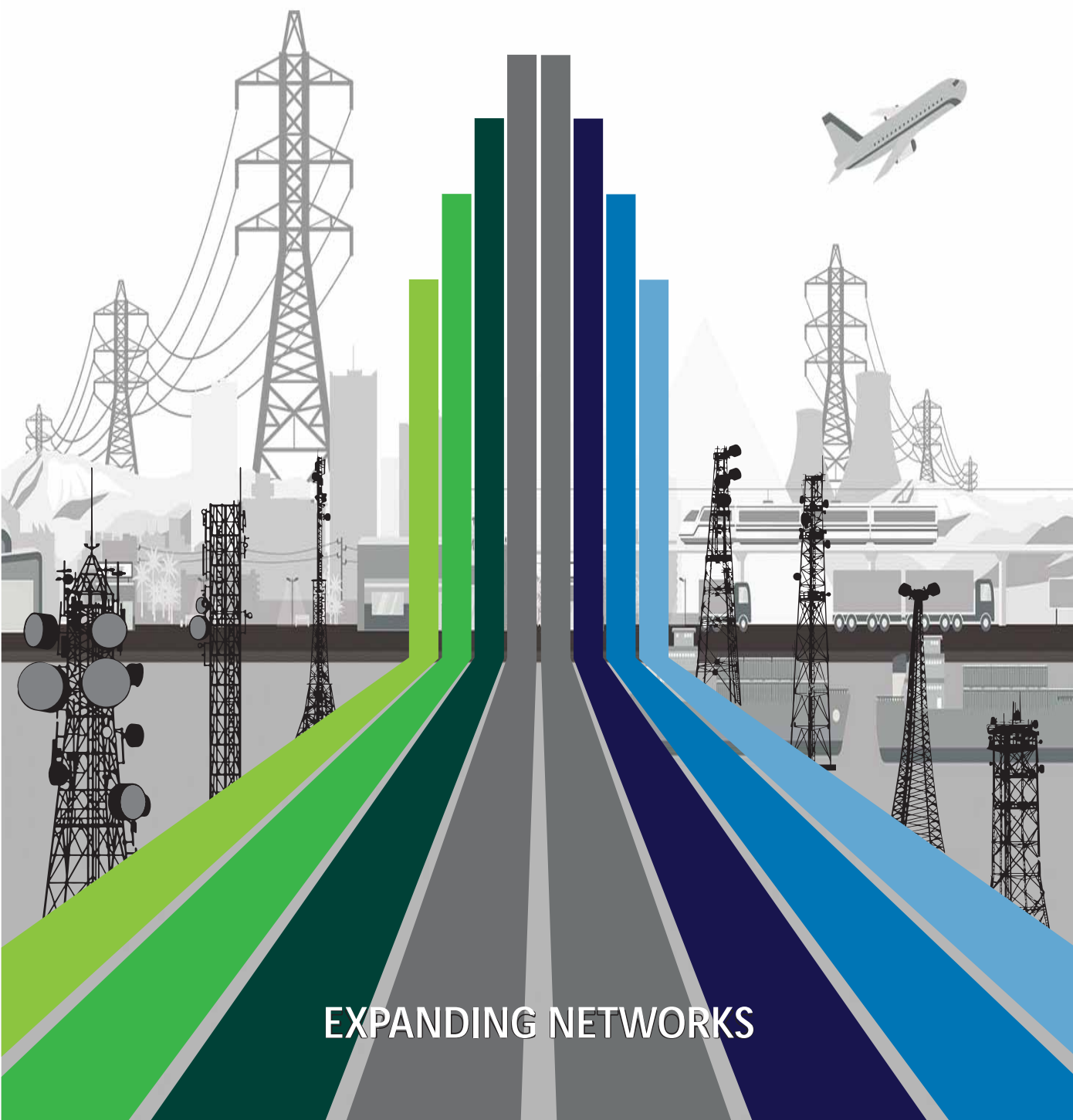


ANNUAL REPORT

2016 – 17



EXPANDING NETWORKS

BOARD OF DIRECTORS



Shivshankar Lature
Managing Director



Vivek Lature
Whole Time Director



Suchitra Lature
Non - Executive Director



Gurushantappa Lature
Non - Executive Director



Deodatta Marathe
Independent Director



Kallinath Chitradurga
Independent Director



Leena Govekar
Independent Director



Anand Kode
Independent Director

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Managing Director's Message

Dear Shareholders,

"The year 2016-17 witnessed a doubling in rollout of mobile towers by the telecom operators as Reliance Jio long planned service was launched. We were able to get a sizable share of the business in Mumbai.

Our efficient roll-out in niche areas like Flyovers, Skywalks, FOB's, Slums, Critical sites helped operators to resolve call drop issues to great extent.

We are confident that as operators step up their rollouts with the advent of 4G technology, this trend would further accelerate in the coming year.

Suyog Telematics Limited being the strong player in niche markets is fully geared to serve their customers' demand and is in the best position to capitalize on this growth on pan India basis in phased manner. In the year 2016 – 2017, we were successful in placement of around 1500 sites. Further we have planned to reach 10,000 towers in next 3 years.

Currently, Suyog has established itself in Mumbai, Maharashtra and Uttarakhand. Next phase of expansion will be through NHAI projects, initially connecting Mumbai – Bangalore (NH 3), Mumbai – Goa (NH66&17) and Mumbai – Ahmedabad (NH 8). Small Cell Sites are very important part of Network Rollout as it can easily be deployed in congested & high capacity requirement area with increase in mobile mins

& data consumption, rollout of small cell sites will drastically increase in major metro cities.

Company has also been focusing on increasing shareholders' wealth in many ways. The main target being maximizing return to shareholders and reward their loyalty, Company issued Bonus shares in the ratio of 1:5. The highest closing price in the Financial Year 2016 – 2017 was Rs. 525 per share. Infact, this has been the highest price in the history of the Company since its inception.

I would like to thank employees, investors, government and banks, for the faith that they have bestowed upon us. Together we will take Suyog Telematics Limited ahead.

In this tremendously fluctuating Telecom business India, given to numerous mergers and petitions, Suyog will carve out its way. As Ann Landers said, "Opportunities are usually disguised as hard work, so most people don't recognize them."

Regards,
Shivshankar Lature,
Managing Director



Whole Time Director's Message

Dear All,

Suyog Telematics has been in telecom industry for more than two decades. The Company specializes in building towers infrastructure to all the telecom operators and having agreement with all the operators. As you can see the site portfolio of Suyog, comparing March 2016 and March 2017, there is a substantial increase of 35% in sites along with the revenue.

Financial Year 2016 – 2017 opened up with much talked about RJio launch, which ended with the news of Idea – Vodafone merger. Clearly telecom game is changing! This industry is facing challenges of 3G – 4G technology and requirement of customer's voice over data. As a response to this cut – throat competition, government players are also pumping harder.

In 2016 – 2017, our objective was not only to associate with new operators but also retain and nurture existing ones. We won 10 years contract with BEST renewable for another 10 years and retained MSRDC contract for another 5 years yet again.

We will keep up the consistent growth and strive to be better. As someone once said, "Almost every successful person begins with two beliefs: the future can be better than the present, and I have the power to make it so."

Regards,
Vivek Lature
Whole Time Director



Head Business Development Message

Dear Suyog Family,

My Heartiest Congratulations to all the employees & their family, stakeholders & management team for the exponential growth which we witnessed in the year gone by. We have shown strong & sustainable improvements on all our financials & technical parameters in FY 16-17.

India has come a long way from 2001, with only ~7mn Internet users, to become the second largest market in the world for Facebook & LinkedIn and the third country in the world to have over five internet companies valued at over \$1 billion. With a total of 11 operators serving an active wireless subscriber base of 842.39mn (88.45% of total registered wireless subscriber base), the Indian telecom market is now amongst the most competitive markets in the world.

The year gone by was a transformational year for the Indian Telecom Industry. With the entry of Reliance Jio, entire telecom landscape got changed with voice taking back seat & focus was on higher adoption of Data Services. It also led to mergers / exit of several small operators & consolidation

became need of the hour. I feel immensely Proud to be part of the company which has shown immense growth & potential even during such difficult phase of the industry.

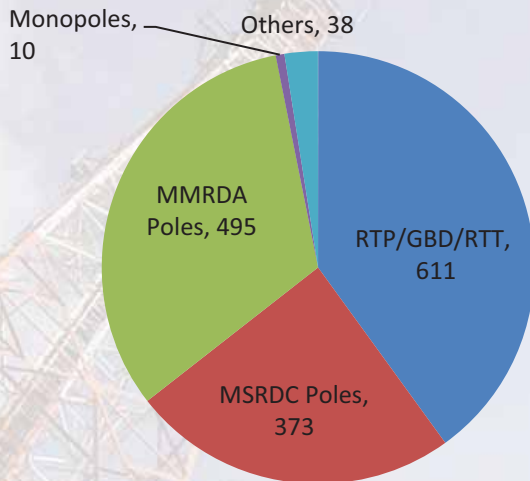
I would also like to assure all of you that we are fully geared up for the coming year & will surely produce better than expected performance in coming year. Our mantra for success in coming year will be "Low Cost High Revenue Site". We believe that with India now decisively embracing the 'digital world', the demand for data would grow exponentially in years to come which will lead to huge demand in mobile towers & fiber optic network. We will also explore new opportunities like Small Cell, Fiber Optic rollout & becoming available for infrastructure sharing in Smart City Projects. We are very well placed to capture the significant potential growth in telecom infrastructure in coming FY.

Regards,
Tushar Shah
Head Business Development

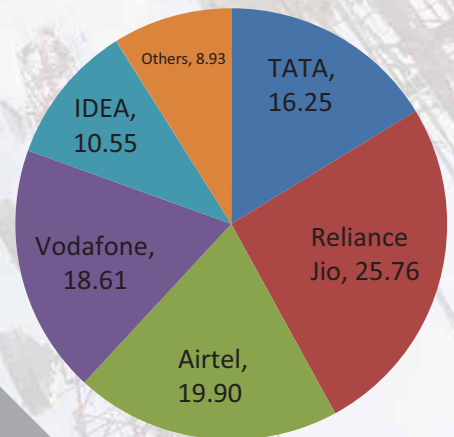


PERFORMANCE REVIEW

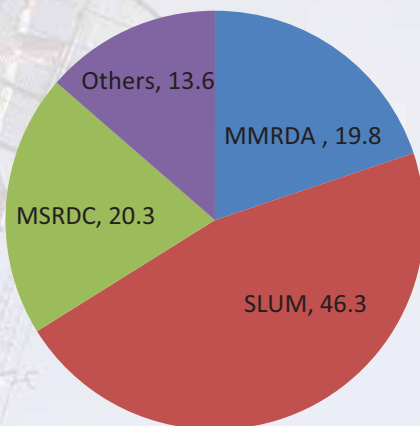
Project wise Sites



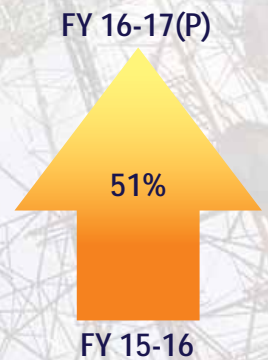
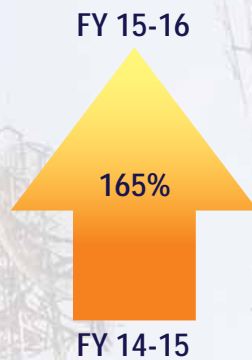
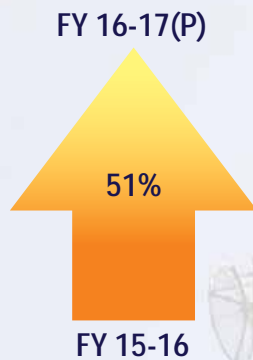
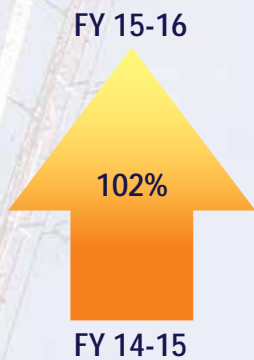
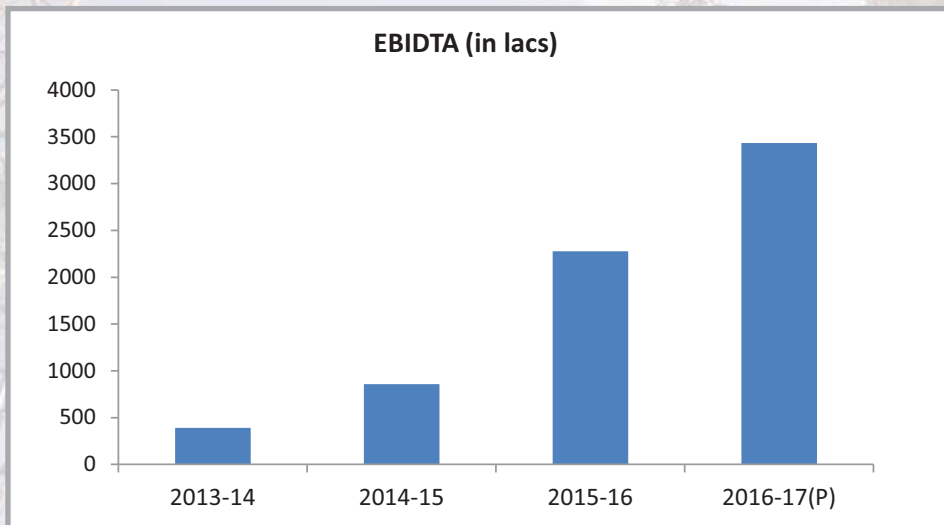
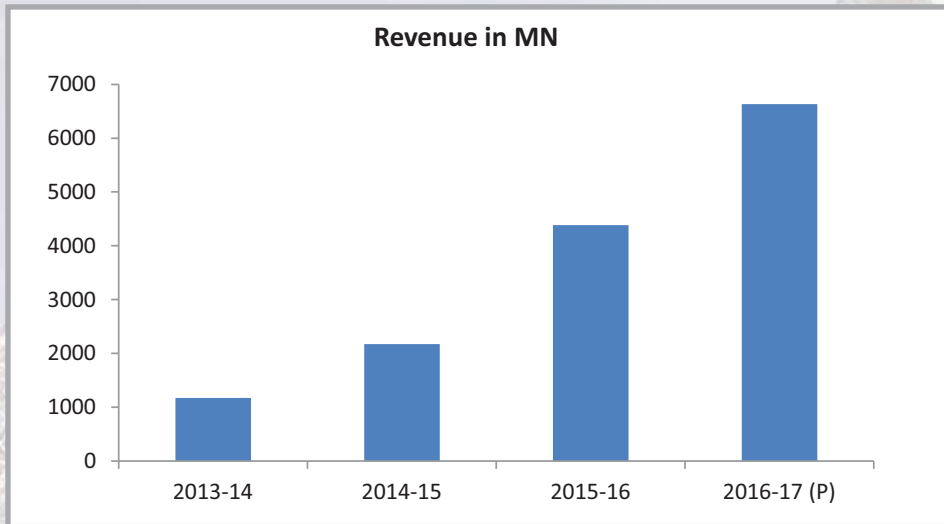
Revenue Share (%)



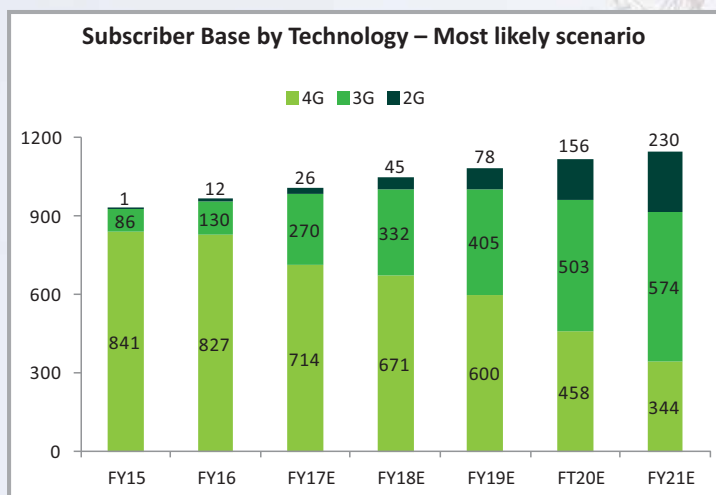
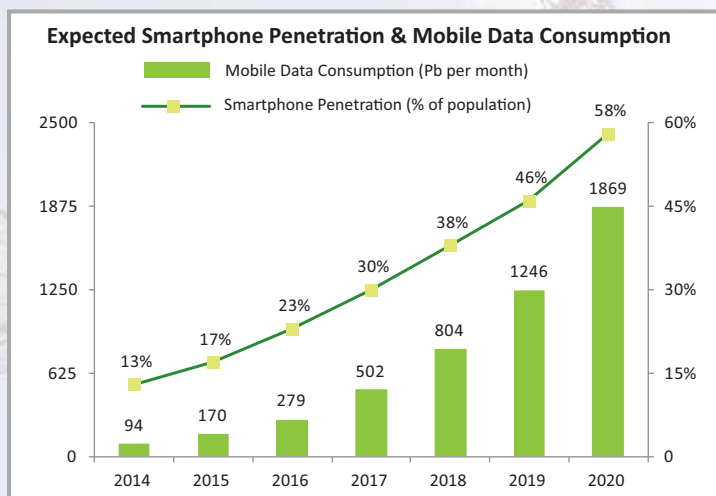
Revenue Site Wise (%)

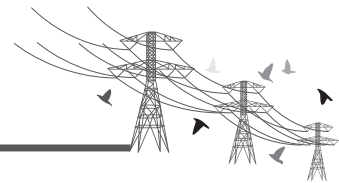


- In existing business, major revenues are generated from Slum sites (~46.3%) in Mumbai circle followed by MMRDA (~19.8%) and MSRDC (~20.3%).
- For slum sites, the current average tenancy per tower and per location is ~1.65.
- While for MMRDA & MSRDC, average tenancy per tower remains 1 (mandatory agreement for 1 occupant per Pole).
- The major telecom operator revenues are contributed by Jio (25.76%), Airtel (19.9%), followed by Vodafone (~18.61%).



- India has come a long way from 2001, with only ~7mn Internet users, to become the second largest market in the world for Facebook & LinkedIn and the third country in the world to have over five internet companies valued at over \$1 billion.
- Total internet users crossed 270mn in 2014, out of which 235mn users access internet through mobile devices.
- In 2015, India is projected to become the second largest internet user base in the world, overtaking US.
- Current smartphone penetration in India stands at 13.4% up from 10% in 2014. According to industry leaders, crossing 25% of penetration would lead to a new leap of data explosion and the technology requires to take a new dimension.
- Current smartphone penetration in India stands at 13.4% up from 10% in 2014. According to industry leaders, crossing 25% of penetration would lead to a new leap of data explosion and the technology requires to take a new dimension.





BOARD'S REPORT TO THE MEMBERS

To,

The members

The Directors have pleasure in presenting the 22nd Annual Report of **Suyog Telematics Limited** along with the Statement of Accounts for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

Our Company's financial performance for the year under review has been encouraging and is summarized below:

₹ (in lakh)

Particulars	2016-17	2015-16
Total Income	6,328.89	4,386.39
Less: Expenditure & Depreciation	3,961.68	2,559.34
Profit Before Tax (PBT)	2,367.21	1,827.04
Less: Tax (including deferred tax)	666.30	621.01
Profit After Tax (PAT)	1,700.92	1,206.03

REVIEW OF OPERATIONS

The total turnover of the Company stands ₹ 6053.75 lacs as compared to ₹ 4375.37 lacs in the previous year, an increase of approx. 38%. There has been 1.4 times increase in the net profit after tax during the financial year. Your Directors are hopeful of similar upward trend in the performance of the Company in the coming years.

CHANGE IN THE NATURE OF BUSINESS

There is no change in nature of the business of the Company during the Financial Year.

DIVIDEND

Your Directors do not propose any dividend as the Company propose to conserve its profits for future growth of the Company.

BONUS SHARES

Your Company has allotted bonus shares in the ratio of 1:5 on June 15, 2016.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

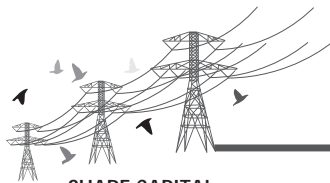
There is no requirement to transfer funds to the Investor Education and Protection Fund during the Financial Year.

RESERVES

There is no transfer to reserves during the financial year under consideration.

FOLLOWING PROVISIONS ARE NOT APPLICABLE TO THE COMPANY FOR THE RELEVANT FINANCIAL YEAR.

1. Details In respect of frauds reported by auditors other than those which are reportable to the Central Government.
2. Business Responsibility Statement
3. Dividend Distribution Policy
4. Disclosure Under Section 43(A)(ii) Of The Companies Act, 2013
5. Disclosure Under Section 54(1)(D) Of The Companies Act, 2013
6. Disclosure Under Section 62(1)(B) Of The Companies Act, 2013
7. Disclosure Under Section 67(3) of The Companies Act, 2013
8. Disclosure Under Section 68 Of The Companies Act, 2013



SHARE CAPITAL

The paid up share capital of the Company has changed from ` 846.20 lakh to ` 1015.44 lakh during the financial year 2016-17, pursuant to the bonus issue.

DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

STATUTORY AUDITORS

At the 19th Annual General Meeting of the Company held on 22nd September, 2014, the Members of the Company appointed M/s Maheshwari & Co., Chartered Accountants as Statutory Auditors of the Company for a period of 5 years subject to ratification by the Members every year. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting for the year 2016-17.

AUDITORS' REPORT

The Auditors made an observation that the Company has entered into transactions with Directors and Entities in which Directors are interested in violation of Section 185 of the Companies Act, 2013.

Regarding the Auditors' observations relating to non-compliances by the company, the company is in the procedure of complying with all the applicable laws. Other observations of Auditors in their report read with notes to the accounts are self-explanatory.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is attached as Annexure I.

INTERNAL FINANCIAL CONTROLS

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws.

DECLARATION BY THE MANAGING DIRECTOR

Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is attached with the Corporate Governance Report as Annexure B.

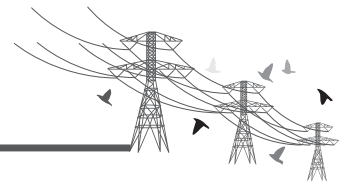
CORPORATE SOCIAL RESPONSIBILITY

The Company constituted Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 in the Board Meeting held on 18th September, 2015 and the Corporate Social Responsibility Policy was approved in the Board Meeting held on 18th April, 2016. A report on the same is attached with the Board's Report at Annexure II.

The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at <https://suyogtelematics.co.in/wp-content/uploads/2017/02/Corporate-Social-Responsibility-Policy-of-Suyog.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



RELATED PARTY TRANSACTIONS

The details of transactions/contracts/arrangements entered by the Company with related party / parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Annexure III and forms part of this Report.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

During the relevant year, following appointments and resignations took place:

- Mr. Satyajeet Rajshekhar Choudhary resigned from the position of Independent Director w.e.f. May 27, 2016.
- The Board appointed Mr. Anand Ganpat Kode (DIN: 07672552), as an Additional Independent Director w.e.f. December 08, 2016.

As per the provisions of Section 149 of the Companies Act, 2013, the Board of Directors appointed Mr. Anand Ganpat Kode (DIN: 07672552) as an Additional Director of the Company, categorized as Independent Director who shall hold office till the date of this Annual General Meeting.

The Company has received a notice from a member, along with deposit of ₹ 1,00,000/-, proposing the candidature of Mr. Anand Ganpat Kode (DIN: 07672552) as the Director of the Company. Necessary resolution for appointment of Mr. Anand Ganpat Kode (DIN: 07672552) as Independent Director of the Company is included in the agenda of notice of Annual General Meeting. Your Board recommends his appointment.

- In terms of Section 152 of the Companies Act, 2013, Mr. Vivek Lature would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Vivek Lature has offered himself for re-appointment.
- The Board appointed Ms. Vedika Gupta as the Company Secretary & Compliance Officer of the Company as on September 01, 2015 who has resigned w.e.f. from 31st December, 2016.
- The Board appointed Ms. Nishtha Agrawal as the Company Secretary & Compliance Officer of the Company w.e.f. February 07, 2017.

A brief resume, nature of expertise, details of other directorships and other information of the Directors proposed to be appointed/ re-appointed as stipulated in Secretarial Standard 2 and Regulation 36 of the Listing Regulations is appended as an Annexure A to the notice of ensuing AGM.

Annual Board Evaluation and Familiarization Programme for Board Members

A note on the familiarization programme adopted by the Company for orientation and training of the Directors, and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During FY 2016-17, the Board of Directors met 9 (Nine) times on: i.e. on, Monday, April 18, 2016; Friday, May 27, 2016; Wednesday, June 15, 2016; Friday, August 19, 2016; Friday, August 26, 2016; Monday 14, 2016; Wednesday, February 01, 2017; Tuesday, February 07, 2017; Tuesday, March 14, 2017.

The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of board meetings held and attendance of the Directors during FY 2016-17 are set out in the Report on Corporate Governance which forms part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations.

DECLARATION OF THE DIRECTORS ON THE CODE OF CONDUCT

This is to inform that the Company has adopted a Code of Conduct for its employees including the Directors. We confirm that the Company has in respect of the financial year ended 31st March, 2017, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct.



BOARD COMMITTEES

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2017, the Board has Four Committees, namely, Audit Committee; Nomination and Remuneration Committee; Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. The details with respect to the composition, powers, roles, terms of reference, no. of meetings etc. of the Committees held during the FY 2016-17 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance which forms part of this Annual Report.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The Company doesn't have any subsidiary, joint venture and associate company.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached in Annexure IV.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Nilesh A. Pradhan & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure V".

The comments of the Directors on the observations made by Secretarial Auditor are as below:

- 1) Secretarial Auditors pointed out that there was delay in submission of the Audit Report on Reconciliation of share capital as required under Regulation 55A of Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996 for the quarter ended 31st March, 2016. The Company was facing a huge technological low within the office. Hence, all internet related activities came to an halt.
- 2) Loan to Directors and other related persons in non – compliance of section 185. Your Directors have taken a note of this. They assure that the Company shall keep in mind the legal framework before entering into any transaction.

CORPORATE GOVERNANCE

The Company is committed to benchmarking itself with global standards for providing good corporate governance. The Board constantly endeavours to take the business forward in such a way that it maximises long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations are duly complied with. A detailed report on the corporate governance pursuant to the requirements of Listing Regulations forms part of this Annual Report. A certificate confirming compliance of conditions of corporate governance as stipulated in Listing Regulations is annexed as Annexure VI to this report.

CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Management does not perceive any material changes occurred subsequent to the close of the financial year as on 31/03/2017 before the date of board report affecting financial position of the Company in any substantial manner.

NOMINATION AND REMUNERATION POLICY

The Board has constituted Nomination and Remuneration Committee on 29th July, 2013 in accordance with Section 178 of the Companies Act, 2013. The policy provides for the functions of the committee in relations to the determination of the remuneration payable to the executive and other non-executive directors, recommendation for appointment/re-appointment of the Executive Directors, revision in the remuneration of the existing directors of the company from time to time. The policy is placed on the Company's website <https://suyogtelematics.co.in/wp-content/uploads/2017/03/nomination-and-remuneration-policy-amended-as-on-May-27-2016-1.pdf> and is annexed as Annexure VII to this report.

CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(i) Conservation of Energy:

The Company initiates all efforts to minimize the consumption. At all levels conservation of energy is stressed upon. Company also takes possible measures to reduce the consumption by deploying automation.

(ii) Technology Absorption:

"Go Green" is inherent to our Business Model of Tower Sharing as every Co-Location, we add to the network helps in bringing down the energy consumption on a per Co-Location Basis.