

**Corporate Office :**

A-60, Naraina Industrial Area, Phase-I,

New Delhi-110 028 INDIA

TEL. : 91-11-41411070 / 71 / 72

FAX : 91-11-25792194

E-mail : investors@shyamtelecom.com

Website : www.shyamtelecom.com

**SHYAM**  
TELECOM LTDThe Stock Exchange, Mumbai  
Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001The National Stock Exchange of India Ltd.  
"Exchange Plaza", Bandra – Kurla Complex  
Bandra (E), Mumbai-400 051

STL/CS/9247/2016

28<sup>th</sup> May, 2016

**SUB: INTIMATION ABOUT THE ITEMS CONSIDERED IN THE BOARD MEETING  
HELD ON 28<sup>TH</sup>, MAY, 2016 AND COMPLIANCE OF REGULATION 29 AND READ  
WITH REGULATION 33 OF SEBI (LODR) REGULATIONS, 2015**

Sir,

This is to inform you that pursuant to the provisions of the Regulation 29 and read with Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we inform you that in the Board Meeting held today i.e. Saturday, 28<sup>th</sup> May, 2016, the Audited Financial Results for the Quarter ended 31<sup>st</sup> March, 2016 and the Audited Standalone Financial Results of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, were considered, approved and taken on record, amongst other business. We are enclosing herewith the Statement of Audited Financial Results for the Quarter ended 31<sup>st</sup> March, 2016 and Audited Standalone for the year ended 31<sup>st</sup> March, 2016 along with the Statement of Assets & Liabilities, Declaration under SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016, Form A and Independent Auditor Report on the same.

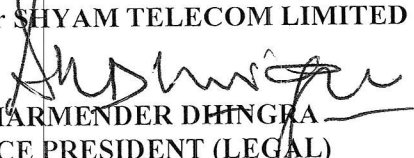
The said results will be published in one English Daily and a Hindi newspaper within 48 hours of the conclusion of this Board Meeting in accordance with the provisions contained in the SEBI(LODR) Regulation 2015.

This is for your information /records and circulation to the members of the Exchange.

Thanking You

Yours Sincerely

For SHYAM TELECOM LIMITED

  
DHARMENDER DHINGRA  
VICE PRESIDENT (LEGAL)  
& COMPANY SECRETARY

- Encl: (1) Audited Financial Results for the Quarter ended 31<sup>st</sup> March, 2016 and Audited Standalone Financial Results for the year ended 31<sup>st</sup> March, 2016 along with the Statement of Assets & Liabilities.  
(2) Declaration under SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016  
(3) Form A  
(4) Independent Auditor Report

**Regd. Office :** MTS Tower, 3, Amrapali Circle, Vaishali Nagar, Jaipur-302021 (RAJASTHAN) INDIA  
Phone : 91- 0141- 5100343 Fax : 91 - 0141 - 5100310  
CIN : L32202RJ1992PLC017750

# SHYAM TELECOM LIMITED

REGD. OFFICE : MTS TOWER, 3, AMRAPALI CIRCLE, VAISHALI NAGAR, JAIPUR - 302021, RAJASTHAN, INDIA

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND YEAR ENDED 31ST MARCH, 2016

Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.

(Rs. in Lacs)

| S NO. | PARTICULARS                                                                                             | Standalone Results |                 |                   |                  |
|-------|---------------------------------------------------------------------------------------------------------|--------------------|-----------------|-------------------|------------------|
|       |                                                                                                         | Quarter Ended      |                 | Year Ended        |                  |
|       |                                                                                                         | Audited            | Unaudited       | Audited           | Audited          |
|       |                                                                                                         | 31-Mar-16          | 31-Dec-15       | 31-Mar-15         | 31-Mar-16        |
|       |                                                                                                         |                    |                 |                   | 31-Mar-15        |
| 1     | <b>PART - I</b>                                                                                         |                    |                 |                   |                  |
| 2     | Net Sales/Income from Operations (Net of Excise Duty)                                                   | 5,133.50           | 5,331.13        | 8,658.46          | 24,348.80        |
| 3     | Other Operating Income                                                                                  | -                  | -               | 11.02             | 6.61             |
| 4     | <b>Total Income from Operations (Net) (1+2)</b>                                                         | <b>5,133.50</b>    | <b>5,331.13</b> | <b>8,669.48</b>   | <b>24,355.41</b> |
|       | <b>Expenditure</b>                                                                                      |                    |                 |                   |                  |
| 5     | (a) Cost of Materials Consumed                                                                          | -                  | -               | 402.02            | 591.49           |
| 6     | (b) Purchase of Stock-In-Trade                                                                          | 5,608.38           | 4,030.04        | 10,317.50         | 19,121.00        |
| 7     | (c) Changes in Inventories of Finished Goods Work-in-progress and Stock-In-trade                        | (697.21)           | 1,092.64        | (2,487.63)        | 4,179.34         |
| 8     | (d) Employees benefits expenses                                                                         | 76.44              | 98.92           | 154.05            | 363.96           |
| 9     | (e) Depreciation and amortisation expenses                                                              | 10.78              | 11.37           | 67.13             | 64.67            |
| 10    | (f) Other Expenses                                                                                      | 211.06             | 288.41          | 1,312.87          | 1,524.96         |
| 11    | <b>TOTAL</b>                                                                                            | <b>5,209.45</b>    | <b>5,521.38</b> | <b>9,765.94</b>   | <b>25,253.93</b> |
| 12    | <b>Profit / (Loss) from Operations before Other Income, Finance costs &amp; Exceptional Items (3-4)</b> | <b>(75.95)</b>     | <b>(190.25)</b> | <b>(1,096.46)</b> | <b>(898.52)</b>  |
| 13    | Other Income                                                                                            | 19.83              | 12.82           | 71.41             | 60.99            |
| 14    | <b>Profit/ (Loss) from ordinary activities before Finance costs &amp; Exceptional Items (5+6)</b>       | <b>(56.12)</b>     | <b>(177.43)</b> | <b>(1,025.05)</b> | <b>(837.53)</b>  |
| 15    | Finance Costs                                                                                           | 1.08               | 0.69            | 5.87              | 4.55             |
| 16    | <b>Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (7-8)</b>  | <b>(57.20)</b>     | <b>(178.12)</b> | <b>(1,030.92)</b> | <b>(842.08)</b>  |
| 17    | Exceptional Items - Refer note (9)                                                                      | -                  | -               | 2,155.85          | -                |
| 18    | Prior Period Expenses                                                                                   | -                  | -               | -                 | 13.59            |
| 19    | <b>Profit / (Loss) from Ordinary Activities before tax (9-10)</b>                                       | <b>(57.20)</b>     | <b>(178.12)</b> | <b>(3,186.77)</b> | <b>(842.08)</b>  |
| 20    | Tax expense                                                                                             | (45.03)            | 2.90            | 24.93             | (42.76)          |
| 21    | <b>Net Profit / (Loss) from Ordinary Activities after tax (11-12)</b>                                   | <b>(12.17)</b>     | <b>(181.02)</b> | <b>(3,211.70)</b> | <b>(799.32)</b>  |
| 22    | Extraordinary items (Net of tax expenses)                                                               | -                  | -               | -                 | -                |
| 23    | <b>Net Profit / (Loss) for the period (13-14)</b>                                                       | <b>(12.17)</b>     | <b>(181.02)</b> | <b>(3,211.70)</b> | <b>(799.32)</b>  |
| 24    | Paid up Equity Share Capital (Face Value of the share Rs.10/-each)                                      | 1,127.00           | 1,127.00        | 1,127.00          | 1,127.00         |
| 25    | Reserve (excluding Revaluation Reserves as per Balance Sheet of previous accounting year)               | -                  | -               | -                 | (511.09)         |
| 26    | Earning Per Share (EPS)                                                                                 | (0.11)             | (1.61)          | (28.50)           | (7.09)           |
| 27    | (a) Basic and diluted EPS before Extraordinary items                                                    | (0.11)             | (1.61)          | (28.50)           | (7.09)           |
| 28    | (b) Basic and diluted EPS after Extraordinary items                                                     | (0.11)             | (1.61)          | (28.50)           | (7.09)           |
| 29    | <b>PART II</b>                                                                                          |                    |                 |                   |                  |
| 30    | <b>A PARTICULARS OF SHAREHOLDING</b>                                                                    |                    |                 |                   |                  |
| 31    | <b>1 Public shareholding</b>                                                                            |                    |                 |                   |                  |
| 32    | - Number of shares                                                                                      | 3,806,517          | 3,806,517       | 3,800,517         | 3,800,517        |
| 33    | - Percentage of shareholding                                                                            | 33.78              | 33.78           | 33.72             | 33.78            |
| 34    | <b>2 Promoters and Promoter Group Shareholding</b>                                                      |                    |                 |                   |                  |
| 35    | (a) Pledged / Encumbered                                                                                |                    |                 |                   |                  |
| 36    | - Number of shares                                                                                      | 3,200,000          | 3,200,000       | 3,200,000         | 3,200,000        |
| 37    | - Percentage of Promoters shareholding                                                                  | 42.88              | 42.88           | 42.84             | 42.88            |
| 38    | - Percentage of Total shareholding                                                                      | 28.39              | 28.39           | 28.39             | 28.39            |
| 39    | (b) Non-encumbered                                                                                      |                    |                 |                   |                  |
| 40    | - Number of shares                                                                                      | 4,263,483          | 4,263,483       | 4,269,483         | 4,269,483        |
| 41    | - Percentage of Promoters shareholding                                                                  | 57.12              | 57.12           | 57.16             | 57.12            |
| 42    | - Percentage of Total shareholding                                                                      | 37.84              | 37.84           | 37.89             | 37.84            |
| 43    | <b>3 MONTHS ENDED 31ST MARCH, 2016</b>                                                                  |                    |                 |                   |                  |
| 44    | <b>B INVESTOR COMPLAINTS</b>                                                                            |                    |                 |                   |                  |
| 45    | Pending at the beginning of the quarter                                                                 |                    |                 |                   | NIL              |
| 46    | Received during the quarter                                                                             |                    |                 |                   | 3                |
| 47    | Disposed of during the quarter                                                                          |                    |                 |                   | 3                |
| 48    | Remaining unresolved at the end of the quarter                                                          |                    |                 |                   | NIL              |

Dr. ...

**Notes:-**

- Quarterly financial results duly reviewed by the Statutory Auditors and further reviewed by Audit Committee were taken on record by the Board of Directors at its meeting held on 28.05.2016. Audited Financial results for the year ended March 31, 2016 audited by Statutory Auditors were approved by Audit Committee and Board of Directors at their respective meetings held on 28.05.2016.
  - Provision for Tax includes provision for Deferred Tax and Minimum Alternate Tax.
  - The figures for three months ended 31.03.2016 and 31.03.2015 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto nine months of the relevant financial year.
  - The Company initiated the process of Discontinuing / Outsourcing the manufacturing operations in pursuance to the resolution passed in the meeting of Board of Directors held on 9th February, 2015, thereby vacated the premises, 246, Phase IV, Udyog Vihar, Gurgaon, Haryana by 15th April, 2015, disposed off all tangible assets except vehicles, discharged / provided for contractual obligations of manpower / worker and resolved to outsource the operation henceforth. Consequently there is only one reportable segment.
- The following statement shows the revenue and expenses of discontinuing operations included in above Results:-

| S NO. | PARTICULARS                                                                       | Standalone Results |                |                   |                 |                   |  |
|-------|-----------------------------------------------------------------------------------|--------------------|----------------|-------------------|-----------------|-------------------|--|
|       |                                                                                   | Quarter Ended      |                | Year Ended        |                 |                   |  |
|       |                                                                                   | 31-Mar-16          | 31-Dec-15      | 31-Mar-15         | 31-Mar-16       | 31-Mar-15         |  |
| 1     | Net Sales/Income from Operations ( Net of Excise Duty )                           | -                  | -              | 491.87            | 123.90          | 1,067.27          |  |
| 2     | Other Operating Income                                                            | -                  | -              | 3.71              | 6.61            | 8.42              |  |
| 3     | <b>Total Income from Operations ( Net ) ( 1+2 )</b>                               | -                  | -              | <b>495.58</b>     | <b>130.51</b>   | <b>1,075.69</b>   |  |
| 4     | <b>Expenditure</b>                                                                |                    |                |                   |                 |                   |  |
|       | (a) Cost of Materials Consumed                                                    | -                  | -              | 402.02            | -               | 591.49            |  |
|       | (b) Purchase of Stock-In-Trade                                                    | -                  | -              | 2.84              | 111.96          | 22.07             |  |
|       | (c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade | -                  | -              | 110.21            | -               | 86.26             |  |
|       | (d) Employees benefits expenses                                                   | 1.12               | 0.03           | 81.07             | 1.39            | 313.06            |  |
|       | (e) Depreciation and amortisation expenses                                        | 0.23               | 0.79           | 53.85             | 23.57           | 228.10            |  |
|       | (f) Other Expenses                                                                | 11.73              | 54.72          | 1,022.70          | 501.77          | 1,219.84          |  |
|       | <b>TOTAL</b>                                                                      | <b>13.08</b>       | <b>55.54</b>   | <b>1,672.69</b>   | <b>638.69</b>   | <b>2,460.82</b>   |  |
| 5     | <b>Profit/ ( Loss ) before Finance costs (3-4)</b>                                | <b>(13.08)</b>     | <b>(55.54)</b> | <b>(1,177.11)</b> | <b>(508.18)</b> | <b>(1,385.13)</b> |  |
| 6     | Finance Costs                                                                     | -                  | -              | 0.34              | 1.22            | 1.80              |  |
| 7     | <b>Profit / ( Loss ) before Tax (5-6)</b>                                         | <b>(13.08)</b>     | <b>(55.54)</b> | <b>(1,177.45)</b> | <b>(509.40)</b> | <b>(1,386.93)</b> |  |
| 8     | Tax expense                                                                       | -                  | -              | -                 | -               | -                 |  |
| 9     | <b>Net Profit / (Loss) from Discontinuing operations after tax (7-8)</b>          | <b>(13.08)</b>     | <b>(55.54)</b> | <b>(1,177.45)</b> | <b>(509.40)</b> | <b>(1,386.93)</b> |  |
| 10    | Earning Per Share (EPS)                                                           |                    |                |                   |                 |                   |  |
|       | Basic and diluted EPS from discontinuing operations                               | (0.12)             | (0.49)         | (10.45)           | (4.52)          | (12.31)           |  |

- In the arbitration case of the Company and ARM Limited in which the arbitrator gave award against the company of an amount of Rs, 27.87 Crores and US Dollar 5.00 Lacs and Rs.20.00 Lacs arbitration cost. The matter is sub-judice and pending in Honorable Delhi High Court. The Company does not expect any liability as per legal opinion obtained and hence has not provided any liabilities for the same.
- Siyam Telecom Inc. erstwhile subsidiary of the Company has been dissolved as per the certificate issued by State of Delaware (USA) pursuant to the section 275 and 391 (a), (b) and © w.e.f. 22nd December, 2015. During the current financial year since the corporation has been dissolved and there been no assets, the consolidation of accounts has not been prepared.
- Previous period figures have been regrouped wherever considered necessary.

# SHYAM TELECOM LIMITED

REGD. OFFICE : MTS TOWER, 3, AMRAPALI CIRCLE, VAISHALI NAGAR, JAIPUR - 302021, RAJASTHAN, INDIA

## Extract of Audited Financial Results for the Quarter and Year ended 31st March 2016

(Rs. In Lacs)

| S NO. | PARTICULARS                                                                               | Audited                         |                                                                   |                                             |                                             |
|-------|-------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
|       |                                                                                           | Quarter ending 31st March, 2016 | Corresponding 3 months ended in the previous year 31st March 2015 | Year to date figures ending 31st March 2016 | Year to date figures ending 31st March 2015 |
| 1     | Total Income from Operations ( Net )                                                      | 5,133.50                        | 8,669.48                                                          | 24,355.41                                   | 33,481.16                                   |
| 2     | Net Profit /(Loss) from Ordinary Activities after tax                                     | (12.17)                         | (3,211.70)                                                        | (799.32)                                    | (3,601.87)                                  |
| 3     | Net Profit /(Loss) after extra Ordinary items after tax                                   | (12.17)                         | (3,211.70)                                                        | (799.32)                                    | (3,601.87)                                  |
| 4     | Equity Share Capital (Paid up) (Face Value of the share Rs.10/- each)                     | 1,127.00                        | 1,127.00                                                          | 1,127.00                                    | 1,127.00                                    |
| 5     | Reserve (excluding Revaluation Reserves as per Balance Sheet of previous accounting year) | -                               | -                                                                 | (511.09)                                    | 288.23                                      |
| 6     | Earning Per Share (EPS)                                                                   |                                 |                                                                   |                                             |                                             |
|       | (a) Basic and diluted EPS before Extraordinary items (of Rs.10/- each)                    | (0.11)                          | (28.50)                                                           | (7.09)                                      | (31.96)                                     |
|       | (b) Basic and diluted EPS after Extraordinary items (of Rs.10/- each)                     | (0.11)                          | (28.50)                                                           | (7.09)                                      | (31.96)                                     |

### Note:-

The above is an extract of the detailed format of Quarter and Year ended 31st March 2016 financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarter and Year ended 31st March 2016 financial results are available on the Stock Exchange Websites ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the Company's website ([www.shyamtelecom.com](http://www.shyamtelecom.com))

For & on behalf of Board of Directors of  
SHYAM TELECOM LIMITED

Ajay Khanna

Managing Director

Date : 28th May, 2016  
Place : NEW DELHI

# STATEMENT OF ASSETS & LIABILITIES

|             |                                            | STANDALONE       |                  |
|-------------|--------------------------------------------|------------------|------------------|
| Particulars |                                            | AS at 31.03.2016 | AS at 31.03.2015 |
| <b>A</b>    | <b>EQUITY AND LIABILITIES</b>              |                  |                  |
| <b>1</b>    | <b>Shareholders' Funds</b>                 |                  |                  |
| (a)         | Share Capital                              | 1127.00          | 1127.00          |
| (b)         | Reserves and Surplus                       | -511.09          | 288.24           |
| (c)         | Money received against share warrants      | -                | -                |
|             | <b>Sub-Total - Shareholders' funds</b>     | 615.91           | 1415.24          |
| <b>2</b>    | Share application money pending allotment  | -                | -                |
| <b>3</b>    | Minority Interest                          | -                | -                |
| <b>4</b>    | <b>Non-Current Liabilities</b>             |                  |                  |
| (a)         | Long - Term borrowings                     | 18.12            | 25.23            |
| (b)         | Deferred Tax Liability (Net)               | -                | -                |
| (c)         | Other long-Term Liabilities                | -                | -                |
| (d)         | Long - Term provisions                     | 20.55            | 22.36            |
|             | <b>Sub-Total - Non-current liabilities</b> | 38.67            | 47.59            |
| <b>5</b>    | <b>Current Liabilities</b>                 |                  |                  |
| (a)         | Short - Term borrowings                    | 4771.21          | 11590.81         |
| (b)         | Trade Payables                             | 3981.55          | 4055.69          |
| (c)         | Other current Liabilities                  | 14.57            | 29.37            |
| (d)         | Short - Term provisions                    | 8767.33          | 15675.87         |
|             | <b>Sub-Total - Current liabilities</b>     | 9421.91          | 17138.70         |
|             | <b>TOTAL - EQUITY AND LIABILITIES</b>      |                  |                  |
| <b>B</b>    | <b>ASSETS</b>                              |                  |                  |
| <b>1</b>    | <b>Non-Current Assets</b>                  |                  |                  |
| (a)         | Fixed assets                               | 421.92           | 842.09           |
| (b)         | Goodwill on consolidation                  | -                | 4.78             |
| (c)         | Non-current investments                    | 0.33             | -                |
| (d)         | Deferred tax assets (Net)                  | 14.07            | 13.90            |
| (e)         | Long-term loans and advances               | 306.05           | 213.72           |
| (f)         | Other non-current assets                   | 42.86            | 45.07            |
|             | <b>Sub-Total - Non-Current assets</b>      | 785.23           | 1119.56          |
| <b>2</b>    | <b>Current Assets</b>                      |                  |                  |
| (a)         | Current Investments                        | 345.83           | 509.20           |
| (b)         | Inventories                                | 3403.55          | 8233.78          |
| (c)         | Trade receivables                          | 764.37           | 3163.92          |
| (d)         | Cash and Bank Balances                     | 670.59           | 580.67           |
| (e)         | Short-term loans and advances              | 3452.34          | 3531.57          |
| (f)         | Other current assets                       | 8636.68          | 16019.14         |
|             | <b>Sub-Total - Current assets</b>          | 8636.68          | 16019.14         |
|             | <b>TOTAL - ASSETS</b>                      | 9421.91          | 17138.70         |

For & on behalf of Board of Directors of  
SHYAM TELECOM LIMITED

Ajay Khanna  
Managing Director

Date : 28th May, 2016  
Place : NEW DELHI

**Corporate Office :**

A-60, Naraina Industrial Area, Phase-I,

New Delhi-110 028 INDIA

TEL. : 91-11-41411070 / 71 / 72

FAX : 91-11-25792194

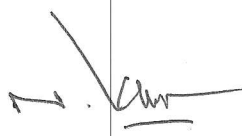
E-mail : investors@shyamtelecom.com

Website : www.shyamtelecom.com

**SHYAM**  
TELECOM LTD**DECLARATION UNDER SEBI CIRCULAR NO. CIR/CFD/CMD/56/2016****DATED 27<sup>TH</sup> MAY, 2016**

This is hereby affirmed and declared that the Statutory Auditors of the Company M/s Mehra Goel & Co. has carried out the Audit of the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 and has given their Independent Auditor's Report unqualified and unmodified as enclosed along with the financial statements for the said period.

For SHYAM TELECOM LIMITED

  
DIRECTOR

**Corporate Office :**

A-60, Naraina Industrial Area, Phase-I,

New Delhi-110028 (INDIA)

TEL. : 91-11-41411070 / 71 / 72

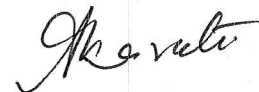
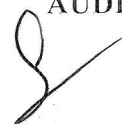
FAX : 91-11-25792194

E-mail : investors@shyamtelecom.com

Website : www.shyamtelecom.com

**SHYAM**  
TELECOM LTD**FORM A****(Pursuant to Regulation 33(3)(d) of the Sebi(LODR) 2015**

|           |                                                                  |                                     |
|-----------|------------------------------------------------------------------|-------------------------------------|
| <u>1.</u> | <u>Name of the Company</u>                                       | Shyam Telecom Limited               |
| <u>2.</u> | <u>Annual Financial Statements for the year ended 31.03.2016</u> | March 31,2016                       |
| <u>3.</u> | <u>Type of Audit Observation</u>                                 | Matter of Emphasis                  |
| <u>4.</u> | <u>Frequency of Observation</u>                                  | One observation repeated since 2014 |

**For SHYAM TELECOM LIMITED****Ajay Khanna**  
**Managing Director****For SHYAM TELECOM LIMITED****Achintya Karati**  
**Chairman of Audit Committee****For SHYAM TELECOM LIMITED****Vinod Raina**  
**CFO****For MEHRA GOEL & COMPANY**  
**CHARTERED ACCOUNTANTS****REGN NO. 000517N****AUDITOR**

# **Mehra Goel & Co.**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF SHYAM TELECOM LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SHYAM TELECOM LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the note no. 24, which describe the uncertainty to the matter mentioned:

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

The arbitrator vide his order dated 24th Jan, 2014 has directed the company to pay ARM Ltd. Rs 11.50 Crores along with interest of Rs 16.37 Crores totaling Rs. 27.87 Crores on account of payout. The interest shall be payable upto the date of payment. In addition to the above he has further awarded USD 5,00,000 at the conversion rate prevailing on 24.01,2014 plus interest @ 9% p.a. from the date of award till the date of payment which comes to rs 3.72 crore and Rs 20 Lakhs payable to ARM Ltd as arbitration Cost.

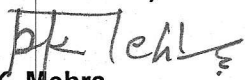
The company has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 against the said order before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court has issued notice in the said application (which has the effect of stay on the award), and the matter is presently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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such control ,refer to our separate report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. Refer Note 26 to the financial statements..
    - iii. There was no amount which was required to be transferred to Investor Education and Protection Fund by the Company.

**For Mehra Goel & Co.**  
**Chartered Accountants**  
**(FRN:000517N)**

  
**R.K. Mehra**  
**Partner**  
**(M.No. 6102)**

**Place: New Delhi**  
**Date: May 28, 2016**

## **Annexure to Independent Auditors' Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i. In respect of fixed assets:
  - a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets covering significant value have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification
  - c. The title deeds of immovable properties are held in the name of the company
- ii. In respect of inventory:
  - a. The inventory of the Company in its possession has been physically verified by the management at reasonable intervals. Stocks in the possession and custody of third parties and stocks-in-transit as on March 31, 2016, have been verified by the management with reference to confirmations or statements of account or correspondence of the third parties or subsequent receipt of goods. In our opinion the frequency of verification is reasonable.
  - b. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has generally maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to information and explanations given to us ,the company has not given any loan , made any investment, given any guarantee, or provided and securities covered under section 185 and 186 of the companies act during the year.
- v. In our opinion and according to information and explanation given to us, the Company has not accepted any deposits covered under section 73 or any other provisions of the companies act 2013..

vi. As per information and explanations given to us, the company is not required to maintain cost records as prescribed under companies act 2013 Accordingly the provisions of the clause vi of the order are not applicable to the company.

vii.

a. According to records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Cess, Sales Tax, Service Tax, Value Added Tax and Wealth Tax which have not been deposited on account of any dispute except the following:

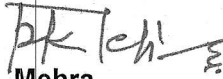
| Name of the Statute |     | Nature of the Dues | Period to which the amount pertains | Amount (Rs. in lacs) | Forum where dispute is pending           |
|---------------------|-----|--------------------|-------------------------------------|----------------------|------------------------------------------|
| Income Act, 1961    | Tax | Income Tax         | Assessment Year 2007-2008           | 44.87                | ITAT                                     |
| Income Act, 1961    | Tax | Income Tax         | Assessment Year 2008-2009           | 23.17                | ITAT                                     |
| Income Act, 1961    | Tax | Income Tax         | Assessment Year 2009-2010           | 30.73                | ITAT                                     |
| Income Act, 1961    | Tax | Income Tax         | Assessment Year 2011-2012           | 74.41                | CIT(Appeals)                             |
| Income Act, 1961    | Tax | Income Tax         | Assessment Year 2012-2013           | 93.51                | CIT(Appeals)                             |
| UP VAT Act          |     | VAT                | FY 2011-12<br>FY 2012-13            | 57.59<br>16.62       | Assistant Commissioner Grade 2 (Appeals) |

viii. The Company has not issued any debentures and has not borrowed any fund from financial institutions. The company has not defaulted in repayment of dues to the bank.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Mehra Goel & Co.**  
**Chartered Accountants**  
**(FRN:000517N)**

  
**R.K. Mehra**  
**Partner**  
**(M.No. 6102)**

**Place: New Delhi**  
**Date: May 28, 2016**

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

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

We have audited the internal financial controls over financial reporting of Shyam Telecom Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

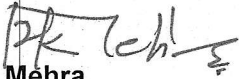
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mehra Goel & Co.**  
**Chartered Accountants**  
**(FRN:000517N)**

  
**R.K. Mehra**  
**Partner**  
**(M.No. 6102)**

**Place: New Delhi**  
**Date: May 28, 2016**