

**SYNTEL TELECOM LIMITED**

**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of SYNTEL TELECOM LTD will be held on Thursday, the 29th September, 2011 at 11.00 a.m. at the Registered office of the Company at Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025 to transact the following Business :


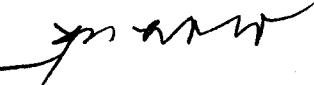

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and Profit & Loss Accounts for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jagdish Dalal who retires by rotation as required under section 256 of the Companies Act, 1956 and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office up the conclusion of the next Annual General Meeting and to fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office,  
Arvind Ltd Premises,  
Naroda Road,  
Ahmedabad – 380 025.

BY ORDER OF THE BOARD

  
Jagdish G. Dalal        
(Directors)      

Date: 30<sup>th</sup> April, 2011  
Place: Ahmedabad

**SYNTEL TELECOM LIMITED**  
**DIRECTORS' REPORT**

**Dear Shareholders,**

Your Directors are pleased to present their Annual Report along with the audited accounts for the year ended on 31<sup>st</sup> March, 2011.

**1. FINANCIAL RESULTS**

During the year under review, the company has incurred a loss of Rs. 6,64,382.02 and the same is carried to Balance sheet.

**2. DIVIDEND**

The Directors do not recommend any dividend on equity shares for the year 2010-11 in view of the accumulated losses of the Company.

**3. DEPOSITS**

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

**4. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jagdish Dalal retires by rotation at the forthcoming annual general meeting and being eligible, offers himself for reappointment.

**5. PARTICULARS OF EMPLOYEES**

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

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

Company at the end of the financial year ended on 31st March, 2011 and of the profit of the Company for the year;

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The attached statements of accounts for the year ended on March 31, 2011 have been prepared on a going concern basis.

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


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


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

**8. AUDITORS:**

The Company's Auditors M/s Rajni Shah & Associates, Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. You are requested to appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

  
Jagdish G. Dalal  
(Directors)

  
Vipen Malhotra  
&

Place: Ahmedabad

Date: 30<sup>th</sup> April, 2011

# *Rajni Shah & Associates*

Chartered Accountants

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

## Auditor's Report

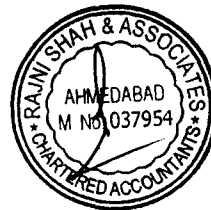
Auditor's Report to the Members of **SYNTEL TELECOM LIMITED** (formerly known as Western Intercom Pvt. Ltd.)

We have audited the attached Balance Sheet of **SYNTEL TELECOM LIMITED**, as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



# *Rajni Shah & Associates*

Chartered Accountants

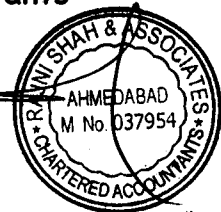

302, Mohini II, Opp: Gandhigram Rly. Station,  
Off Ashram Road, Ahmedabad - 380 009.

- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:
- (vi) Further to the above, we report that *the net worth of the company is completely eroded and hence the company can not be said to be a going concern.*
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view which is in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011: and
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

Place:- Ahmedabad

Date:- 30<sup>th</sup> April, 2011

For, Rajni Shah & Associates  
Chartered Accountants



Rajni Shah  
Proprietor  
M. No. 037954

**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

**BALANCE SHEET AS ON 31st MARCH, 2011**

(AMT. Rs.)

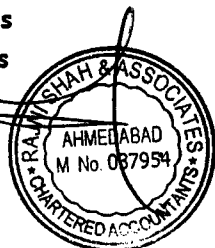
PARTICULARS	SCH	AS ON 31.03.2011	AS ON 31.03.2010
<b>SOURCES OF FUNDS:</b>			
<b>(I) SHARE HOLDERS' FUND</b>			
Share capital	A	500000.00	500000.00
Reserves & surplus		0.00	0.00
<b>(II) LOAN FUND</b>			
Secured Loan		0.00	0.00
Unsecured Loan	B	15817941.50	12321930.00
Deffered Tax Liability		20705.00	20705.00
<b>TOTAL</b>		<b>16338646.50</b>	<b>12842635.00</b>
<b>APPLICATION OF FUNDS:</b>			
<b>(I) FIXED ASSETS</b>			
Gross Block	C	1581782.10	769536.60
Less: Depreciation		477316.00	356429.00
Net Block		1104466.10	413107.60
<b>(II) INVESTMENTS</b>			
	D	382221.00	382221.00
<b>(III) NET CURRENT ASSETS</b>			
Current Assets, Loans & Advances	E	3062785.90	3216550.17
Less: Current Liabilities & Provisions	F	646322.16	2940357.41
NET CURRENT ASSETS		2416463.74	276192.76
<b>(IV) MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)			
Preliminary Expenditure		0.00	0.00
Preoperative & Project Exp.		0.00	0.00
<b>(V) Profit &amp; Loss Account</b>			
		12435495.66	11771113.64
<b>TOTAL</b>		<b>16338646.50</b>	<b>12842635.00</b>
<b>NOTES ON ACCOUNTS</b>	I		

As per our report of even date attached

For and on Behalf of the Board of

For Rajni Shah & Associates  
Chartered Accountants

Syntel Telecom Limited

Rajni M. Shah  
Proprietor  
Membership No. -037954  
Firm Regi. No. -108468W

 Directors  
 (Jagdish Dalal) (Vipen Malhotra)
 

Ahmedabad, Dated 30th April 2011

Ahmedabad, Dated - 30th April 2011

**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011**

(AMT. Rs.)

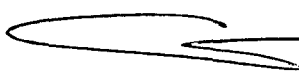
PARTICULARS	SCH	FOR YEAR	FOR YEAR
		2010-11	2009-10
<b>INCOMES:</b>			
Sale of Internet Telephony Services		470650.05	235450.00
Sale of Audiotex Services		39273.00	0.00
Increase/ (Decrease) of Inventory		0.00	432000.00
Other Incomes	G	28042.00	26816.00
<b>TOTAL(X)</b>		<b>537965.05</b>	<b>694266.00</b>
<b>EXPENSES:</b>			
Purchase		96758.00	538560.00
Decrease of Inventory		189000.00	0.00
Administrative expense	H	795702.07	2816803.25
Depreciation	C	120887.00	67077.00
Preliminary Exp. W/off		0.00	0.00
<b>TOTAL(Y)</b>		<b>1202347.07</b>	<b>3422440.25</b>
<b>PROFIT/-LOSS BEFORE TAX (X-Y)</b>		<b>-664382.02</b>	<b>-2728174.25</b>
Ass: Less: Current tax		0.00	0.00
Less: Deferred tax		0.00	0.00
<b>Loss for the year</b>		<b>-664382.02</b>	<b>-2728174.25</b>
B/ F from Previous year		-11771113.64	-9042939.39
<b>PROFIT/-LOSS AFTER TAX</b>		<b>-12435495.66</b>	<b>-11771113.64</b>
<b>LESS: APPROPRIATIONS</b>			
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>-12435495.66</b>	<b>-11771113.64</b>
<b>NOTES ON ACCOUNTS</b>	I		

As per our report of even date attached

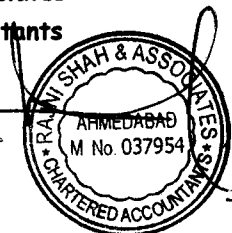


For and on Behalf of the Board of

For Rajni Shah & Associates  
Chartered Accountants

Syntel Telecom Limited



Rajni M. Shah  
Proprietor  
Membership No.-037954  
Firm Regi. No.-108468W

Directors  
(Jagdish Dalal) (Vipin Malhotra)

Ahmedabad , Dated 30th April 2011

Ahmedabad , Dated - 30th April 2011

**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

Year : 2010-2011

Schedules forming part of Accounts

(AMT. Rs.)

PARTICULARS	FOR 2010-11	FOR 2009-10
<b>SCHEDULE "A"</b>		
<b><u>SHARE CAPITAL</u></b>		
<u>Authorised Capital</u>		
50000 (previous Year) 9900 Unclassified Shares of Rs 10/- each	0.00	0.00
50000(Previous Year 50000 )	500000.00	500000.00
<u>Equity Shares of Rs 10/- each</u>		
<u>Issued, Subscribed and Paid up Capital</u>		
50000 (Previous Year 50000 Equity Shares of Rs. 10/- each (Fully paid up)	500000.00	500000.00
<b>TOTAL</b>	<b>500000.00</b>	<b>500000.00</b>
<b>SCHEDULE "B"</b>		
<b><u>UNSECURED LOANS</u></b>		
Arvind Mills Limited (Loan A/c.)	10000000.00	10000000.00
Arvind Mills Limited- Current A/C	5805911.50	2309900.00
Lalbhai Realty Finance Pvt Ltd	12030.00	12030.00
<b>TOTAL</b>	<b>15817941.50</b>	<b>12321930.00</b>
<b>SCHEDULE "D"</b>		
<b><u>INVESTMENTS</u></b>		
F. D. with Bank of Baroda	137535.00	137535.00
F. D. with S. B. S. Bank	1000.00	1000.00
F. D. with S. B. I. Bank	236686.00	236686.00
F. D. with UCO Bank	5000.00	5000.00
N. S. C. (for S. T. Banglore)	2000.00	2000.00
<b>TOTAL</b>	<b>382221.00</b>	<b>382221.00</b>



**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

Year : 2010-2011

Schedules forming part of Accounts

(AMT. Rs.)

PARTICULARS	FOR 2010-11	FOR 2009-10
<b>SCHEDULE "E"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Cash &amp; Bank Balances</b>		
Cash on Hand	0.35	0.35
Bank of Baroda Pune	81232.00	81232.00
State Bank of India, Ahmedabad (SBS)	524458.73	525008.73
State Bank of India, Pune (SBS)	244459.31	52334.31
State Bank of India, Mumbai (SBS)	370149.18	738018.25
UCO Bank - Bangalore	12415.87	12825.87
UCO Bank - Delhi	11427.66	11837.66
<b>TOTAL(I)</b>	<b>1244143.10</b>	<b>1421257.17</b>
<b>Sundry Debtors</b>		
>> UnSecured (Considered Bad - No Provision made)		
O/S. for more then Six months	48299.64	48299.64
O/S. for less then Six months	119355.80	0.00
<b>TOTAL(II)</b>	<b>167655.44</b>	<b>48299.64</b>
<b>Other Current Assets</b>		
Inventory ( Internet Telephony )	243000.00	432000.00
Branch Imprest - Ahmedabad	-5000.00	-5000.00
Branch Imprest - Bangalore	3371.79	3371.79
Branch Imprest - Chennai	873.89	873.89
Branch Imprest - New Delhi	9068.35	9068.35
Branch Imprest - Pune	-1963.16	2594.84
Branch Imprest - Bombay	135365.00	113758.00
License	700000.00	800000.00
Interest Accrued	40339.00	15916.00
TDS 2003-04	8652.00	8652.00
TDS 2007-08	2293.00	2293.00
TDS 2008-09	3903.00	3903.00
TDS 2009-10	2380.00	2380.00
TDS 2010-11	3619.00	0.00
Prepaid Expenses	118110.00	0.00
<b>TOTAL(III)</b>	<b>1264011.87</b>	<b>1389810.87</b>
<b>Advances (receivable in cash or kind)</b>		
H. Kamlesh	4150.00	4150.00
Sales Tax Receivable (LST Bangalore)	38734.26	38734.26
Sales Tax Receivable (LST Delhi)	2391.95	2391.95
Sales Tax Receivable (LST Chennai)	459.38	459.38
S. Moitra	1200.00	1200.00
Tax Deducted at Source	18548.00	16728.00
Central Railway Security Deposit	16558.00	16558.00
CTO Royapptah Asst. Cir. 1	17300.00	17300.00
South Central Railway Guntakul	13315.90	13315.90
Service Tax Recievable ( Professional Charges)	197109.00	231750.00
Service Tax Recievable ( Others )	22059.00	14595.00
Advances to Supplier	55150.00	0.00
<b>TOTAL(IV)</b>	<b>386975.49</b>	<b>357182.49</b>
<b>GRAND TOTAL (I+II+III+IV)</b>	<b>3062785.90</b>	<b>3216550.17</b>

**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

Year : 2010-2011Schedules forming part of Accounts

(AMT. Rs.)

PARTICULARS	FOR 2010-11	FOR 2009-10
<b>SCHEDULE "F"</b>		
<b><u>Current Liabilities and Provisions</u></b>		
<b><u>Creditors</u></b>		
<b><u>For Raw Materials</u></b>		
Arvind Mills Ltd.	305022.21	305022.21
Ashok Bahal	300.00	300.00
BHOR Industries Ltd.	9199.00	9199.00
S. E. Prabhakar & Co. C. A.	2000.00	2000.00
<b><u>For Contractors</u></b>		
Arvind Limited (Telecom Division)	0.00	2233575.00
<b>TOTAL(I)</b>	<b>316521.21</b>	<b>2550096.21</b>
<b><u>Current Liabilities</u></b>		
Advance from Customers	0.00	153119.25
L. S. T. Gujarat	3500.31	3500.31
Provision for Bad Debts	48187.64	48187.64
Professional Tax Payable (Staff - Pune)	8800.00	8800.00
Unpaid Expenses	8844.00	3420.00
Licence Fee Payable	0.00	2730.00
Rajni Shah & Associates	27860.00	16545.00
Unpaid Account Charges	0.00	2694.00
Provision for Income Tax (07-08)	4900.00	4900.00
Income Accrued but not Due	222162.00	146365.00
TDS Payable	30.00	0.00
Service Tax Payable	5517.00	0.00
<b>TOTAL(II)</b>	<b>329800.95</b>	<b>390261.20</b>
<b>GRAND TOTAL (I+II)</b>	<b>646322.16</b>	<b>2940357.41</b>
<b>SCHEDULE "G"</b>		
<b><u>Other Incomes</u></b>		
Bank F. D. Interest Received	28042.00	26264.00
<b>TOTAL</b>	<b>28042.00</b>	<b>26264.00</b>

**SYNTEL TELECOM LIMITED**

(Formerly known as Western Intercom Private Limited.)

Year : 20010-2011

Schedules forming part of Accounts

(AMT. Rs.)

PARTICULARS		
	FOR 2010-11	FOR 2009-10
<b>SCHEDULE "H"</b>		
<b><u>Administrative Expenses</u></b>		
Bank Charges	5147.07	4160.45
Audit fees	16545.00	11030.00
Conveyance Expenses	89848.00	97625.00
Filing Fees	1350.00	4257.00
License Fees	52665.00	16630.00
License Fees Written Off	100000.00	100000.00
Repairs to Others	31481.00	2494.00
Postage Expenses	370.00	205.00
Internet Expenses	0.00	16996.00
Telephone expenses	100883.00	32760.00
E mail Expenses	1271.00	20406.00
Advertisement	1730.00	61981.80
Travelling Expenses	15278.00	23809.00
Office Expenses	7231.00	5427.00
Stamp Paper Expenses	0.00	1670.00
Interest On Others	0.00	984.00
Freight and Insurance	78.00	896.00
Bank Charges ( Import )	8089.00	1450.00
Professional Service Charges	92466.00	2340434.00
Printing and Stationary Expenses	26729.00	15009.00
Refreshment Expenses	20651.00	33061.00
Gift and Presentation	7400.00	9850.00
Guest Entertainment Expenses	12400.00	15668.00
Site Expenses	204090.00	0.00
<b>TOTAL</b>	<b>795702.07</b>	<b>2816803.25</b>

Gruping forming part of Schedules

<u>Travelling Expenses</u>	Rs.
Fares	19166.00
Lodging & Boarding	960.00
Conveyance	2973.00
Telephone	490.00
Other Expenses	220.00
<b>TOTAL</b>	<b>23809.00</b>

**SYNTEL TELECOM LIMITED****(Formerly known as Western Intercom Private Limited.)****2010-11****SCHEDULE "C"****FIXED ASSETS**

Type of Asset	Gross Block			Depreciation			Net Block		
	AS AT 01.04.2010	Addition	Deduction	AS AT 31.03.2011	UP TO 01.04.2010	For The Year	UP TO 31.03.2011	AS AT 01.04.2010	AS AT 31.03.2011
Air Conditioner	87398.08	0.00	0.00	87398.08	55967.00	4393.00	60360.00	31431.08	27038.08
Electric Installation	17797.00	0.00	0.00	17797.00	16312.00	917.00	17229.00	1485.00	568.00
Furniture & Fixtures	410399.52	7200.00	0.00	417599.52	235843.00	17457.00	253300.00	174556.52	164299.52
Data Process Machinery	253942.00	805045.50	0.00	1058987.50	48307.00	98120.00	146427.00	205635.00	912560.50
<b>TOTAL</b>	<b>769536.60</b>	<b>812245.50</b>	<b>0.00</b>	<b>1581782.10</b>	<b>356429.00</b>	<b>120887.00</b>	<b>477316.00</b>	<b>413107.60</b>	<b>1104466.10</b>
<b>2009-10</b>	<b>477580.52</b>	<b>297332.08</b>	<b>5376.00</b>	<b>769536.60</b>	<b>289352.00</b>	<b>67077.00</b>	<b>356429.00</b>	<b>188228.52</b>	<b>413107.60</b>

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

**2010-2011**

**SCHEDULE "I"**

**Notes forming part of the Accounts :**

**(A) DISCLOSURE OF ACCOUNTING POLICIES:**

**(1) Method of Accounting**

The company has been in the business of providing Internet Telephony services during the Accounting Year 2010-11.

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

**(2) Fixed Assets**

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

**(3) Inventories**

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

**(4) License fees**

1/10<sup>th</sup> of License fee is charged to Profit & Loss A/c and the remaining amount will be amortized over a period of 8 years as per AS 28 of The Institute Of Chartered Accountants Of India.

**(5) Depreciation**

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

**(B) OTHER NOTES :**

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

7. Auditors' Remuneration: (Rs.)

	<u>2010-11</u>	<u>2009-10</u>
Audit Fees	16545.00	11030.00
Professional Fees	5515.00	5515.00

8. C.I.F Value of Imports

Purchase (Internet Telephony) Rs. 96,758.00 (Rs. 5,38,560.00)

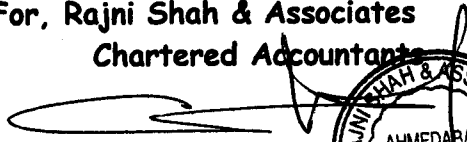
9. Sales :

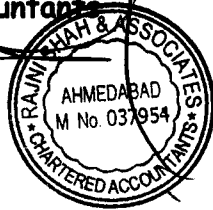
a. Sales of Internet Telephony Service Rs. 470650.05 (Rs. 2,34,450.00)

b. Sales of Audiotex Services Rs. 34,273.00 (Rs. NIL)


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

For, Rajni Shah & Associates  
Chartered Accountants

  
(Rajni Shah)  
Proprietor



For and on behalf of the Board

  
(Jagdish Dalal) (Vipen Malhotra)  
&

Place :- Ahmedabad:  
Dated : 30<sup>th</sup> April 2011

Place :- Ahmedabad:  
Dated : 30<sup>th</sup> April 2011