



SYLPH TECHNOLOGIES LIMITED
25th ANNUAL REPORT
2016 - 2017



ANNUAL REPORT 2016 - 2017

BOARD OF DIRECTORS

- | | | | |
|----------------------------|---|-----------------|--------------------------------|
| 1. DR. RAJESH JAIN | : | (Din: 01704145) | : Non Executive Director |
| 2. DR. DEVENDRA M CHELAWAT | : | (Din: 06894710) | : Independent Director |
| 3. MRS. JAYSHRI JAIN | : | (Din: 01824937) | : Non Executive Women Director |
| 4. MR. VINEET SHRIVASTAV | : | (Din: 00838244) | : Independent Director |

BANKERS

BANK OF INDIA

AUDITORS

M. S. DAHIYA & CO.
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

ST-4, Press House,
22, Press Complex A. B. Road,
INDORE - (M. P.) INDIA - 452 008
Tel. 91-731-2571451
E-mail: info@sylphtechnologies.com, mhfl@bsnl.com
URL : www.sylphtechnologies.com

REGISTRAR & TRANSFER AGENTS

Purva Sharegistry (India) Private Limited
Unit No. 9, Shiv Shakti Ind. Estt.,
J. R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai - 400 011
TEL : 91-22-2301 3761/8261
FAX : 91-22-2301/2517
Email : busicomp@gmail.com



DIRECTORS' REPORT

To,
The Members,
Your Directors are delighted in presenting their 25th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2017.

Financial summary:

Particulars	March 31, 2017	March 31, 2016
Income From Operations		
Revenue from sale of goods	109,288,000	45,024,000
Revenue from sale of Services	4,76,000	890,000
Other Income	2,384,125	2,782,272
Total Revenue From Operations	112,148,125	48,696,272
Profit before depreciation & taxation	159,560	427,337
Less: Depreciation	2,60,550	279,780
Profit before taxation	(100,990)	147,557
Less: Tax Expense		
Tax expense for current year (MAT)	-	28,118
Mat credit entitlement	-	(28,118)
Deferred Tax	(9,890)	3,477
Profit after taxation	(91,100)	144,080
Add: Balance brought forward from previous year	(14,512,929)	(14,969,651)
Add: Reversal of outstanding expenses	-	312,642
Surplus available for appropriation	(14,604,028)	(14,512,929)
Appropriations		
Dividend on Preference Shares	-	-
Tax on above dividend	-	-
Proposed dividend on Equity Shares	0	0
Tax on above dividend	0	0
Transfer to General Reserve	0	0
Balance carried to Balance sheet	(14,604,028)	(14,512,929)

TRANSFER TO RESERVES:

During the year the company has not proposed to transfer any amount to the General Reserve.

DIVIDEND:

The Directors of the Company are not recommending any dividend looking to the accumulated losses in the company.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Rajesh Jain (Din-01704145), Director of the company is liable to retire by rotation and shall retire in the forthcoming AGM and being eligible, offer himself for re appointment. The Board of Directors recommends Mr. Rajesh Jain for re-appointment as director of the company.



During the year, the Board appointed Ms. Chhaya Lakhmani as the Company Secretary, KMP and Compliance Officer of the Company. The appointment was effective from 14th September, 2016. Due to unavoidable circumstances, Ms. Chhaya Lakhmani, Company Secretary, KMP and Compliance Officer of the Company resigned from the services of the Company. The resignation was effective from 06th January 2017.

Detail of Director is provided in “Annexure-i”.

DECLARATION BY INDEPENDENT DIRECTORS:

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company.

MEETINGS OF BOARD:

During the year 10 (Ten) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report in “Annexure-ii”. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and the loss of the Company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

POLICY FOR APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of Loans, guarantees or investments covered under Section 186 of company act, 2013 form part of notes to the financial statements provided in this annual report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY/INTERNAL FINANCIAL CONTROLS:

The directors has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements.



The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditor is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

CONSERVATION OF ENERGY:

Company ensures that the operations of the company are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

No specific investment has been made in reduction in energy consumption equipments.

As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

No steps have been taken for by the company for utilizing alternate sources of energy.

TECHNOLOGY ABSORPTION:

Company's operations are conducted by using in-house know how and no outside technology is being used for operating activities. Therefore no outside technology absorption in the company. The Company has not incurred expenditure on research and development activities during the year.

FOREIGN EXCHANGE EARNINGS AND OUT-GO :

During the period under review there was no foreign exchange earnings or out flow.

SUBSIDIARY COMPANY:

The Company has one subsidiary company- Sakshi Powertech Pvt Ltd

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as **AOC-1 "Annexure-iii"**. Performance and financial position of the subsidiary included in the consolidated financial statement.

Further, the financial statements and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism/Whistle Blower Policy to report genuine concerns or grievances of directors and employees and to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

Audit committee shall oversee the vigil mechanism.



The vigil mechanism ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

AUDITOR:

At the Annual General Meeting held on 30th September, 2014, M/s M.S. Dahiya & Co. (Firm's Registration No.-013855C), chartered accountant, were appointed as statutory auditors of the company. As per provision of section 139 of company act, 2013 regarding rotation of auditor of M/s M.S. Dahiya & Co., Chartered Accountants, office as auditors of the company has exhausted and thus appointment of new auditor for the company will take place subject to approval of the auditor M/s ABN & Co. (ICAI FRN :- 004447C) as statutory auditor of the company from the conclusion of 25th AGM till conclusion of 30th AGM as stated in the notice

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed CS Rani Rai (M. No.39581), Company Secretary in practice (C.P. No. 16987) in place of CS D. P. Yadav (M. No. 36395) Company Secretary in practice (C.P. No. 13717) who has done the secretarial audit of the Company for the Financial Year 2015-16, to undertake the Secretarial Audit of the Company for the Financial Year 2016-2017. The Secretarial Audit report for the Financial Year ended 31st March 2017 is annexed herewith as: "Annexure-iv" to this report.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained secretarial audit report.

BOARD EXPLANATION

- Management is searching for suitable candidate for the post of MD or CEO and CFO. Further the company is under process to appoint company secretary beside that the secretarial audit report is self explanatory and hence, do not call for any further comments.

RELATED PARTY TRANSACTIONS DISCLOSURE :

The disclosure required under sub section (1) of section 188 are mentioned in Form AOC-2 which is annexed herewith as "Annexure -v".

STATE OF COMPANY'S AFFAIRS:

Your Company is a software technology company in India, providing software development services & solutions with services such as outsourcing software development, web development, product development, strategy consulting, offshore software development, e-commerce for web and mobile enablement.

The Company operates in four segments namely Information Technology, Education, Printing and Publishing Newspapers and Trading of Solar Power Plant and the Company has also acquired rights for the Publication of a 25 year old Newspaper. During the period the company has operated in three segment mentioned previously. During the year most of the revenues are from Solar Power Plant.

The company has also engaged in providing BPO Service & KPO Service website: www.bfxindia.com. KPO providing services in the field of Accounting, Income tax, Service Tax, VAT, CST, Custom Duty and other



duties and taxes, Auditing, Corporate Services, Company law matters, Financial & Legal Consultancy and Tax Management. BFX India provide definite solution for Corporate Debt restructuring and can also help in raising Debt, Loan, Shares capital and equity for all of your business and corporate requirements in all possible forms and ways.

For the purpose of enhancement, diversification and availing future opportunities during the year company has started trading of Solar Power Product.

REVOCATION OF SUSPENSION IN TRADING OF COMPANY'S SHARE :

The Company had been suspended with effect from August 27, 2015 vide order passed on August 24, 2015 .The BSE has revoked the suspension in trading of company's share from March 06, 2017.

BUSINESS RISK MANAGEMENT:

The Management has implemented business risk management policy. At present the company has not identified any element of risk which may threaten the existence of the company. The Company has Risk Management Policy to report genuine concerns or grievances of directors and employees and to deal with instance of fraud and mismanagement, if any.

PARTICULARS OF EMPLOYEES:

Section 197 of company act 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are not applicable to company as no employee of company is in receipt of remuneration exceeding the limit as mentioned in relevant provision.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-vi".

LISTING WITH STOCK EXCHANGES:

The Company's Shares are listed on BSE. The Company confirms that it has paid the Annual Listing Fees to BSE.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate "Annexure-ii", together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to all with whose help, cooperation and hard work the Company is able to achieve the results.

Place : Indore

Date : 18th July, 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SYLPH TECHNOLOGIES LIMITED

CIN: L36100MP1992PLC007102

Registered Office:

ST-4 Press House,
22 Press Complex, A.B. Road,
Indore-452008 (MP)

Jayshri Jain
Director
(DIN-01824937)

Rajesh Jain
Director
(DIN-01704145)

ANNEXURE INDEX

<u>Annexure</u>	Content
i.	Details of Directors seeking appointment and/or re-appointment
ii.	Corporate Governance & Management Discussion & Analysis Report
iii.	AOC -1 Details of subsidiary companies
iv.	Secretarial Audit Report
v.	AOC 2 – Related Party Transactions disclosure
vi.	Annual Return Extracts in MGT 9



Annexure-"i"

Details of directors seeking appointment/ re-appointment at the annual general meeting as stipulated under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges, are provided herein below.	
Name of Director	Mr. Rajesh Jain
DIN	01704145
Age	55 years
Qualification	Chartered Accountant
Expertise in Specific Area	Finance
Date of first Appointment on the Board of the Company	14/05/1992
Shareholding in Sylph Technologies Limited	1449400
List of Directorship held in other companies	(1) Sylph Education Solutions Limited" (2) Sakshi Powertech Private Limited" (3) Sakshi Multitrade Private Limited" (4) Saksham Publishers And Printers Limited""
Membership / Chairmanships of Audit and stake holders relationship committees	Membership - 2
Relationships between directors inter-se	Mr. Rajesh Jain is husband of Smt. Jayshri jain , one of the director of the company
Place- Indore Date-18th July, 2017	SYLPH TECHNOLOGIES LIMITED CIN: L36100MP1992PLC007102
Registered Office: <div> ST-4 Press House, 22 Press Complex, A.B. Road, Indore (M.P.)-452008 </div> <div> Jayshri Jain Director DIN: 01824937 </div> <div> Rajesh Jain Director DIN: 01704145 </div>	



Annexure-ii

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us the corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, and our relationship with stakeholder and commitment to values. Transparency, integrity, professionalism and accountability- based values form the basis of the Company's philosophy for Corporate Governance.

2. BOARD OF DIRECTORS:

(A) COMPOSITION OF BOARD:

Composition of Board of directors of the Company as on 31st March, 2017 is as follow:

S. No.	Name of Director	Category	Directorship	Number of Other Committee Members	Number of Other Committee Chairmanship
1	Dr. Rajesh Jain	Promoter/ Non-Executive Director	2	3	Nil
2	Dr. Devendra M Chelawat	Independent Non-Executive Director	2	3	1
3	Smt. Jayshri Jain	Non-Executive Director/ Woman Director	2	1	1
4	Mr. Vineet Shrivastav	Independent Non-Executive Director	2	1	2

(B). NUMBER OF BOARD MEETINGS

During the Financial year ended on March 31, 2017, Ten Board Meetings were held on 28th April 2016, 30th May 2016, 30th July 2016, 16th August 2016, 14th September 2016, 25th October 2016, 2nd December 2016, 6th January 2017, 30th January 2017 and 21st March 2017.

(C). ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETING AND THE LAST ANNUAL GENERAL MEETING:

The attendance for each of the Directors at Board Meeting during the year ended on 31st March, 2017 and of last AGM is as under-