



SYLPH TECHNOLOGIES LIMITED
26th ANNUAL REPORT
2017-18

BOARD OF DIRECTORS

- | | | |
|----------------------------|-------------------|--------------------------|
| 1. Dr. Rajesh Jain | : (DIN: 01704145) | : Non-Executive Director |
| 2. Dr. Devendra M Chelawat | : (DIN: 06894710) | : Independent Director |
| 3. Mr. Vineet Shrivastav | : (DIN: 00838244) | : Independent Director |

BANKERS

BANK OF INDIA

AUDITORS

M/s ABN & Co.

Chartered Accountants

REGISTERED OFFICE

ST-4, Press House,
22, Press Complex, A.B. Road,
INDORE- (M.P.) INDIA – 452008
Tel. 91-731-2571451
E-mail: mhfl@bsnl.in
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 – 400011
Tel. 91-22-2301 6761/8261
Email: busicomp@gmail.com, busicomp@vsnl.com

DIRECTORS' REPORT

To,
The Members,

The Directors are delighted to present their 26th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2018.

FINANCIAL SUMMARY:

Particulars	March 31, 2018	March 31, 2017
Income From Operations		
Revenue from sale of goods	29,795,364	109,288,000
Revenue from sale of Services	0	4,76,000
Other Income	2,098,692	2,384,125
Total Revenue	31,894,056	112,148,125
Profit before depreciation & taxation	143,654	(440,440)
Less: Depreciation	246,528	260,550
Profit before taxation	(102,874)	(700,990)
Less: Tax Expense		
Tax expense for current year (MAT)	-	-
Mat credit entitlement	-	-
Deferred Tax	(31,285)	(9,890)
Profit after taxation	(71,589)	(691,100)
Add: Balance brought forward from previous year	(14,604,028)	(14,512,929)
Add: Gain/Loss on shares transferred from other comprehensive income to retained earnings	14,93,400	6,00,000
Surplus available for appropriation	(13,182,217)	(14,604,028)
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	(13,182,217)	(14,604,028)

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:

Our 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 recommend Mr. Rajesh Jain for re-appointment as director of the company.

The Company is in search of competent person for the post of compliance officer.

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 12 (twelve) 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 Indian Accounting Standards (IND AS) 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, there is 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 features 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 17th August, 2017, M/S ABN & Co. (ICAI FRN: 004447C), chartered accountant, were appointed as statutory auditors of the company. As per Section 139 of Companies Act, 2013, the appointment of M/S ABN & Co., Chartered Accountants, as statutory auditors of the company is placed for ratification by shareholders at the ensuing annual general meeting.

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) to undertake the Secretarial Audit of the Company for the Financial Year 2017-2018. The Secretarial Audit report for the Financial Year ended 31st March 2018 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 26 year old Newspaper. During the period the company has operated in two 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.

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

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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place- Indore
Date-17th July, 2018

SYLPH TECHNOLOGIES LIMITED
CIN: L36100MP1992PLC007102

Registered Office:
ST- 4 Press House,
22, Press Complex,
A.B. Road, Indore

Vineet Shrivastav
Director
(Din-00838244)

Rajesh Jain
Director
(Din-01704145)

ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
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