VAT

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

SCHEDULE - 15 NOTES TO ACCOUNTS

	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
I Contingent liabilities :		
i) Claim against the company not acknowledged as debt	108.13	108.13
ii) Estimated amount of contracts remaining to be executed on capital account (Net of advance)	-	133.45
iii) Outstanding Guarantee Issued by Banks	690.87	276.49
iv) Letter of Credits issued by the Banks (Agst. which Goods have not been despatched)	1,160.70	1,532.32

2 Details of investment purchased and sold during the year.	Purchase		Redemption / Sale	
	Units	Rs.	Units	Rs.
Units of UTI Mutual Funds	62182.74	63,100,024	62102.11	63,006,922

3 The deferred tax liability at the year end comprise of the following : (Rs in Lacs)

	AS AT 31.03.2010		AS AT 31.03.2009	
Deferred Tax Liability on account of :				
Timing difference between book & Tax Depreciation	711.36	711.36	733.65	733.65
Deferred Tax assets on account of;				
Disallowance under Section 43B	51.45		48.57	
Others	217.90	269.35	33.89	82.46
Net deferred tax liability/(assets)		442.01		651.19

4 Bad debts debited to accounts include :

Debit balances written off
Credit balances written back

Net

	(Rs in Lacs)
Current Year	Previous Year
152.42	254.17
-	2.90
152.42	251.27

5 Director's Sitting Fees

0.56 0.46

6 EARNING PER SHARE

a) Weighted Average No. of Equity shares

Opening balance of Equity shares (Nos.)

11,270,000 11,270,000

Closing balance of Equity shares (Nos.)

11,270,000 11,270,000

Weighted Average of Equity Shares (Nos.)

11,270,000 11,270,000

b) Profit/(Loss) after Tax before extra ordinary items (Rs. in lacs)

(447.79) 19.64

c) Profit/(Loss) after Tax after extra ordinary items (Rs. in lacs)

(447.79) 75.91

d) Basic & Diluted Earning Per Share(Rs)

-Before Extraordinary Items (b/a)

(3.97) 0.17

-After Extraordinary Items (c/a)

(3.97) 0.67

7 The company acquired computer under finance lease with respective assets as security, minimum lease payments outstanding as on 31st March, 2010 in respect of these are as under

(Rs in Lacs)

Particulars	Not later then one year	Later then One Year to five year	Later then Five Year	Total
Total minimum lease payment outstanding as on 31st March, 2010	- (9.32)	-	-	- (9.32)
Interest Not Due	- (0.35)	-	-	- (0.35)
Present Value of minimum lease payment as on 31st March, 2010	- (8.97)	-	-	- (8.97)

P.Y. figures has been shown in brackets

8 The Company had transaction for supply and procurement of goods with M/s KTP Exports Pte Limited and M/s Aquarius technology Pte Limited which belongs the same group. An amount of Rs 4336.64 lacs recoverable and shown in Sundry Debtors and amount Rs.4141.63 lacs has been shown as payable & included in creditor. The company applied to Reserve Bank of India for set off of the amount payable against amount receivable. The permission of Reserve Bank of India is awaited.

9 RELATED PARTY INFORMATION

RELATIONSHIP

a) Names of the related parties where control exists are as under :

- Subsidiary

Shyam Telecom Inc.

b) - Key Management Personnel : Mr. K. N. Mehrotra , Mr. Rajiv Mehrotra , Mr Alok Tondon and Mr. Ajay Khanna [Previous year Mr. K. N. Mehrotra , Mr. Rajiv Mehrotra , Mr Alok Tondon and Mr. Ajay Khanna]

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 Basic Infrastructures Projects Pvt. Ltd, Shyam Telecom Systems Pvt. Ltd, A.T. Invofin India Pvt Ltd, Cell cap Invofin India Pvt Ltd, Intell Invofin India Pvt Ltd, Shyam Digital Communications Pvt Ltd, Sistema Shyam Teleservices Limited, Ubico Networks Pvt. Ltd., RMS Automation Systems Ltd., Spectranet Pvt Ltd., Vihaan Networks Ltd.

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

PARTICULARS	31.03.2010				31.03.2009			
	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
I. Sale of Goods & Services								
Shyam Telecom Inc.	383.77	-	-	383.77	516.78	-	-	516.78
Spectranet Pvt. Ltd.	-	31.82	-	31.82	-	-	-	-
Vihan Network Ltd.	-	913.23	-	913.23	-	-	-	-
Ubico Networks Pvt. Ltd.	-	692.64	-	692.64	-	495.02	-	495.02
Sistema Shyam Teleservices LTD.	-	11,367.69	-	11,367.69	-	1,406.41	-	1,406.41
RMS Automation Systems LTD.	-	272.18	-	272.18	-	-	-	-
Sub Total	383.77	13,277.56	-	13,661.33	516.78	1,901.43	-	2,418.21
2 Sale of Investment/Land								
Shyam Communication Systems	-	-	-	-	-	77.25	-	77.25
Sub Total	-	-	-	-	-	77.25	-	77.25
3 Purchase of the goods								
RMS Automation Systems LTD.	-	1,682.00	-	1,682.00	-	-	-	-
Sub Total	-	1,682.00	-	1,682.00	-	-	-	-
4 Rent Agreements (Paid)								
Mr.K.N. Mehrotra	-	-	1.20	1.20	-	-	1.20	1.20
Shyam Antenna Electronic Ltd.	-	25.92	-	25.92	-	25.92	-	25.92
Shyam Communication Systems	-	13.23	-	13.23	-	13.47	-	13.47
Sistema Shyam Teleservices LTD.	-	1.99	-	1.99	-	2.02	-	2.02
Sub Total	-	41.14	1.20	42.34	-	41.41	1.20	42.61
5 Rent Agreements (Received)								
RMS Automation Systems LTD.	-	13.51	-	13.51	-	-	-	-
Sub Total	-	13.51	-	13.51	-	-	-	-
6 Assignment of Keyman Insurance Policy								
Mr. Ajay Khanna (Keyman Insurance policy)	-	-	-	-	-	-	200.00	200.00
Sub Total	-	-	-	-	-	-	200.00	200.00
7 Loan Taken								
Shyam Telecom Systems Pvt. Ltd.	-	2,048.00	-	2,048.00	-	1,155.00	-	1,155.00
Sub Total	-	2,048.00	-	2,048.00	-	1,155.00	-	1,155.00
8 Repayment of Loan								
Shyam Telecom Systems Pvt. Ltd.	-	1,565.00	-	1,565.00	-	73.85	-	73.85
Sub Total	-	1,565.00	-	1,565.00	-	73.85	-	73.85
9 Amount Receivable								
Shyam Telecom Inc.	49.14	-	-	49.14	222.76	-	-	222.76
Spectranet Pvt. Ltd.	-	6.82	-	6.82	-	-	-	-
Sistema Shyam Teleservices LTD.	-	-	-	-	-	4.12	-	4.12
Intercity Cable System Pvt. Ltd.	-	1.95	-	1.95	-	159.34	-	159.34
Ubico Networks Pvt. Ltd.	-	-	-	-	-	163.62	-	163.62
Shyam Digital Communications Pvt.Ltd	-	-	-	-	-	0.31	-	0.31
Sub Total	49.14	8.77	-	57.91	222.76	327.40	-	550.16
10 Amount Payable								
Shyam Communication Systems	-	200.05	-	200.05	-	23.84	-	23.84
Intell Invofin India Pvt. Ltd	-	1.01	-	1.01	-	301.01	-	301.01
Sistema Shyam Teleservices LTD.	-	1,050.20	-	1,050.20	-	168.54	-	168.54
RMS Automation Systems LTD.	-	1,460.63	-	1,460.63	-	-	-	-
Shyam Antenna Electronic Ltd.	-	100.30	-	100.30	-	77.98	-	77.98
Shyam Telecom System Pvt.Ltd	-	658.77	-	658.77	-	449.37	-	449.37
Celcap Invofin India Pvt. Ltd.	-	-	-	-	-	150.00	-	150.00
Shyam Basic Infrastructures Projects Pvt. Ltd	-	-	-	-	-	1,807.42	-	1,807.42
Sub Total	-	3,470.96	-	3,470.96	-	2,978.16	-	2,978.16
11 Loans Outstanding								
Shyam Telecom Systems Pvt. Ltd.	-	2,836.65	-	2,836.65	-	2,353.65	-	2,353.65
Sub Total	-	2,836.65	-	2,836.65	-	2,353.65	-	2,353.65
12 Advances Given								
Shyam Telecom Inc.	-	-	-	-	683.47	-	-	683.47
Sub Total	-	-	-	-	683.47	-	-	683.47
13 Advances Outstanding								
Shyam Telecom Inc.	1,676.03	-	-	1,676.03	1,891.75	-	-	1,891.75
Sub Total	1,676.03	-	-	1,676.03	1,891.75	-	-	1,891.75
14 Interest Accrued								
Shyam Telecom System Pvt.Ltd	-	232.67	-	232.67	-	149.15	-	149.15
Sub Total	-	232.67	-	232.67	-	149.15	-	149.15

10 Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date:
(Rs In Lacs)

Particulars	As at 31st March'2010	As at 31st March'2009
Investment in Overseas Subsidiary	10.99	10.99
Loan Given	1,676.03	1,891.75
Debtors	810.06	936.24
Creditors	86.16	226.27

11 SEGMENT INFORMATION

The Company's operations predominantly relate to providing Telecommunication products, Turnkey Projects, Trading and respective related Services. The company has considered business segment as the primary segment for disclosure. The segments have been identified taking into account the nature of the products, the deferring risk and returns, the organisation structure and internal reporting system. The company caters mainly to the needs of the domestic market and export turnover is not significant in context of the total turnover; hence there is no reportable geographical segment. The Telecom products & Services segment comprise of manufacturing and services in the related area. Turnkey Projects and trading services segment includes the turnkey Projects and Trading in Telecom Products. Investments are primarily in the companies which are dealing in IT and telecommunication sectors.

Revenue & expenditure which relates to enterprises as a whole and are not attributable to segments are included in unallocable expenditure (Net of unallocable income). Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segment, as all the assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

	Rs in Lacs	
Segment Reporting	Year Ended	Year Ended
Particulars	31-Mar-2010	31-Mar-2009
Segment Revenue		
- Telecom Products & Services	7,478.30	6,328.16
- Turnkey Projects and Trading	21,666.36	12,199.36
- Investments	1.72	2.85
Net Sales	29,146.38	18,530.37
Segment Results		
(Profit before Amortisation, Interest, Tax and unallocable overheads)		
- Telecom Products & Services	600.02	613.42
- Turnkey Projects and Trading	73.76	190.04
- Investments	1.72	2.85
Total	675.50	806.31
Less :		
- Depreciation & Amortisation	358.03	334.60
- Interest & Financial Charges	452.21	373.88
Other un-allocable Expenditure (Net of un-allocable Income)	521.16	(39.17)
Profit Before Tax (net of Extraordinary Items)	(655.90)	137.00
Taxes (net of MAT Credit)	(208.11)	61.09
Net profit / (Loss) after taxes	(447.79)	75.91

12 Derivatives

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

13 Some of the personal accounts are subject to adjustments / reconciliation / confirmation.

14 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.

15 In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer.

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

A. Provident Fund

During the year the Company has recognized Rs. **51.69** Lacs (previous Year Rs. 49.31 lacs) towards contribution to PF in the Profit and Loss account.

B. State Plans

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

During the year the Company has recognised Rs. **3.92** Lacs (Previous Year Rs. 4.65 lacs) towards contribution to ESI and welfare fund in the Profit and Loss accounts.

C. Defined Benefit Plans

The actuarial valuation carried out is based on following assumption:

- Leave Encashment/ Compensated Absence
- Contribution to Gratuity Fund - Employee's Gratuity Fund.

	Current Year		Previous Year	
	Leave Encashment /Compensated Absence	Employee Gratuity Fund	Leave Encashment /Compensated Absence	Employee Gratuity Fund
i) Actuarial Assumptions				
Discount Rate (per annum)	8.00%	8.00%	7.50%	7.50%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	-	9.15%	-	8.50% / 9.00%
	(Rs In Lacs)	(Rs In Lacs)	(Rs In Lacs)	(Rs In Lacs)
ii) Change in the obligation during the year ended 31st March, 2010				
Present value obligation as at 31 st March, 2009	87.51	82.56	42.61	83.64
Impact of Transition provision of AS-15	-	-	-	-
Interest cost	6.56	6.19	3.36	6.69
Past Service cost	-	2.18	-	-
Current service cost	20.11	14.02	18.87	12.12
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(3.83)	(13.99)	(5.19)	(13.53)
Actuarial (gain)/ loss on Obligations	(9.74)	(0.11)	28.71	(6.36)
Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	82.56
Receivable from other company's fund	-	-	-	(4.76)
Net Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	77.80
iii) Change in fair value plan Assets				
Fair value of Plan Assets as at 31 st March, 2009	-	28.97	-	29.99
Expected return on Plan Assets	-	2.59	-	2.40
Contributions	-	20.18	-	7.72
Benefits Paid	-	(13.98)	-	(13.52)
Actuarial gain/ (loss) on Obligations	-	0.18	-	(0.23)
Fair value of Plan Assets as at 31 st March, 2010	-	37.94	-	26.36
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets				
Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	77.80
Fair value of Plan Assets as at 31 st March, 2010	-	37.94	-	26.36
Funded Status	(100.61)	(52.91)	(88.36)	(51.44)
Present value of un-funded obligation as at 31 st March, 2010	-	-	-	-
Un-recognized Actuarial (gains)/ losses	-	-	-	0.20
Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	(100.61)	(52.91)	(88.36)	(51.44)
v) Expenses recognised in Profit and Loss Account				
Current service cost	20.11	14.02	18.87	12.12
Past Service cost	(0.36)	4.89	-	-
Interest cost	6.56	6.19	3.36	6.69
Expected return on Plan Assets	-	(2.59)	-	(2.40)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(9.74)	(0.30)	28.71	(6.13)
Received / Receivable from other company's fund	-	-	-	4.76
Net Expense recognised in Profit and Loss Account	16.57	22.21	50.94	15.04

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

17 Previous year figures have been regrouped/reclassified wherever considered necessary

18 **Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956.**

(As certified by the management)

	Current Year		Previous Year	
	N.A.		N.A.	
A. LICENSED CAPACITY				
B. INSTALLED CAPACITY				
Most of the Plant & Machinery is common for different products manufactured by the company, the installed capacity depends on products mix which in turn is decided by actual demand for various products from time to time, as such it is not practical to ascertain product-wise installed production capacity				
C. PRODUCTION	Qty (Nos)	Value (Rs.)	Qty (Nos)	Value (Rs.)
- Repeater	5,766	-	8,515	-
D. OPENING STOCK				
- Repeater	129	7,784,997	207	10,925,444
- Communication Systems & Accessories	95,614	16,978,129	44,889	11,540,303
- Mobile Handsets & accessories	63,824	98,787,425		
		123,550,551		22,465,747
E. TURNOVER (Including Services)				
- Repeater	5,596	450,800,585	8,593	468,488,469
- Communication Systems & Accessories	1,805,669	240,298,419	875,282	136,668,348
- Mobile Handsets & accessories	1,374,355	2,000,819,102	680,354	1,219,935,894
- Turnkey contracts and services	-	-	-	4,672,588
- Service Charges	-	81,972,352	-	61,096,985
- Computers & accessories	14,256	158,842,464	-	-
- Accessories for VLL cordect system	16,623	6,917,571	-	-
- Others	-	8,410,564	-	5,124,035
		2,948,061,057		1,895,986,319
F. CLOSING STOCK				
- Repeater	299	14,458,059	129	7,784,997
- Communication Systems & Accessories	608,611	23,640,607	95,614	16,978,129
- Mobile Handsets & Accessories	190,891	262,946,110	63,824	98,787,425
		301,044,776		123,550,551
G. PURCHASE OF GOODS TRADED				
- Communication Systems & Accessories	2,318,666	180,679,064	926,007	93,089,169
- Mobile Handsets & accessories	1,501,422	2,109,325,637	744,178	1,295,355,122
- Computers & accessories	14,256	157,278,528	-	-
- Accessories for VLL cordect system	16,623	6,571,692	-	-
Sub-Total		2,453,854,921		1,388,444,291
H. CONSUMPTION OF RAW MATERIAL				
- Electronic Components	16,459,427	207,292,487	9,361,936	145,221,620
- Mechanical Components	916,002	59,835,423	3,479,457	57,499,737
Sub-Total		267,127,910		202,721,357
Total		2,720,982,831		1,591,165,648

	Current Year (Rs.)	Previous Year (Rs.)
I. EARNINGS IN FOREIGN CURRENCY		
- F.O.B.Value of Export Goods	205,801,527	264,527,709
- F.O.B.Value of Export Services	333,366	752,000
J. EXPENDITURE IN FOREIGN CURRENCY		
- Travelling	7,384,231	9,241,386
- Commission	3,511,163	1,096,830
- Exhibition Expenses	17,360,199	1,080,892
- Product Certification Charges	-	4,178,038
- Legal ,Professional and consultancy Charges	12,540,653	6,995,802
K. C.I.F.VALUE OF IMPORTS		
- Raw Material	185,080,623	184,888,572
- Communication Systems & Accessories	99,995,682	71,657,055
- Capital Goods	2,743,721	14,274,645
- Mobile Handsets & accessories	2,064,592,711	1,264,514,017

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

RAW MATERIAL	Current Year		Previous Year	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption
IMPORTED	194,243,138	73.00	158,131,976	78.00
INDIGENOUS	72,884,772	27.00	44,589,381	22.00
TOTAL	267,127,910	100.00	202,721,357	100.00

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i REGISTRATION DETAILS

Registration No.

1	7	-	1	7	7	5	0
---	---	---	---	---	---	---	---

State Code

	1	7
--	---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

ii CAPITAL RAISED DURING THE YEAR (Amount in Rs Thousand)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Right Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

iii POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs Thousand)

Total Liabilities

		8	5	9	9	4	2
--	--	---	---	---	---	---	---

Total Assets

		8	5	9	9	4	2
--	--	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up capital

		1	1	2	7	0	0
--	--	---	---	---	---	---	---

Reserve & Surplus

		3	4	4	2	0	9
--	--	---	---	---	---	---	---

Advanced for Share Capital

					N	I	L
--	--	--	--	--	---	---	---

Unsecured Loans

		2	8	3	6	6	5
--	--	---	---	---	---	---	---

Secured Loans

			7	5	1	6	7
--	--	--	---	---	---	---	---

Deferred Tax Liability

			4	4	2	0	1
--	--	--	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets (Including Capital Work in Progress)

		3	9	3	6	1	1
--	--	---	---	---	---	---	---

Investment (Including advance for investment)

			2	6	2	9	0
--	--	--	---	---	---	---	---

Net Current Assets

		4	4	0	0	4	1
--	--	---	---	---	---	---	---

Preoperative Expenditure

					N	I	L
--	--	--	--	--	---	---	---

iv PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover (Including other income)

	2	9	3	2	9	7	5
--	---	---	---	---	---	---	---

Total Expenditure

	2	9	9	8	5	6	5
--	---	---	---	---	---	---	---

Profit Before Tax

	(6	5	5	9	0)
--	---	---	---	---	---	---	---

Profit After Tax and Extraordinary items

	(4	4	7	7	9)
--	---	---	---	---	---	---	---

Basic and Diluted Earning Per Share before extraordinary items in Rs.

	(3	.	9	7)
--	---	---	---	---	---	---

Dividend Rate

					N	I	L
--	--	--	--	--	---	---	---

Basic and Diluted Earning Per Share after extraordinary items in Rs.

	(3	.	9	7)
--	---	---	---	---	---	---

v GENERAL NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

(As per monetary terms)

N.A.

Item Code No. (ITC Code)

852520.09

Product Description

Other Radio Communication Equipment including VHF, UHF & Microwave Communication Equipment

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956.

1. Name of the Subsidiary Company	Shyam Telecom Inc.
2. Financial Year of the Subsidiary Company ended on	31 st March, 2010
3. Financial Year of Holding Company ended on	31 st March, 2010
4. Holding Company's Interest as on 31.03.2010	Holders of the entire issued, subscribed & paid up Share capital of 100 shares of 1 US\$ each.
<p>5. Net aggregate amount of profit / (loss) of the Subsidiary Company so far as it concerns the members of Shyam Telecom Limited.</p> <p>(a) Not dealt with the accounts of Shyam Telecom Limited.</p> <p>(i) For the subsidiary's financial year ended 31.03.2010</p> <p>(ii) For the previous financial year of subsidiary's since it became subsidiary of Shyam Telecom Limited.</p> <p>(b) Dealt with the accounts of Shyam Telecom Limited.</p> <p>(i) For the subsidiary's financial year ended on 31.03.2010</p> <p>(ii) For the previous subsidiary's financial year of subsidiary's since it became subsidiary of Shyam Telecom Limited.</p>	<p>US\$ 1,25,273</p> <p>US\$ (14,98,333)</p> <p>N.A.</p>
<p>6. Material changes which have occurred between the end of financial year of the Subsidiary Company and the end of the holding company's financial year in respect of</p> <p>(a) Fixed Assets (including capital work in progress of the subsidiary company).</p> <p>(b) Investment of Subsidiary Company.</p> <p>(c) Money lent by subsidiary company.</p> <p>(d) Money borrowed by subsidiary company for any purpose other than that of meeting of current liabilities.</p>	N.A.

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report on the business and operations of the company together with the Audited Accounts for the Financial Year ended 31st March, 2010.

CAPITAL

The Company has an issued, subscribed and paid-up capital of 100 shares of USD 1/- each amounting to USD 100/- (INR 4,374).

HOLDING COMPANY

Your Company is wholly owned subsidiary of Shyam Telecom Limited, company incorporated in India.

FINANCIAL PERFORMANCE

PARTICULARS	2009-10		2008-09	
	In US\$	In Rs.	In US\$	In Rs.
Sales & Other Income	1615681	76961695	1723037	78400590
Profit/(Loss) Before Tax	127473	18856045	(183918)	(25900935)
Provision for Tax	2200	100096	2200	112709
Profit/(Loss) After Tax	125273	18755949	(186118)	(26013644)
Balance brought forward from previous year	(1498333)	(80461063)	(1312215)	(54447419)
Balance carried to Balance Sheet	(1373060)	(61705114)	(1498333)	(80461063)

CORPORATE REVIEW

During the period under review your company has registered a turnover of USD 1615681 (INR 76961695) as against USD 1723037 (INR 78400590) in the previous year. There is a net profit of USD 125273 (INR 18755949) as against a net loss of USD 186118 (INR 26013644) in the previous year.

DIVIDEND

No dividends have been declared for the Financial Year 2009-2010.

DIRECTORS

Mr. B.A. Majmudar is the Director who holds office and looks after the affairs of the Company.

RELATED PARTIES TRANSACTIONS

Disclosures on Related Party Transactions is disclosed in Schedule 12 (Notes to Accounts) to the Balance Sheet under the heading Related Parties.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provision of Section 217 (2AA) of the Companies Act, 1956, your directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, where necessary.
- The Directors had 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 affairs of the company at the end of financial year 2009-2010 and of the profit of the company for the year ended on that date.
- The Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s Mehra Goel & Co., Chartered Accountants, Auditors of your Company have audited the Annual Accounts of the Company for the Financial Year 2009-2010 and expressed their willingness to continue as Auditors of the Company.

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

On Behalf of the Board of Directors of
SHYAM TELECOM INC

PLACE : NEW DELHI

DATE : 30th July, 2010

B.A MAJMUDAR

Director

AUDITORS' REPORT

To

The Shareholders of Shyam Telecom Inc.USA

We have audited the balance sheet of Shyam Telecom Inc. USA as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date (the financial statements) attached hereto, which have been prepared in accordance with the Generally Accepted Accounting Principles in India.

Respective Responsibilities of the Management and Auditors

The Management of the Company is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit of the financial statements.

Basis of Opinion

We conducted our audit in accordance with the auditing standards. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the management in the preparation of the financial statements and whether the accounting policies are appropriate to the circumstances to the Company, consistently applied and adequately disclosed. We planned and performed audit so as to obtain all information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

The financial statements dealt with by this report are in agreement with books of accounts of the Company and have been compiled solely for complying with Indian laws.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the accounting policies and notes thereon give a true and fair view:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For MEHRA GOEL & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 30th July, 2010

R.K. MEHRA
Partner
M.No. 6102

BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE NO.	AS AT 31-Mar-10 US\$	AS AT 31-Mar-10 Rs.	AS AT 31-Mar-09 US\$	AS AT 31-Mar-09 Rs.
I SOURCES OF FUNDS:					
SHAREHOLDER'S FUNDS					
Share Capital	1	100	4,374	100	4,374
Advance Against Share Capital		25,050	1,094,684	25,050	1,094,684
		25,150	1,099,058	25,150	1,099,058
II APPLICATION OF FUNDS					
FIXED ASSETS	2				
Gross Block		36,848	1,696,480	36,848	1,696,480
Less : Depreciation		23,090	1,067,452	20,135	927,304
Net Block		13,758	629,028	16,713	769,176
CURRENT ASSETS, LOANS & ADVANCES					
Current Assets					
Inventories	3	318,105	14,490,801	402,719	16,627,717
Sundry Debtors	4	444,532	20,066,162	678,815	34,585,603
Cash & Bank Balances	5	175,565	7,925,023	44,846	2,284,911
Loans & Advances	6	1,575,918	71,136,955	1,575,774	80,285,664
		2,514,120	113,618,941	2,702,154	133,783,895
Less : CURRENT LIABILITIES & PROVISIONS	7				
Current Liabilities		3,875,788	174,854,025	4,189,850	213,802,986
Provisions		-	-	2,200	112,090
		3,875,788	174,854,025	4,192,050	213,915,076
NET CURRENT ASSETS		(1,361,668)	(61,235,084)	(1,489,896)	(80,131,181)
PROFIT & LOSS ACCOUNT		1,373,060	61,705,114	1,498,333	80,461,063
		25,150	1,099,058	25,150	1,099,058
SIGNIFICANT ACCOUNTING POLICIES	11				
NOTES TO ACCOUNTS	12				

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M.No. 6102

B.A. MAJMUDAR
Director

PLACE : NEW DELHI
DATED : 30th July, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	SCHEDULE NO.	YEAR ENDED 31-Mar-10 US\$	YEAR ENDED 31-Mar-10 Rs.	YEAR ENDED 31-Mar-09 US\$	YEAR ENDED 31-Mar-09 Rs.
INCOME					
Sales and Services	8	1,579,898	75,313,881	1,723,037	78,400,590
Other Income		35,783	1,647,814	-	-
		1,615,681	76,961,695	1,723,037	78,400,590
EXPENDITURE					
Cost of Goods Traded	9	892,827	40,671,432	1,196,865	49,416,907
Administration & Other Expenditure	10	592,426	17,294,070	702,473	54,531,852
		1,485,253	57,965,502	1,899,338	103,948,759
PROFIT/(LOSS) BEFORE DEPRECIATION & TAX		130,428	18,996,193	(176,301)	(25,548,169)
Less : Depreciation		2,955	140,148	7,617	352,766
PROFIT/(LOSS) BEFORE TAX		127,473	18,856,045	(183,918)	(25,900,935)
Current Year Taxation		2,200	100,096	2,200	112,709
PROFIT/(LOSS) AFTER TAX		125,273	18,755,949	(186,118)	(26,013,644)
ADD : Profit / (Loss) brought forward		(1,498,333)	(80,461,063)	(1,312,215)	(54,447,419)
Balance Carried to Balance Sheet		(1,373,060)	(61,705,114)	(1,498,333)	(80,461,063)
SIGNIFICANT ACCOUNTING POLICIES	11				
NOTES TO ACCOUNTS	12				

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M.No. 6102

B.A. MAJMUDAR
Director

PLACE : NEW DELHI
DATED : 30th July,2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year		Previous Year	
	US\$	Rs.	US\$	Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after tax and before extraordinary items	125,273	18,755,949	(186,118)	(26,013,644)
Adjustments for :				
Depreciation	2,955	140,148	7,617	352,766
Interest and Financial Charges	2,078	99,920	2,319	106,231
Provision for Tax	-	-	2,200	112,709
Provision for Doubtful Debts/ Advances	(98,309)	(4,472,863)	48,047	2,461,524
Exchange Fluctuation	-	13,605,759	-	(14,062,662)
Operating Profit before working capital change	31,997	28,128,913	(125,935)	(37,043,076)
Adjustments for :				
Trade & Other Receivables	332,446	14,423,165	(484,152)	(30,493,347)
Inventories	84,615	2,136,916	29,146	(2,484,421)
Trade & Other Payables	(318,461)	(39,049,058)	526,392	68,346,496
Taxes Paid/ (Refunded)	2,200	100,096	-	-
Cash flow from operating activities (A)	132,797	5,740,032	(54,549)	(1,674,348)
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Net cash Used In / from Investing Activities (B)	-	-	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Interest and Financial Charges Paid	(2,078)	(99,920)	(2,319)	(106,231)
Net cash (used in) / from financing activities (C)	(2,078)	(99,920)	(2,319)	(106,231)
Increase/(Decrease) In cash and cash equivalents				
Net increase / (decrease) in cash and cash equivalents (A+B+C)	130,719	5,640,112	(56,868)	(1,780,579)
Cash and cash equivalents at beginning of the year	44,846	2,284,911	101,714	4,065,490
Cash and cash equivalents at the end of the year	175,565	7,925,023	44,846	2,284,911

Notes :

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

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K. MEHRA
Partner
M.No. 6102

B.A.MAJMUDAR
Director

PLACE : NEW DELHI
DATED : 30th July, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 2 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK						
Assets	As at 01.04. 2009	As at 01.04. 2009	Additions	Upto 31.03. 2010	As at 01.04. 2009	During the year	Upto 31.03. 2010	As at 01.04. 2009	During the year	Upto 31.03. 2010	As at 31.03. 2010	As at 31.03. 2009	As at 31.03. 2009		
	US\$	Rs.	US\$	Rs.	US\$	Rs.	US\$	Rs.	US\$	Rs.	US\$	Rs.	US\$		
Tangible Assets :															
Furniture & Fixtures	7,750	345,883	-	-	7,750	345,883	1,438	64,442	490	23,259	1,928	87,700	258,182	6,312	281,441
Office Equipment	5,864	275,198	-	-	5,864	275,198	750	34,853	279	13,208	1,029	48,061	227,137	5,114	240,344
Computers	5,234	237,320	-	-	5,234	237,320	2,185	99,044	848	40,233	3,033	139,277	98,043	3,049	138,276
TOTAL	18,848	858,400	-	-	18,848	858,400	4,373	198,338	1,617	76,700	5,990	275,038	583,362	14,475	660,062
Intangible Assets :															
Software	18,000	838,080	-	-	18,000	838,080	15,762	728,966	1,338	63,448	17,100	792,414	45,666	2,238	109,114
GRAND TOTAL	36,848	1,696,480	-	-	36,848	1,696,480	20,135	927,304	2,955	140,148	23,090	1,067,452	629,028	16,713	769,176
Previous Year	36,848	1,696,480	-	-	36,848	1,696,480	12,518	574,538	7,617	352,766	20,135	927,304	769,176	24,330	1,121,942

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 7

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

- Others *

Other Liabilities

Due to Holding Company

Advance From Customers

Due to Director **

PROVISIONS

Provision for Tax (Net)

AS AT 31-Mar-10 US\$	AS AT 31-Mar-10 Rs.	AS AT 31-Mar-09 US\$	AS AT 31-Mar-09 Rs.
114,735	5,080,140	436,592	22,574,537
5,889	265,786	18,662	950,804
3,712,950	167,602,563	3,712,950	189,174,803
42,114	1,901,022	21,546	1,097,747
100	4,514	100	5,095
3,875,788	174,854,025	4,189,850	213,802,986
-	-	2,200	112,090
-	-	2,200	112,090

* There are no dues to creditors coming under the definition of Small Scale Industrial Undertakings as at March 31, 2010

** Maximum amount outstanding during the year Rs.4514 (Previous year Rs.5095)

SCHEDULE - 8 SALES

Sales of Products and Services

Year Ended 31-Mar-10 US\$	Year Ended 31-Mar-10 Rs	Year Ended 31-Mar-09 US\$	Year Ended 31-Mar-09 Rs
1,579,898	75,313,881	1,723,037	78,400,590
1,579,898	75,313,881	1,723,037	78,400,590

SCHEDULE - 9 COST OF SALES

Cost of Traded Goods

Add / Less Decrease / Increase in Stocks :

Add: Opening Stock

Trading

Less: Closing Stock :

Trading

808,213	38,534,516	1,167,719	51,901,328
808,213	38,534,516	1,167,719	51,901,328
402,719	16,627,717	431,865	14,143,296
318,105	14,490,801	402,719	16,627,717
892,827	40,671,432	1,196,865	49,416,907

SCHEDULE - 10

ADMINISTRATIVE & OTHER EXPENDITURE

Rent

Rates & taxes

Salary & wages

Staff welfare

Insurance

Car lease/insurance

Commission expenses

Consultancy charges

Clearing & forwarding expenses

Sales promotion

Other administrative charges

Legal and professional charges

Telephone expenses

Testing charges

Training Expenses

Traveling and conveyance expenses

Advertisement and exhibition expense

Misc expenses

Bank charges

Audit fees

Exchange difference on conversion

Bad Debts

Less: Provision for doubtful debts

24,454	1,160,631	29,170	1,346,942
3,213	155,153	957	41,227
296,579	14,070,381	295,582	13,592,723
32,522	1,539,770	23,543	1,067,491
1,062	50,695	5,899	302,215
4,938	236,404	5,739	252,398
28,276	1,304,711	13,149	616,622
53,645	2,532,548	133,986	5,948,346
13,739	641,679	23,502	1,067,942
-	-	600	25,692
5,952	280,310	3,994	186,947
17,871	844,144	14,733	595,610
10,889	518,098	14,239	649,498
7,000	339,738	25,000	1,225,083
5,000	238,393	-	-
59,975	2,851,342	35,855	1,670,164
2,194	106,052	23,930	1,119,094
-	-	(639)	(38,027)
2,078	99,920	2,319	106,231
2,868	130,488	2,868	146,932
-	(10,724,110)	-	22,147,198
118,480	5,390,586	48,047	2,461,524
98,309	4,472,863	702,473	54,531,852
592,426	17,294,070		

SCHEDULE - 11

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Use of Estimates

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

Recognition of Income/Expenditure

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

Fixed Assets

Fixed Assets are stated at cost, net of Taxes, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production are capitalized. Capital expenditure on assets not owned by company is reflected in capital work in progress account till the period of completion and thereafter in the fixed assets. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

Intangible Assets

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

Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Inventories

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

Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of the exchange in force at the time transactions are effected. Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are restated

using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognized in the Profit and Loss Account.

Taxation

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

Employee Benefits

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

The company does not have any long term benefit plans.

SCHEDULE - 12 NOTES TO ACCOUNTS

Company Overview

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

Basis of Preparation and Translation into Indian Rupees

- (i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-II as notified under Companies Accounting Standard Rules, 2006 on the 'The Effects of changes in Foreign Exchange Rates'. The functional currency of the Company is United states Dollar(US\$).
- (ii) The translation of Foreign currency into Rs. has been carried out:
 - (a) All Income and expenses are translated at the monthly average rate of exchange prevailing during the year except Depreciation which is calculated on historical cost of assets.
 - (b) All Non- Monetary assets are translated at historical rates and monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
 - (c) Share capital is translated at historical rates.
 - (d) Purchase from holding companies recorded at transaction rate on the date of transaction.
 - (e) The resulting exchange difference arises are charged to Profit and Loss account.

Segment Reporting:
Business Segments (Primary)

The Company operates only in one business segment viz. Telecom Equipment & Accessories. Accordingly there are no reportable business segments.

Geographical Segments (Secondary)

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

			(Rupees)
Revenue from	U.S.A.	Others	Total
External customers	68,684,844	6,629,038	75,313,881
	(74,278,299)	(4,122,291)	(78,400,590)

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

Related Parties (as identified by the management) are classified as:

Holding Company – Shyam Telecom Limited, India

- Key Management Personnel : Mr. B A Majumdar
- Enterprises over which Key Management Personnel and relatives are able to exercise significant influence: Embeem Inc.

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

Summary of significant related party transactions

Description & nature of Transactions	Key Management Personnel and their relatives (US\$)	Key Management Personnel and their relatives (Rupees)	Holding company (US\$)	Holding company (Rupees)	Total (US\$)	Total (Rupees)
Receiving of Goods	-	-	804,936 (1,162,416)	38,377,359 (51,677,973)	804,936 (1,162,416)	38,377,359 (51,677,973)
Loans Taken	-	-	- (690,000)	- (68,347,492)	- (690,000)	- (68,347,492)
Managerial Remuneration BA Majumdar	30,813 (29,370)	1,390,902 (1,496,402)	-	-	30,813 (29,370)	1,390,902 (1,496,402)
Consultancy Charges Embeem Inc	49,500 (52,000)	2,234,430 (2,649,400)	-	-	49,500 (52,000)	2,234,430 (2,649,400)
Sundry Creditors balance as at 31.03.2010	-	-	108,871 (430,740)	4,914,423 (22,276,381)	108,871 (430,740)	4,914,423 (22,276,381)
Advances Balance as at 31.03.2010	-	-	3,712,950 (3,712,950)	167,602,563 (189,174,803)	3,712,950 (3,712,950)	167,602,563 (189,174,803)

Brackets indicate previous year figures

Lease

Operating Lease:

The Company has taken on lease office space, under various operating leases ranging from one month to five years.

The future minimum lease payments and payment profile of operating leases are as follows:

Particulars	Total minimum lease Payments O/s as on 31st March, 2010		Total minimum lease Payments O/s as on 31st March, 2009	
	US\$	RS.	US\$	RS.
Not Later than One Year	23,100	1042734	24,100	12,27,895
Later than one year but not later than five years	Nil	Nil	23100	11,76,945
Later than five years	Nil	Nil	Nil	Nil

Deferred Tax

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

Quantitative details of goods traded

Item		Opening stock	Purchases	Sales	Closing stock
Telecom Equipments	Nos.	1,579	2,819	2,867	1,531
	Amt-Rs.	16,627,717	38,534,516	75,313,881	14,490,801
Previous Year	Nos.	1,015	3,972	3,408	1,579
	Amt-Rs.	14,143,296	51,901,328	73,011,422	16,627,717

Earning Per Share

The components of earnings per share are as follows:

Earning Per share is calculated as follows	31 st March, 2010		31 st March, 2009	
	US\$	Rs.	US\$	Rs.
Net Profit / (Loss) as per Profit and Loss Account	125,273	18,755,949	(186,118)	(26,013,644)
Weighted average outstanding common stock(Nos.)	100	100	100	100
Nominal value of common stock	No Par	No Par	No Par	No Par
Basic and diluted earning per share	1,252.73	187,559.49	(1,861.18)	(260,136.44)

Contingent Liabilities – Rs. Nil

Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

In the opinion of the Board, Current assets, Loans & advances have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

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

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K.MEHRA
Partner
M.No. 6102

B.A.MAJMUDAR
Director

PLACE : NEW DELHI
DATED : 30th July, 2010

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of

SHYAM TELECOM LIMITED

We have audited the attached Consolidated Balance Sheet of Shyam Telecom Limited and its Subsidiary namely Shyam Telecom Inc., USA as at 31 March 2010 and also the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexure thereto. These financial statements of the subsidiary prepared for the purpose of compliance of the provisions of Section 211 & 212 of the Companies Act 1956 is the responsibility of the management and have been considered and included in the consolidated accounts up to the appointed date on the basis of accounts audited by us.

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that:-

- a) The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and on the basis of the separate audited financial statements of the Company and audited financial statements of its subsidiaries included in the consolidated financial statements.
- b) On the basis of the information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true & fair view in conformity with the accounting principles generally accepted in India :-
 - i. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2010;
 - ii. in the case of Consolidated Profit & Loss Account, of the consolidated results of operations of Company and its subsidiaries for the year then ended; and
 - iii. in the case of Consolidated Cash Flow Statement, of the Consolidated cash flow of the Company and its subsidiaries for the year then ended.

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

Place : NEW DELHI
Dated : 30th July, 2010

R. K. MEHRA
Partner
M. No. 6102

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE NO.	AS AT 31-Mar-2010 (Rs.)	AS AT 31-Mar-2009 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
Share Capital	1	112,700,000	112,700,000
Reserves and Surplus	2	276,822,086	300,564,247
LOAN FUNDS	3		
Secured		75,167,484	83,627,165
Unsecured		283,665,000	261,616,158
DEFERRED TAX LIABILITY (Net)		44,201,220	65,119,475
		792,555,790	823,627,045
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		531,475,342	518,887,976
Less : Depreciation		161,783,231	131,065,474
Net Block		369,692,111	387,822,502
Capital Work in Progress		20,490,518	404,580
INTANGIBLE ASSETS (Net)	5	4,058,110	5,549,256
INVESTMENTS	6	25,190,512	25,106,729
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	493,071,210	290,391,709
Sundry Debtors	8	828,809,933	1,068,977,770
Cash & Bank Balances	9	194,445,020	119,876,763
Loans & Advances	10	190,583,611	199,782,441
		1,706,909,774	1,679,028,683
Less : CURRENT LIABILITIES & PROVISIONS	11		
Current Liabilities		1,318,431,835	1,260,631,228
Provisions		15,353,400	13,653,477
		1,333,785,235	1,274,284,705
NET CURRENT ASSETS		373,124,539	404,743,978
		792,555,790	823,627,045
SIGNIFICANT ACCOUNTING POLICIES	15		
NOTES TO ACCOUNTS	16		

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K MEHRA
Partner
M.No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	SCHEDULE NO.	YEAR ENDED 31-Mar-2010 (Rs.)	YEAR ENDED 31-Mar-2009 (Rs.)
INCOME			
Sales & Services		2,984,997,579	1,917,319,768
Less : Excise Duty & Service Tax		33,594,702	43,234,785
Net Sales		2,951,402,877	1,874,084,983
Other Incomes	12	20,156,492	38,365,074
		2,971,559,369	1,912,450,057
EXPENDITURE			
Manufacturing, Administrative & Other Expenditure	13	2,934,748,479	1,861,663,042
Financial Charges	14	45,320,629	37,493,929
Amortisation of Intangible Assets & Miscellaneous Expenditure		4,592,153	4,099,403
		2,984,661,261	1,903,256,374
PROFIT/(LOSS) BEFORE DEPRECIATION & TAX		(13,101,892)	9,193,683
Less : Depreciation		31,351,428	29,713,141
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS & TAX		(44,453,320)	(20,519,458)
Provision for Income Tax			
- Current Tax		100,096	1,405,083
- Deferred Tax		(20,918,255)	78,557
- MAT Credit available for set-off		-	(1,292,374)
- Fringe Benefit tax		107,000	3,590,000
Provision for Wealth Tax		-	93,000
Income Tax for earlier years		-	2,347,785
PROFIT/(LOSS) AFTER TAX & BEFORE EXTRAORDINARY ITEMS		(23,742,161)	(26,741,509)
Extraordinary Items			
Profit on Sale of Land (Net of Tax)		-	5,626,656
		(23,742,161)	(21,114,853)
Add : Profit / (Loss) brought forward		299,064,247	320,179,100
Balance Carried to Balance Sheet		275,322,086	299,064,247
Profit/(Loss) Per Share (Face Value Rs 10 Each) (Refer Note No. 4 of Schedule 16)			
- Basic & Diluted Earning Per Share before extraordinary items		(2.11)	(2.37)
- Basic & Diluted Earning Per Share after extraordinary items		(2.11)	(1.87)

SIGNIFICANT ACCOUNTING POLICIES

15

NOTES TO ACCOUNTS

16

As per our report of even date attached

For **MEHRA GOEL & CO.**

CHARTERED ACCOUNTANTS

R.K MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/(Loss) after Tax and before prior period/ extra ordinary items

Adjustment for :

Depreciation	359.44	338.13
Provision (leave encashment)	17.00	45.04
Interest and financial charges	453.21	374.94
Loss on sale / write off of Fixed Assets	1.78	5.80
Provision for tax	(208.11)	62.22
Bad debts / Provision for doubtful debts / advances	85.16	277.41
Dividend on Investments	(1.72)	(2.85)
Interest Income	(39.37)	(63.01)
Exchange Fluctuation	136.06	(141.56)

Operating profit before working capital change

Adjustment for :

(Increase)/ Decrease in Trade and Other Receivables	2,546.96	(427.31)
(Increase)/ Decrease in Inventories	(2,026.80)	(1,397.10)
Increase /(Decrease) in Trade Payable	21.49	(953.23)

Cash Generated from operations

Direct Taxes Paid

Net Cash (used in) From Operating Activities (A)

1,107.66	(2,148.94)
71.54	(75.49)
1,179.20	(2,224.43)

B CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets including Capital Work in Progress

Sale of Fixed Assets

Dividend on Investments

Sale of investment / Advance for Investment in subsidiaries (Net)

Interest received

Net cash (used in) / from investing activities (B)

(368.17)	(347.27)
2.31	78.72
1.72	2.85
(0.84)	-
39.37	63.01
(325.61)	(202.69)

C CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Long-term borrowing

Repayment of term loan to Banks

Short-term borrowing (Net)

Interest & Financial Charges

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

2,048.00	1,417.51
(1,869.16)	(487.61)
(42.95)	(373.33)
(243.80)	(262.87)
(107.91)	293.70

Net increase/(Decrease) in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the Period

Cash and cash equivalents at the end of the Period

745.68	(2,133.42)
1,198.77	3,332.19
1,944.45	1,198.77

Notes :

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

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K MEHRA
Partner
M.No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	AS AT 31-Mar-2010 (Rs.)	AS AT 31-Mar-2009 (Rs.)
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED		
50,000,000 Equity Shares of Rs. 10/- each	500,000,000	500,000,000
2,500,000 Preference Shares of Rs 100/- each.	250,000,000	250,000,000
	750,000,000	750,000,000
ISSUED SUBSCRIBED AND PAID UP		
11,270,000 Equity Shares of Rs 10/- each, fully paid up	112,700,000	112,700,000
	112,700,000	112,700,000
SCHEDULE - 2 RESERVES & SURPLUS		
Investment Subsidy	1,500,000	1,500,000
Profit & Loss Account		
- Balance transferred from Profit & Loss account	275,322,086	299,064,247
	276,822,086	300,564,247
SCHEDULE - 3 LOAN FUNDS		
SECURED LOANS		
Term Loans		
- Vehicle Loans(*) (#)	2,903,429	6,176,143
- Corporate Bodies (*)	-	891,968
- Cash Credit (**)	72,264,055	76,559,054
	75,167,484	83,627,165
UNSECURED LOANS		
- From Bank	-	26,251,158
- From Corporate Bodies	283,665,000	235,365,000
	283,665,000	261,616,158

(*) Secured by hypothecation of specific Assets.

(**) Secured by way of first charge on Stock and Book Debts of the Company and second charge on Movable and Immovable Fixed Assets of the Company, on Pari Passu basis among member banks and personal guarantee of Three Promoter Directors.

(#) Includes Rs.29.03 Lacs (Previous Year Rs 61.76 Lacs) from banks.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

SCHEDULE - 4 FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01-4-2009 (Rs.)	Additions (Rs.)	Deletions/ Adjustments (Rs.)	As At 31-3-2010 (Rs.)	As At 01-4-2009 (Rs.)	For the Year (Rs.)	Deletions/ Adjustments (Rs.)	As At 31-3-2010 (Rs.)	As At 31-3-2010 (Rs.)	As At 31-3-2009 (Rs.)
Land Free Hold	177,150	-	-	177,150	-	-	-	-	177,150	177,150
Leasehold Land	6,719,694	1,632,735	-	8,352,429	-	-	-	-	8,352,429	6,719,694
Building	44,474,745	-	-	44,474,745	6,783,284	1,485,456	-	8,268,740	36,206,005	37,691,461
Plant & Machinery	397,534,916	3,333,955	675,069	400,193,802	105,526,811	24,154,873	453,521	129,228,163	270,965,639	292,008,105
Electric Installation	11,874,790	27,193	-	11,901,983	998,649	721,676	-	1,720,325	10,181,658	10,876,141
Furniture & Fixture	15,380,841	4,464,349	-	19,845,190	5,681,366	1,129,659	-	6,811,025	13,034,165	9,699,475
Vehicles	24,060,802	701,342	367,191	24,394,953	7,163,848	2,310,583	180,150	9,294,281	15,100,672	16,896,954
Office Equipment	14,666,835	1,980,422	-	16,647,257	3,157,491	912,108	-	4,069,599	12,577,658	11,509,344
Computer Lease hold	3,998,203	(3,998,203)	-	-	1,754,025	(1,754,025)	-	-	-	2,244,178
Computer	-	5,487,833	-	5,487,833	-	2,391,098	-	2,391,098	3,096,735	-
TOTAL	518,887,976	13,629,626	1,042,260	531,475,342	131,065,474	31,351,428	633,671	161,783,231	369,692,111	387,822,502
Previous Year figures :	495,542,562	28,549,910	5,204,496	518,887,976	103,731,319	29,713,141	2,378,986	131,065,474	387,822,502	

CAPITAL WORK IN PROGRESS

(Unsecured , Considered Good)

TOTAL

20,490,518	404,580
20,490,518	404,580

Note : Capital Work in Progress Includes advance for capital expenditure. (Unsecured, Considered Good.)

SCHEDULE - 5 INTANGIBLE ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01-04-2009 (Rs.)	Additions (Rs.)	Deletions/ Adjustments (Rs.)	As At 31-3-2010 (Rs.)	As At 01-4-2009 (Rs.)	For the Year (Rs.)	Deletions/ Adjustments (Rs.)	As At 31-3-2010 (Rs.)	As At 31-3-2010 (Rs.)	As At 31-3-2009 (Rs.)
Software	19,473,194	3,101,007	-	22,574,201	13,923,938	4,592,153	-	18,516,091	4,058,110	5,549,256
TOTAL	19,473,194	3,101,007	-	22,574,201	13,923,938	4,592,153	-	18,516,091	4,058,110	5,549,256
Previous Year figures :	13,700,587	5,772,607	-	19,473,194	9,824,535	4,099,403	-	13,923,938	5,549,256	

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 6 INVESTMENTS

NON TRADE-QUOTED

Long Term

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

141,427 Equity Shares of Rs 10/- Each of Spanco Limited

486,667 Equity Shares of Rs.10/- each fully paid up in Sparsh BPO Services Ltd.

TRADE -UNQUOTED

292,544 Equity Shares of Rs.10/- each of Sistema Shyam Teleservices Ltd.

SHORT TERM

80.63 Units, UTI Treasury Advantage Fund

AS AT
31-Mar-2010
(Rs.)

AS AT
31-Mar-2009
(Rs.)

33,000

33,000

5,232,799

5,232,799

18,006,679

18,006,679

1,834,251

1,834,251

83,783

-

25,190,512

25,106,729

SCHEDULE - 7 INVENTORIES

(As taken, valued and certified by the Management)

Raw Material

137,402,141

136,685,367

Finished Goods

309,854,175

132,216,236

Work In Process

34,001,368

20,450,841

Packing Material

473,753

154,972

Stores

1,017,081

264,584

Material In Transit

10,322,692

619,709

493,071,210

290,391,709

SCHEDULE - 8 SUNDRY DEBTORS

Debts Outstanding for over 6 months

Unsecured & Considered Good

479,676,615

499,328,570

Unsecured & Considered doubtful

7,642,329

14,904,887

487,318,944

514,233,457

Less : Provision for doubtful debts

7,642,329

14,904,887

Others debts

Unsecured & Considered Good

349,133,318

569,649,200

828,809,933

1,068,977,770

SCHEDULE - 9 CASH & BANK BALANCES

Cash in Hand

1,707,251

860,957

Balance With Scheduled Banks in :

- Fixed Deposits / Margin Money (*) (including interest accrued)

113,519,140

61,827,019

- Current Account

74,904,806

54,903,876

Balance With Other Banks in :

- Current Account

4,313,823

2,284,911

(*) under bank lien as margin Money

194,445,020

119,876,763

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 10 LOANS & ADVANCES

(Unsecured, Considered Good unless otherwise stated)

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

Considered Good

AS AT
31-Mar-2010
(Rs.)

AS AT
31-Mar-2009
(Rs.)

117,463,020

132,925,405

117,463,020

132,925,405

Security Deposits

13,428,386

12,832,923

Cenvat Receivable

42,764,922

29,961,322

Balance with Excise Department

37,402

12,077

Advance Tax (Net)

15,597,507

22,758,340

MAT Credit available

1,292,374

1,292,374

190,583,611

199,782,441

SCHEDULE - 11 CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

661,674,016

722,367,999

Advances and Deposits From Customers and Others

590,610,227

491,157,929

Other Liabilities

265,786

950,804

Book Overdraft

-

1,099,951

Due to Directors

4,514

5,095

Interest Accrued but not due on loans

65,877,292

44,937,360

Provision for Tax (Net)

-

112,090

1,318,431,835

1,260,631,228

PROVISIONS

Leave Encashment

10,061,654

8,835,623

Retirement Benefits

5,291,746

4,817,854

15,353,400

13,653,477

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	YEAR ENDED 31-Mar-2010 (Rs.)	YEAR ENDED 31-Mar-2009 (Rs.)
SCHEDULE - 12 OTHER INCOMES		
Interest On Deposits	3,937,076	6,301,405
Dividend on Non Trade Long term Investments	171,928	284,502
Exchange rate Fluctuation (Net)	10,612,282	-
Miscellaneous Income	5,435,206	31,779,167
	20,156,492	38,365,074

SCHEDULE - 13 MANUFACTURING, ADMINISTRATIVE & OTHER EXPENDITURE

Material Consumed	267,127,910	202,721,357
Purchase of Goods Traded	2,454,012,078	1,388,667,646
Projects Services, Software & Software Systems	-	661,647
Stores & Spares Consumed	2,696,497	6,271,222
Power & Fuel	6,907,694	7,353,915
Manufacturing Expenses	12,359,708	6,208,403
Excise Duty on Closing Stock (Finished Goods)	(763,940)	1,327,589
Salary, Wages & Bonus	129,554,999	114,969,292
Employer's Contribution to P.F. & Other Fund	7,544,858	5,958,583
Staff Welfare	9,863,595	9,586,434
Repair to:		
- Plant & Machinery	1,928,974	1,804,394
- Building	4,983,390	10,407,076
Auditor's Remuneration :		
- Audit Fee	783,488	791,374
- Tax Audit Fee	150,000	150,000
- Other	216,000	217,864
Communication Expenses	10,001,535	11,093,565
Printing & Stationery	2,067,978	1,872,472
Travelling & Conveyance	32,103,173	35,868,901
Rates & Taxes	1,926,118	6,527,247
Insurance	5,383,167	2,558,156
Rent and utilities	15,838,129	13,440,557
Directors Sitting Fee	56,000	46,000
Advertisement & Publicity	34,917,998	14,031,257
Dealers commission	1,304,711	616,622
Packing & Forwarding	25,807,676	13,177,134
Prior Period Adjustments (Net)	-	2,733,973
Bad debts written off (Net)	20,632,854	25,126,867
Add/(Less) : Provision for Doubtfull Debts	(6,726,577)	2,630,991
Legal & Professional Charges	40,634,084	33,904,190
Foreign Consultancy Charges	4,999,876	3,540,230
Other Administrative Charges	24,171,220	25,411,869
Loss on Sale/write off of Assets (Net)	177,862	579,679
Discount on Sales	26,000,000	-
Exchange Rate Difference arises on Conversion	(10,724,110)	13,500,419
	3,125,936,945	1,963,756,925
Add / Less Decrease / Increase in Stocks :		
Add : Opening Stock :		
Work In Process	20,450,841	19,234,253
Finished Goods	132,216,236	31,338,941
Less : Closing Stock:		
Work in Process	34,001,368	20,450,841
Finished Goods	309,854,175	132,216,236
	2,934,748,479	1,861,663,042

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE -14 FINANCIAL CHARGES

Interest on

- Fixed Period Loans

- Others

Bank Charges and commission

YEAR ENDED
31-Mar-2010

(Rs.)

3,380,312

33,320,816

8,619,501

45,320,629

YEAR ENDED
31-Mar-2009

(Rs.)

2,316,484

27,931,631

7,245,814

37,493,929

SCHEDULE – 15 SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF CONSOLIDATION

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

A. BASIS OF ACCOUNTING

- The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2010.
- The financial statements of the Company and subsidiary company have been prepared in accordance with the applicable Accounting Standards.

B. USE OF ESTIMATES

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

C. PRINCIPLES OF CONSOLIDATION

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

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

D. INFORMATION ON SUBSIDIARY COMPANIES

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

Name of the Company	Country of Incorporation	% of voting power held As at March 31, 2010
Shyam Telecom Inc.	USA	100

2. BASIS FOR PREPARATION OF ACCOUNTS

The Financial Statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards and the provisions of Companies Act, 1956.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. FIXED ASSETS

Fixed Assets are stated at cost, net of VAT/ CENVAT, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized. Capital expenditure on assets not owned by company is reflected in capital work in progress account till the period of completion and thereafter in the fixed assets. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue.

4. EXPENDITURE INCURRED DURING THE CONSTRUCTION PERIOD

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

5. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Individual assets costing Rs.5000 or less are depreciated in full in the year of purchase. Leasehold land for lease period below 90 years is amortised over the period of lease from the date of commencement of commercial operations.

6. INTANGIBLE ASSETS

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

Computer Software is capitalised on the date of installation and is amortised over a period of 3 years.

7. IMPAIRMENT

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

8. INVESTMENTS

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

9. INVENTORY VALUATION

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

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

10. FOREIGN CURRENCY TRANSACTIONS

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

11. REVENUE RECOGNITION

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

Revenue in respect of long-term turnkey works contracts is recognized under percentage of completion method, subject to such contracts having progressed to a reasonable extent.

12. INCOME ON INVESTMENTS

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

13. BORROWING COST

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

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

14. LEASES

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

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

15. PRODUCT WARRANTY EXPENSES

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

16. EMPLOYEES BENEFITS

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

17. CLAIMS

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

18. DERIVATIVE

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

19. TAXATION

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

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

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

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

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

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

22. PROPOSED DIVIDEND

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

23. CENVAT / VAT

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

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lacs)

SCHEDULE - 16 NOTES TO ACCOUNTS

	YEAR ENDED 31-Mar-2010	YEAR ENDED 31-Mar-2009
1 Contingent liabilities :		
i) Claim against the company not acknowledged as debt	108.13	108.13
ii) Outstanding Guarantee Issued by Banks	690.87	276.49
iii) Letter of Credits issued by the Banks (Agst. which Goods have not been despatched)	1,160.70	1,532.32
2 Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	133.45
3 Bad debts debited to accounts include :		
Debit balances written off	206.33	254.17
Credit balances written off	-	2.90
Net	206.33	251.27
4 Earnings per share (Basic and Diluted) :		
Opening Number of Shares	11,270,000	11,270,000
Closing Number of Shares	11,270,000	11,270,000
Weighted Average number of shares outstanding	11,270,000	11,270,000
Profit /(Loss)after Tax before extra ordinary items (Rs. In Lacs)	(237.42)	(267.42)
Profit/ (Loss)after Tax after extra ordinary items (Rs. In Lacs)	(237.42)	(211.15)
Basic & Diluted Earning Per Share (Rs.)		
- Before extra ordinary items	(2.11)	(2.37)
- After extra ordinary items	(2.11)	(1.87)

5 DEFERRED INCOME TAX

(Rs. in Lacs)

The deferred tax liability at the year end comprise of the following :	As at 31-03-2010		As at 31-03-2009	
Deferred Tax Liability on account of;				
Timing difference between book & Tax Depreciation	711.36		733.65	
Deferred Revenue Expenditure	-	711.36	-	733.65
Deferred Tax assets on account of;				
Disallowance under Section 43B	51.45		48.57	
Others	217.90	269.35	33.89	82.46
Net deferred tax liability		442.01		651.19

6 RELATED PARTY INFORMATION RELATIONSHIP

- Key Management Personnel : Mr. K. N. Mehrotra , Mr. Rajiv Mehrotra , Mr Alok Tondon, Mr. Ajay Khanna, and Mr. B A majumdar [Previous year Mr. K. N. Mehrotra , Mr. Rajiv Mehrotra , Mr Alok Tondon ,Mr. Ajay Khanna, and Mr. B A Majumdar]
- Enterprises over which Key Management Personnel and relatives are able to exercise significant influence: Shyam Antenna Electronics Ltd., Intercity Cable System Pvt. Ltd, Shyam Communication Systems, Shyam Basic Infrastructures Projects Pvt. Ltd, Shyam Telecom Systems Pvt. Ltd, A.T. Invofin India Pvt Ltd, Cell cap Invofin India Pvt Ltd, Intell Invofin India Pvt Ltd, Shyam Digital Communications Pvt Ltd, Sistema Shyam Teleservices Limited, Ubico Networks Pvt. Ltd., RMS Automation Systems Ltd., Spectranet Pvt Ltd., Vihaan Networks Ltd., Embeem Inc.

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

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Transactions with the above related parties are as follows:

(Rs in Lacs)

PARTICULARS	Key Management Personnel	Enterprises over which they have significant influence	Grand Total
1 Sale of Products/Services	-	13,277.56	13,277.56
	-	1,901.43	1,901.43
2 Sale of Investments/Land	-	-	-
	-	77.25	77.25
3 Purchase of Goods	-	1,682.00	1,682.00
	-	-	-
4 Managerial Remuneration	13.91	-	13.91
	14.96	-	14.96
5 Consultancy Charges	22.34	-	22.34
	26.49	-	26.49
6 Assignment of Key Man Insurance Policy	-	-	-
	200.00	-	200.00
7 Interest Accrued	-	232.67	232.67
	-	149.15	149.15
8 Rent Agreements (Paid)	1.20	41.14	42.34
	1.20	41.41	42.61
9 Rent Agreements (Received)	-	13.51	13.51
	-	-	-
10 Loan Taken	-	2,048.00	2,048.00
	-	1,155.00	1,155.00
11 Repayment of Loan	-	1,565.00	1,565.00
	-	73.85	73.85
Out standings ;			
12 Receivables	-	8.77	8.77
	-	327.40	327.40
13 Payables	-	3,470.96	3,470.96
	-	2,978.16	2,978.16
14 Loans	-	2,836.65	2,836.65
	-	2,353.65	2,353.65

7 Operating Leases

Where the company is a lessee

Operating Lease :

The Company (Shyam Telecom Inc.) takes on lease office space, under various operating leases ranging from one month to five years.

Future lease receipts under operating leases are as follows:

(Rs in Lacs)

	March 31,2010	March 31,2009
Payable not later than one year	10.43	12.28
Later than one year but not later than five years	-	11.77
later than five years	-	-
Total	10.43	24.05

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8 SEGMENT INFORMATION FOR THE YEAR ENDED ON 31ST MARCH, 2010

The Company and its subsidiaries operations predominantly relate to providing Telecommunication and information technology services. The company has considered business segment as the primary segment and geographical segment as secondary segment for disclosure. The segments have been identified taking into account the nature of the products, the deferring risk and returns, the organisation structure and internal reporting system. The subsidiary (Shyam Telecom, Inc. USA) caters the needs of American market and other countries Viz, Latin America, Canada etc. based on this secondary segment is identified as Geographical Segment. The Telecom products & Services segment comprise of manufacturing and services in the related area. Turnkey Projects and trading services segment includes the turnkey Projects and Trading in Telecom Products. Software Products & services segment includes the services in the area including software and Information Technology related and Information technology enabled services.

Revenue & expenditure which relates to enterprises as a whole and are not attributable to segments are included in unallocable expenditure (Net of unallocable income). Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segment except basic telephony services and internet services, as all the assets and services are used interchangeably between segments, The Company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is onerous except basic telephony services.

Business Segments (Primary)

(Rs in Lacs)

Segment Reporting	Telecom Products and Services	Turnkey Projects and Trading	Investment	Unallocable	Total
Segment Revenue					
Gross Sales / Income From Operations	8,231.44 7,058.27	21,666.36 12,199.36	1.72 2.85	- -	29,899.52 19,260.48
Less : Inter / Intra Segment Sales and services	383.77 516.78	- -	- -	- -	383.77 516.78
Total Revenue	7,847.67 6,541.49	21,666.36 12,199.36	1.72 2.85	- -	29,515.75 18,743.70
Segment Results					
Profit / (Loss) before Depreciation (Except directly attributed), Amortisation, Interest, Tax and unallocable overheads)	813.80 332.08	73.76 190.04	1.72 2.85	- -	889.28 524.97
Less : Depreciation & Amortisation	- -	- -	- -	359.44 338.13	359.44 338.13
Interest & Financial Charges	- -	- -	- -	453.21 374.94	453.21 374.94
Other un-allocable Expenditure (Net of un-allocable Income)	- -	- -	- -	521.16 (39.17)	521.16 (39.17)
Profit / (Loss) Before Tax	- -	- -	- -	-	(444.53) (148.93)
Taxes	- -	- -	- -	-	(207.11) 62.22
Net profit / (Loss) after taxes	- -	- -	- -	-	(237.42) (211.15)

- 9 In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer.

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

A. Provident Fund

During the year the Company has recognized Rs. 51.69 lacs (Previous year Rs. 49.31 Lacs) in the Profit and Loss account.

B. State Plans

Employer's contribution to Employee State insurance and to Welfare Fund

During the year the Company has recognised Rs. 3.92 lacs (Previous year Rs. 4.65 Lacs) towards contribution to ESI and welfare fund, in the Profit and Loss accounts.

C. Defined Benefit Plans

The actuarial valuation carried out is based on following assumption:

- Leave Encashment/ Compensated Absence
- Contribution to Gratuity Fund - Employee's Gratuity Fund.

In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

i) Actuarial Assumptions

Discount Rate (per annum)	8.00%	8.00%	7.50%	7.50%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	-	9.15%	-	8.50% / 9.00%

ii) Change in the obligation during the year ended 31st March, 2010

	Current Year	Current Year	Previous Year	Previous Year
	Leave Encashment/Compensated Absence	Employee Gratuity Fund	Leave Encashment/Compensated Absence	Employee Gratuity Fund
	(Rs In Lacs)	(Rs In Lacs)	(Rs In Lacs)	(Rs In Lacs)
Present value obligation as at 31 st March, 2009	87.51	82.56	42.61	83.64
Impact of Transition provision of AS-15	-	-	-	-
Interest cost	6.56	6.19	3.36	6.69
Past Service cost	-	2.18	-	-
Current service cost	20.11	14.02	18.87	12.12
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(3.83)	(13.99)	(5.19)	(13.53)
Actuarial (gain)/ loss on Obligations	(9.74)	(0.11)	28.71	(6.36)
Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	82.56
Receivable from other company's fund	-	-	-	(4.76)
Net Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	77.80

iii) Change in fair value plan Assets

Fair value of Plan Assets as at 31 st March, 2009	-	28.97	-	29.99
Expected return on Plan Assets	-	2.59	-	2.40
Contributions	-	20.18	-	7.72
Benefits Paid	-	(13.98)	-	(13.52)
Actuarial gain/ (loss) on Obligations	-	0.18	-	(0.23)
Fair value of Plan Assets as at 31 st March, 2010	-	37.94	-	26.36

iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets

Present value obligation as at 31 st March, 2010	100.61	90.85	88.36	77.80
Fair value of Plan Assets as at 31 st March, 2010	-	37.94	-	26.36
Funded Status	(100.61)	(52.91)	(88.36)	(51.44)
Present value of un-funded obligation as at 31 st March, 2010	-	-	-	-
Un-recognized Actuarial (gains)/ losses	-	-	-	0.20
Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	(100.61)	(52.91)	(88.36)	(51.44)

v) Expenses recognised in Profit and Loss Account

Current service cost	20.11	14.02	18.87	12.12
Past Service cost	(0.36)	4.89	-	-
Interest cost	6.56	6.19	3.36	6.69
Expected return on Plan Assets	-	(2.59)	-	(2.40)
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(9.74)	(0.30)	28.71	(6.13)
Received / Receivable from other company's fund	-	-	-	4.76
Net Expense recognised in Profit and Loss Account	16.57	22.21	50.94	15.04

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 10** Some of the personal accounts are subject to adjustments / reconciliation / confirmation .
- 11** In the opinion of Board of Directors 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.
- 12** Figures pertaining to the holding company or subsidiaries have been reclassified wherever necessary to bring them in line for preparation of consolidated financial statements.
- 13** Previous year figures have been regrouped/reclassified wherever considered necessary

As per our report of even date attached

For **MEHRA GOEL & CO.**
CHARTERED ACCOUNTANTS

R.K MEHRA
Partner
M. No. 6102

RAJIV MEHROTRA
Chairman & Managing Director

AJAY KHANNA
Managing Director

ALOK TANDON
Managing Director

PLACE : NEW DELHI
DATED : 30th July, 2010

UMESH GARG
Chief Financial Officer

DHARMENDER DHINGRA
Vice President (Legal) & Company Secretary

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

TIME: 10.00 AM

DAY & DATE: MONDAY, 27TH SEPTEMBER, 2010

VENUE : HOTEL THE FERN, PLOT NO. 3, AIRPORT PLAZA, TONK ROAD, DURGPURA,
JAIPUR-302018, RAJASTHAN, INDIA

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **SHYAM TELECOM LIMITED** will be held at Hotel The Fern, Plot No. 3, Airport Plaza, Tonk Road, Durgpura, Jaipur-302018, Rajasthan (India), on Monday, 27th September, 2010 at 10.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and Profit and Loss Account for the period ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Rajiv Mehrotra, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Alok Tandon, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Arun Khanna, who retires by rotation and being eligible, offers himself for reappointment.
5. To re-appoint M/s Mehra Goel & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and authorize the Audit Committee of the Board / Board of Directors to fix their remuneration.

By Order of the Board of Directors
For SHYAM TELECOM LIMITED

Sd/-

DHARMENDER DHINGRA

Vice President (Legal)
& Company Secretary

Place : New Delhi

Date : 30th July, 2010

Registered Office:

MTS TOWER, 3, AMRAPALI CIRCLE
VAISHALI NAGAR, JAIPUR-302021
RAJASTHAN (INDIA)

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

An instrument appointing a proxy should be duly completed, stamped and signed, and must be sent so as to reach the company's Registered Office not less than 48 hours before the time scheduled for the commencement of the meeting.

2. Please bring the Admission Slip duly filled-in and hand over the same at the entrance of the Meeting Hall.
3. The Register of Members and Share Transfer Books of the company will remain closed from 23rd September, 2010 (Thursday) to 27th September, 2010 (Monday) (both days inclusive).
4. Members desirous of getting any information from the company are requested to send their queries to the company at its Registered Office well in advance so that the same may reach at least 7 days before the date of the Meeting to enable the management to keep the required information readily available at the meeting.
5. As a measure of economy, members are requested to bring their copy of the Annual Report to the meeting.
6. Members are requested to immediately intimate the change of their address, if any, along with pin-code numbers with the Registered Office of the company quoting their Folio Numbers and members holding shares in electronic form may inform the same to their Depository Participants.
7. Pursuant to Section 205A of the Companies Act, 1956, all the unclaimed/unpaid Dividend for and up to 2000-01 declared have been transferred to Investor Education & Protection Fund. The last dividend declared on 21st January, 2002 for the year 2000-01 was also transferred to Investor Education & Protection Fund on 22nd January, 2009.
8. Brief resume and other requisite information of Mr. Rajiv Mehrotra, Mr. Alok Tandon and Mr. Arun Khanna are given in the Report of Corporate Governance, as required under Clause 49 of the Listing Agreement. Further, all three Directors have filed Form No. 'DD-A' with the company as required by the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 and have confirmed that they are not disqualified for re-appointment as Directors of the company.
9. The Shares of the Company are at present listed on two Stock Exchanges viz, Bombay Stock Exchange and National Stock Exchange. Listing Fees to all the Stock Exchanges had been paid up to 31st March, 2011.

By Order of the Board of Directors
For SHYAM TELECOM LIMITED

Sd/-

DHARMENDER DHINGRA

Vice President (Legal)
& Company Secretary

Place : New Delhi

Date : 30th July, 2010

Registered Office:

MTS TOWER, 3, AMRAPALI CIRCLE
VAISHALI NAGAR, JAIPUR-302021
RAJASTHAN (INDIA)

ATTENDANCE SLIP



SHYAM TELECOM LIMITED

REGISTERED OFFICE: MTS TOWER, 3, AMRAPALI CIRCLE, VAISHALI NAGAR, JAIPUR-302021, RAJASTHAN (INDIA)

17th Annual General Meeting

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

D.P.Id*

L.F.No.

Client Id*

No. of Shares held :

NAME OF THE SHAREHOLDER / PROXY

ADDRESS

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company held on Monday, the 27th September, 2010 at 10.00 A.M. at HOTEL THE FERN, Plot No. 3, Airport Plaza, Tonk Road, Durgpura, Jaipur-302018, Rajasthan (India).

* Applicable for holding in electronic form.

SIGNATURE OF THE SHAREHOLDER/PROXY



SHYAM TELECOM LIMITED

REGISTERED OFFICE: MTS TOWER, 3, AMRAPALI CIRCLE, VAISHALI NAGAR, JAIPUR-302021, RAJASTHAN (INDIA)

17th Annual General Meeting

PROXY

D.P.Id*

L.F.No.

Client Id*

No. of Shares held :

I/We being a member / members of Shyam Telecom Limited hereby appoint of or failing him of

as my/our proxy to vote for me/us and on my/our behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 27th September, 2010 at 10.00 A.M. at HOTEL THE FERN, Plot No. 3, Airport Plaza, Tonk Road, Durgpura, Jaipur-302018, Rajasthan (India) or at any adjournment thereof.

Signed this day of 2010

Affix a
1.00 Rupee
Revenue
Stamp

* Applicable for holding in electronic form.

Note : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajiv Mehrotra	Chairman & Managing Director
Mr. Ajay Khanna	Managing Director
Mr. Alok Tandon	Managing Director
Mr. Achintya Karati	Director
Mr. Ravi Kant Jaipuria	Director
Dr. Vinod Juneja	Director
Mr. P. K. Bhatia	Director
Mr. C. S. Malhotra	Director
Mr. Arun Khanna	Director
Mr. N. Kumbhat	Director

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Mr. Dharmender Dhingra

AUDITORS

M/s Mehra Goel & Co.
Chartered Accountants,
505, Chiranjiv Towers,
43, Nehru Place,
New Delhi-110019, India.

BANKERS

United Bank of India
Bank of Baroda
State Bank of India

REGISTRAR AND TRANSFER AGENTS

Indus Portfolio Pvt. Ltd.
G-65, Bali Nagar
New Delhi-110015, India
E-mail: rnt@indusinvest.com
Ph.: 91-11-47671200, 47671214
Fax: 91-11-25449863

DEPOSITORY

● **National Securities Depository Ltd.**

4th Floor, Trade World,
Kamla Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai-400013, India
Ph.: 91-22-24994200
Fax: 91-22-24972993/24976351

● **Central Depository Services (India) Ltd.**

Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai-400 001, India
Ph.: 91-22-22723333-3224
Fax: 91-22-22723199/22722072

EQUITY SHARES LISTING

Equity Shares of the Company are listed at BSE & NSE.

REGISTERED OFFICE

MTS Tower, 3, Amrapali Circle,
Vaishali Nagar, Jaipur 302021
Rajasthan, India
Ph.: 91-141-5100343
Fax: 91-141-5100310

CORPORATE OFFICE

A-60, Naraina Industrial Area,
Phase-I
New Delhi-110028, India
Ph.: 91-11-41411071/72/73
Fax: 91-11-25792194