



SILVERLINE
TECHNOLOGIES LIMITED

26th ANNUAL REPORT
2017-2018

BOARD OF DIRECTOR**DIRECTOR**

[Till the date of disqualified]

Ravi Subramanian, Director (DIN-02151804) □

Mohan Subramanian -

Whole time Director (DIN-01555249)

Krishnakumar Subramanian (DIN-01555329)

3LQDNLQ3DWHO□UHEWRU□

5DPHVK15DPDNULVKQDQ□UHEWRU□

Lucy D'Lima (DIN-07394708)

Rama Krishnan Iyer (DIN-00528878) □

Anupam Khushwa (DIN-07081119)

AUDITORS

JMT ASSOCIATES

Chartered Accountants

Office No.14,

Laud Mansion Frist Floor,

Above Yes bank Opp. Charni Road,

Mumbai - 400004.

REGISTERED OFFICE

No. 121, SDF IV, SEEPZ, Andheri (East),

Mumbai-400 096. Tel. No. 28291950 / 28290322

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

Bankers

The SHAMRAO VITHAL CO-OP BANK LTDThe

Lakshmi Vilas Bank Ltd.

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Address by the Promoter

Mr. Ravi Subramanian at the 26th Annual General Meeting of the company on the Friday 24th August, 2018.



Dear Shareholders,

Welcome to the 26th Annual General Meeting of Silverline. On behalf of the Board of Directors, I thank you for joining us today. Your presence is indeed a true testimony to your involvement with, and support for the Company.

Most of you must be wondering why Silverline has been dormant in corporate activities for the past few years. Let me get you a brief time line of the company. In June 2000 we listed ourselves in NYSE as the first ever software company from India to do, through sheer determination and perseverance of the promoters. The incidents around 9/11 /2001 led to the collapse of the company from which we rose like a Phoenix bird in 2006. However, our valiant attempts to claw back to the position we once adorned in the Indian IT industry was short lived due to the infamous Subprime crisis of 2008 and subsequent global meltdown.

Since then, we faced several formidable challenges where few of them threatened the very survival of the company. We have faced and conquered every unsurmountable challenge through our grit and spider instinct. At times, many even doubted about the very integrity of the organization.

Today, I stand in front of you with a mission to take Silverline back to the elite top 10 companies of the Indian IT industry. We have already laid down a road map for the long term growth of the company which we plan to implement meticulously. Our sole objective in this challenge is to protect the investment of every shareholder and stakeholder. We intend to prove wrong, many naysayers who wrote the epitaph on Silverline. Indeed, the journey of over a quarter of century has taught us many invaluable business lessons that would strengthen our future growth.

Amidst all the challenges faced by us, the top management team along with the advisory team have formulated a long-term vision for the organization that commensurate with the intrinsic strength of the promoters through their long association with the global IT industry. We have aligned our corporate vision with the interests of our ever-loyal shareholders and stakeholders.

In order to pave way for a faster and sustainable growth, we have adopted a multi-pronged risk mitigation strategy. This encompasses IT consulting in various verticals and high-value high-growth potential IT security products for the global markets. Company has already identified a few acquisition targets for inorganic acquisition thereby acquiring a few skills sets which form the backbone of the company's expected exponential organic growth in the immediate future.

I wish to express my deepest gratitude to our Partners, Clients, Employees and other stake holders, who stood with the company through the thick and thin, which paved the way for the current resurrection activities. I thank them for their guidance, advice and support. It is the goodwill of these patrons that has renewed our self-confidence and kindled our potential to do more.

Thank you
Ravi Subramanian
Promoter

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of **SILVERLINE TECHNOLOGIES LIMITED** will be held Friday, 24th August, 2018 at 2.10 PM at Sri Ahobila Mutt, 1st floor, Chembur, Mumbai-400071 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement as at March 31st, 2018 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the notes annexed thereto and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Ms. Lucy D'Lima (DIN - 00528878) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors

“RESOLVED THAT, pursuant to the provisions of section 139(2) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and JMT & Associates Chartered Accountants(Firm Registration No. 104167W) be and hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2018-19 on a remuneration to be decided by the Board of Directors”.

Place: Mumbai

Dated :3rd August, 2018

By order of the Board

Silverline Technologies Limited

Lucy D'lima

Director

NOTES:

1. A Member entitled to attend and vote is entitled to appoint proxy/proxies to attend and vote instead of himself/ herself and the proxy need not be a Member. Please read the instructions printed overleaf the Proxy Form attached to this notice before using the Form.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August,2018 to 24th August,2018 (Both days inclusive).
3. Members holding shares in physical form are requested to contact M/s Link Intime India Private Limited Share Registry Limited, Registrars and Share Transfer Agents of the Company, at Mumbai – for recording any change of address or nominations. In case of shareholders holding shares in demat form, all such intimations are to be sent to their respective Depository Participants (Dps). Members can also submit their grievances direct to the Company at the following email ID: www.silverlinetechology.com
4. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants.
5. As per the provisions of Section 205A of the Companies Act, 1956, and Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and transfer Agent.
7. Additional information pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment(s).
8. Members are requested to inform the Company their e-mail ID to facilitate quick response from the Company. Ministry of Corporate Affairs has recognized e-mail communication to shareholders as effective and efficient means of communication from the Company and also member's communication to the Company. Members may register their e-mail id with the Company and also keep the Company informed of any changes in their e-mail ID.
9. Members who have not so far dematerialized their shares are advised to demat the shares held in physical form which will ensure safety and security for their shares. (At presently this facility is not available but will be restore shortly and will inform you through the BSE).

10. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and cause 32 of the listing agreement, the Company has to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 26th AGM.

We regret to inform that the e-voting facility will not be available to the members for the 26th AGM as your share trading are under suspended category and the records of the members are not updated due to blocking of bempops by the NSDL and CDSL.

11. VOTING AT THE VENUE OF THE AGM

In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014, with respect to the voting through electronic means, the Company is pleased to offer the facility for voting by way of polling at the venue of the AGM. Members attending the meeting should note that those who are entitled to vote at the AGM through polling for all businesses specified in the Notice. The voting rights of the members shall be in proportion to their shares of the paid up Equity Share Capital of the Company.

12. Postal ballot Form, Proxy and Attendance Slips are enclosed in Page No. 48-50 respectively.

EXPLANATORY STATEMENT PURSUANT TO SECTION TO SECTION 173(2) OF THE COMPANIES ACT 1956 ITEM No.2

The information or details pertaining to the Director retiring in this meeting and offering himself for re-appointment is as under:

Name : Ms. Lucy D'lima
Date of Birth : 17th June, 1959
Experience in specific functional area : She is M. A. from Mumbai university and has more than thirty five years of experience in the administrative work.
Qualifications : B. Com
Other Company in which Directorship held : Megasys India (p) Ltd.

No. of Shares held on March 31st, 2017 : 1080

Place: Mumbai

Dated : 3rd August, 2018

By order of the Board
Silverline Technologies Limited
Lucy D'lima
Director

DIRECTOR'S REPORT

Your directors have pleasure in submitting their 26th Annual Report together with the audited accounts for the year ended 31st March, 2018

Financial Results (Consolidated)

	Year Ended 01/04/2017 to 31/03/2018 Rs. In Lacs	Year Ended 1/4/2016 to 31/03/2017 Rs. In Lacs
Export	220.90	60.23
Domestic Sales	0	0
Other operating income	0	0
Total Turnover	220.90	60.23
Gross profit (i.e., Profit before interest and depreciation)	34.20	1.04
Profit before exceptional Item and tax	27.35	1.04
Exceptional Item –	–	–
Profit/(Loss) after exceptional Item (before tax) – PBT	27.35	1.04
Profit/(Loss) after exceptional Item and tax – PAT	27.35	1.04
Earnings per share - basic and diluted Rs.	.04	.01

Dividend

In view of the carried Forward losses no dividend is recommended by your board of directors for the financial year ended 31st March, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS**(a) Industry structure and developments:**

The Indian information technology playing key role in the economic development and valuable foreign exchange to the country. Its going to play the important role in the growth of country GDP and standard of living of the people of India. The latest Industry data shows the growth in the user of smart phone all over the world which would like to create more opportunity to the company to enter into the digitalization.

(b) Future Outlook

The Indian IT/ITeS industry has emerged as a key growth engine for the economy, contributing to the country's Gross Domestic Product (GDP) in last twenty years and also providing direct employment opportunities to the young generation. It remains one of the biggest sectors for wealth generation in the country.

(c) Strategies and Future plans

The Company is also actively examining the possibility of reducing costs at all levels and evaluating new value added products, which will have fresh business in domestic as well as international markets.

(d) Risks and Concerns

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. In this regard, the Company has adopted Risk Management Mechanism which involves the Process of systematically identifying all possible risk events which have a potential impact on the business.

Prioritizing the identified risks by the likelihood and the potential impact.

Managing risks by using any of the four techniques namely risk avoidance, risk transfer, risk sharing and risk reduction. Oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occurs concurrently throughout the risk management process.

Appropriate communication and consultation with internal and external stakeholders should occur at each stage of the risk management process as well as on the process as a whole.

KEY RISKS**Foreign Exchange Risk**

Company is exposed to foreign exchange risk on account of its export sales to other countries.

Credit Risks

Company faces credit risks in case of delays in settlement of dues by clients.

Legal Risks

The Company operates in a complex legal/regulatory environment and is governed by various laws and statutes. Hence the Company is exposed to legal risk exposure. Company has set up an experienced team of professionals and has established a well compliance management to deal with all legal requirements.

Other Risks

Apart from the risks mentioned above, the Company's business is exposed to other operating risks, which are mitigated through regular monitoring and corrective action.

(e) Internal control and systems

The Company has in place a well established internal control procedures covering various areas. Necessary checks and balances have been instituted for timely correction.

Human resources management

Employees are your company's most valuable resource. Your Company continues to create a favourable environment at work place. The company also recognises the importance of training and consequently deutes its work force to various work related courses/seminars including important areas like issues like Technical skills.

Environmental Protection, Health and Safety (EHS)

EHS continues to receive the highest priority in all operational and functional areas at all locations of your Company.

Extract of Annual Return

The extract of annual return in Form MGT – 9 has been annexed with this report and form part of this report.

Number of Board Meetings

The details pertaining to meetings of the Board has been explained under Corporate Governance Report annexed to the director's report and forms part of this report.

Establishment of Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns.

Declaration by Independent Directors

The newly appointed Independent directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as Independent director during the year.

Secretarial Audit and statutory Report

The Company appointed Mr. Hardik Ratani, Practising Company Secretaries as Secretarial Auditors, to conduct Secretarial Audit particularly with reference to compliance with Companies Act, 2013, Listing Agreement and relevant SEBI Regulations for the financial year 2017-18. The report of the Secretarial Audit for the financial year 2017-18 in FORM MR-3 is annexed to this report and forms part of this report.

There are disqualifications, reservations or adverse remarks or disclaimers in the Secretarial Auditors Report, which your company would like to rectify in phase manner.

There are no disqualification, reservations or adverse remarks or disclaimers in the Auditor Report

Audit Committee

Details of Composition of Audit Committee are covered under Corporate Governance Report annexed with this report and forms part of this report. Further, during this year none of the recommendations of the Audit Committee has been rejected by the Board. The new Audit committee constituted in place of disqualified directors and assure to report independently in the best interest of the organisation.

Director

The promoter/Directors are disqualified under the provision of Companies Act,2013 and the New body was constituted in the EGM of the company held on 31st July,2018 as follows- Mrs. Lucy D'Lima (Din-07394708) Mr. Ramakrishnan Iyer (Din-00528878) Mr. Anupam Khusawa (Din-07081119)

Auditor

JMT & Associates Chartered Accountants(Firm Registration No. 104167W) be and hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2018-19

Policy of Directors Appointment and Remuneration

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered under Nomination and Remuneration Policy covered under Corporate Governance Report and forms part of this report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section92(3) of the Act, prescribed form MGT-9 annexed with this report and forms part of this Report.

Particulars of Employees

The information required under Rule 5 of the Act and rules made there-under, in respect of employees employed throughout the year and in receipt of remuneration of Rs. 5,00,000 or in aggregate of Rs. 60,00,000 per year - Nil - (Previous Year -Nil-)

Managerial Remuneration

Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed with this report and forms part of this report.

Related Party Transactions

Transactions entered with related parties have been explained in Form AOC -2 annexed with this report and forms part of this report.

Board Evaluation

The board of directors had carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and clause 49 of the SEBI listing agreement.

In the separate meeting of the Independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Director was evaluated taking into account the views of executive directors and non-executive directors. The same was discussed at the next Board Meeting followed the meeting of the Independent directors and the Independent Directors were evaluated without the presence of the director getting evaluated and also the performance of the Board, its Committees and individual directors were also discussed by the Board. The individual directors and the board as a whole in accordance with the performance Evaluation Policy guidelines were evaluated mainly on the basis of the criteria such as attendance, participation, contribution and the benefits derived by the Company. The Director was evaluated on the key aspects of his role. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Performance Evaluation policy is uploaded in the Company's website.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has set up a Committee for addressing issues related to women and during the financial year 2017-18, there were no complaints received on sexual harassment.

Material Changes and Commitments during the year, if any

There were no material changes and commitments between the end of the period under review and the date of this report which could have an impact on the Company's operation in the future or its status as a "going concern".

Significant And Material Orders Passed By The Courts Or Tribunals Impacting The Company NIL

Listing of Shares

Your Company's Shares are traded only in Bombay Stock Exchange which is presently under suspended category.

Annexures to this Report

The following are the annexures to this report Director's Responsibility Statement in Annexure 1

1. Conservation of energy, technology absorption, Research and development and foreign exchange earnings and outgo in Annexure 2
2. Statement containing salient features of the financial statement of associate company (Form AOC – 1) in Annexure 3
3. Form AOC - 2 in Annexure 4
4. Extract of Annual Report (Form MGT-9) in Annexure 5
5. Secretarial Audit Report (Form MR-3) in Annexure 6
6. Particulars of Remuneration in Annexure 7
7. Corporate Governance Report in Annexure 8

Cautionary Note

Statements in the Directors' report and the management discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results might differ materially from those either expressed or implied in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors such as litigation and industrial relations.

Appreciation

Directors of your Company record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business. Your directors thank the Shareholders, Customers, Suppliers, Bankers and other stakeholders for their continued support during the year. Your Company's consistent growth has been made possible by the hard work, solidarity, cooperation and support of the management team.

On behalf of the Board

Mumbai, 3rd August, 2018

Lucy D'Lima
Director

Annexure - 1
TO THE DIRECTORS REPORT

(i) Directors' Responsibility Statement as per section 134(5) of the Companies Act, 2013

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 31st March,2018 the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that 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 and of the profit of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annexure - 2
TO THE DIRECTORS REPORT

A. Conservation of energy:

The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy.

B. Research & Development (R & D):

- a) Specific areas in which R & D is carried out by the Company:

R&D activities include tools development with the object of devising efficient methods of pre-production phase The Company has in place a quality assurance team to ensure adherence to stringent quality norms.

- b) Benefits derived as a result of the above R&D:

Reduction in cost and improvement in quality adaptability of Software Systems and Packages.

- c) Expenditure on R & D:

Expenditure on R & D if any has been charged under primary heads of accounts.

C. Technology Absorption. Adaptation & innovation:

No technology has been imported.

Indigenous technology available is continuously being upgraded to improve overall performance.

D. Foreign exchange earnings & Outgo:

Activities relating to Exports & Export Plans:

The Company is making continuous efforts to explore new foreign markets and to enlarge its shares in the existing markets for export of digital animation content.

Information on Foreign Exchange earnings and outgo are specified in the notes to the accounts

Annexure - 3

FORM AOC - 1

PART "A": SUBSIDIARIES

Not applicable since the Company does not have any Subsidiaries.

PART "B": ASSOCIATES

Not applicable since the Company does not have any Associates.

Annexure - 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- | | |
|---|-------|
| 1. Details of contracts or arrangements or transactions not at arm's length basis | : NIL |
| 2. Details of material contracts or arrangement or transactions at arm's length basis | : NIL |

NOTE

There were no materially significant transactions with Related Parties during the financial year 2017-18 which were in conflict with the interest of the Company. Hence the related party transactions of the Company for the financial year 31st March,2018 not fall under the purview of disclosure under Form AOC – 2. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

Annexure - 5

FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March,2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L99999MH1992PLC066360
- ii) Registration Date : 13-04-1992
- iii) Name of the Company : M/s Silverline Technologies Limited
- iv) Category / Sub-Category of the Company: Company having Share capital/Indian/Non-Government company
- v) Address of the registered office and contact details:
UNIT NO 121,SDF IV SEEPZ ANDHERI EAST MUMBAI 400 096
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agents : M/s. Link Intime India Private Ltd., C-101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai, Maharashtra, 400083

AI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Silverline is in business of to render software consulting services in information and technologies industries.

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover of the company
1	Software Development	72293	100%

* - As per NIC 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Not Applicable for the financial year ended 31st March,2018.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding/ Shareholding of Promoters/

In View of absence of records pertaining to the Shareholding pattern of the Company, We are unable to give the details of the same.

ii) Change in Promoters' Shareholding (please specify, if there is no change) Nil

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

In View of absence of records pertaining to the Shareholding pattern of the Company, We are unable to give the details of the same.

iv) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS – in Lacs

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted Ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	1.27	0	1.27
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1.27	0	1.27
Change in Indebtedness during the financial year				
Addition	0	3.10	0	3.10
Reduction	0	0	0	0
Net Change	0	3.10	0	3.10
Indebtedness at the end of the financial year				
i) Principal Amount	0	4.37	0	4.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	4.37	0	4.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Director and / or Manager: Nil
- B. Remuneration to other directors: Nil
- C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority [RD / NCLT / / COURT]
A. COMPANY				
Penalty				
Punishment			----- None-----	
Compounding				
B. DIRECTORS				
Penalty				
Punishment			----- None-----	
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty				
Punishment			----- None-----	
Compounding				

Annexure - 6
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SILVERLINE TECHNOLOGIES LIMITED
UNIT 121, SDF IV, SEEPZ,
ANDHERI (EAST),
MUMBAI MH 400096 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to general corporate practices by **SILVERLINE TECHNOLOGIES LIMITED** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification only to the extent as provided by the Company with the respect to the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31 March 2018** ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has generally Board-processes and compliance-mechanism is there to the extent, in the manner and subject to the reporting made hereinafter:

I have examined only to the extent it was provided by the Company, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder,
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder, *here due to absence of documents and papers for verification and on the basis of and relying upon the management representation submitted by the Board of the Company, we have provide that the Company has generally complied with the provisions of this Act except as qualification given*

as under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under, *here due to absence of documents and papers for verification and on*

the basis of and relying upon the management representation submitted by the Board of the Company, we have provide that the Company has generally complied with the provisions of this Act except as qualification given as under, if any;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct

Investment and External Commercial Borrowings; *here due to absence of documents and papers for verification and on the basis of and relying upon the management representation submitted by the Board of the Company, we provide that the Company has generally complied with the provisions of this Act except as qualification given as under, if any;*

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers)Regulations, 2011;*here due to absence of documents and papers for verification and on the basis of and relying upon the management representation submitted by the Board of the Company, we provide that the Company has generally complied with the provisions of this Act except as qualification given as under;*

(b) The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations,1992;*here due to absence of documents and papers for verification, I am unable to give opinion hereupon.*

(c) The Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements)Regulations, 2009,

(d) The Securities and Exchange Board of India(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(**As per the information provided by the Company, it is not applicable to the Company during the Audit Period**);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(**As per the information provided by the Company, it is not applicable to the Company during the Audit Period**);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(**Not applicable to the Company during the Audit Period**); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Applicable to the Company on and after 01/07/2016 during the audit period**).

(ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualification:

(a) ***The Company has failed to appoint Company Secretary pursuant to the provisions of section 203 (1) (ii) of the Companies Act, 2013 and Rules made there under and also not appointed Compliance Officer as per the requirement of Clause 47 (1) of the Listing Agreement and Regulation 6 of SEBI (LODR), 2015 and signature of CS and CFO was not also found in Financial Statement as per requirement of section 134 of the Companies Act, 2013;***

(b) ***As per the information given by management of the Company, it has not provided the E-voting facility to the Members of the Company in their Annual General Meeting held on 24th August, 2018 pursuant to the Clause 35B of the Listing Agreement and SEBI circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th april 2014***

(c) ***As per the information given by management of the Company, it has failed to appoint the Internal Auditor of the Company and the Form MGT 14 for Board resolution for appointment of Secretarial Auditor, approval of financial statement and Board's Report was not filed with ROC under section 179 of the Companies Act, 2013 and Rules made thereunder***

- (d) *(including any amendments thereto).*
- (e) ***As per the information given by management of the Company, there was no record showing submission of the necessary quarterly filing with the Stock exchange as per listing agreement and listing regulations as the case may be and further as per information given, no notice of Board meeting or financial results has been published in any of the newspapers and also there was no record showing the notice of the Board or committee meeting to the all concern have been served in time.***
- (f) ***No proper Board composition in place in the Company as per the requirement of the Listing Agreement and Regu. 17 of the SEBI (LORD), Regulations, 2015.***
- (g) ***The Company is also suspended from the BSE Limited and its website was also not found to be functioning during the audit period.***
- (h) ***As per Information given by Management of the Company, Company is Failed to held Annual General Meeting of the Company for the FY 2016-17 within the time prescribed under section 96 of the Companies Act, 2013.***

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company: NIL

I further report that

No Board of Directors of the Company is constituted with proper balance of Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting :*(here no such evidences were provided by the Company.)*

All decisions at Board Meetings and Committee Meetings are carried out with majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are general systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ahmedabad

Date: 3rd August 2018

HARDIK RATANI

COMPANY SECRETARIES

CS HARDIK RATANI

CP No.16760

To,
The Members,
SILVERLINE TECHNOLOGIES LIMITED
UNIT 121, SDF IV, SEEPZ,
ANDHERI (EAST),
MUMBAI MH 400096 IN

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and not verified signatures in minutes books, balance sheets, attendance registers or in any other documents as provided by the Company and we have provided our comments, qualification to extent we got the required documents and information from the Company, however, there may or may not be any other qualification also.
4. Our report is based the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 03/08/2018

HARDIK RATANI

COMPANY SECRETARIES

CS HARDIK RATANI

CP No.16760

Annexure - 7

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; Nil
- (b) percentage increase in remuneration of each director, CMD, CFO and Company Secretary: Nil
- (c) percentage increase in median remuneration of the employees during the financial year: Nil
- (b) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer Nil.

DIRECTOR CERTIFICATION**To****The Board of Directors,****Silverline Technologies Limited Mumbai**

I, Lucy D'lima, Director of Silverline Technologies Limited, to the best of our knowledge and belief certify that as per the review of records and statements of the disqualified directors the new constitutional board opinion that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards.
2. These are to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. The Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the Auditors and to the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies during the year.
 - c) Instances of significant fraud of which have become aware of and which involve management or other employees who have significant role in the Company's Internal control system over financial reporting. However, there was no such instance.

Mumbai, 3rd August, 2018

Lucy D'Lima-Director

Annexure 8

DIRECTOR'S REPORT ON CORPORATE GOVERNANCE

a) **Company's Philosophy**

Silverline's business objective and that of its management and employees is to render software consulting services in such a way as to create value that can be sustained over the long term for customers, shareholders, employees, business partners and the national economy.

b) **Rights of Shareholders**

Your Company protects and facilitates shareholder's rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders.

c) **Role of stakeholders in Corporate Governance**

Your Company recognises the right of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

d) **Disclosures and transparency**

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

e) **Board of Directors**

During the period under review the Board of Directors comprised a Whole time Director and 4 Non Executive Directors. During the period from 01/04/2017 to 31/03/2018, 4 Board Meetings were held on, 12/04/2016, 13/07/2017, 21/08/2017 and 01/09/2017 The Composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also no. of other Directorships, etc. are as follows:

Name of	Category of Directorship	No. of Board	Attendance at last	No. of other
Director	No. of Committees	Meetings attended	AGM	Directorships
Mr. Ravi	Promoter – Director	4	yes	1
Subramanian	Director- Nil Member-2			
Mr. Krishnakumar	Promoter – Director	4	Yes	3
Subramanian	Director - Nil Member –4			
Mr. Mohan	Promoter - Whole-time Director	4	Yes	3
Subramanian	Director- 1 Member –4			
Dr. Narayan	Independent Non Executive Director	0	No	4
Raman	Director -5 Member –1			

The Board constituted on 31st July, 2018 as all the Present directors/promoters are disqualified under the provision of the companies Act, 2013.

Name of the Directors	Category of the Director	No. of Board meeting attended	Attendance at the last AGM	No of other Directorship
Mrs. Lucy D'Lima	Independent Director	Not Applicable	Not Applicable	1
Mr. Ramkrishnan Iyer	Independent Director	Not Applicable	Not Applicable	1
Mr. Anupam Khushwa	Independent Director	Not Applicable	Not Applicable	0

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or

Director of more than 5 such Committees in companies in which he/she is a Director. Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

Board fulfills the key functions as prescribed under Clause 49 of the Listing Agreement. Details of the Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

Independent Directors

Your Company appointed independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors is a promoter or related to the promoters. They do not have any pecuniary relationship with the Company and further they do not hold two percent or more of the total voting power of the Company. All Independent Directors maintain their limits of directorship as required under Clause 49 of the Listing Agreement. The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

Code of Conduct

The Code of Conduct laid down by the Company is applicable to the Board of Directors (incorporating duties of Independent Directors) and the Senior Management. This Code of Conduct emphasizes the Company's commitment to comply with the highest standards of legal and ethical behavior. Pursuant to Clause 49 of the Listing Agreement, the Director and Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015.

Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

f) Audit committee

i) terms of reference

The role and terms of reference of the Audit Committee covers the areas mentioned in clause 49 of the Listing Agreement

with Stock Exchanges and section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board

of Directors. The minutes of the Audit Committee Meetings are taken note of by the Board.

ii) Composition of Committee

The Audit Committee comprised of 3 Directors. The committee held five meetings during the period from 01/04/16 to 31/03/17. The attendance of the members at the meetings were as follows:

Name of the member	Status
Dr. Narayan Raman	Chairman
Mr. Ravi Subramanian	Member
Mr. Mohan Subramanian	Member

The new committee is reconstituted on 3rd August,2018

Mrs. Lucy D'Lima

Mr. Ramakrishnan Iyer

Mr. Anupam Khushwa

Terms of Reference and Role of Audit committee

The Scope and Role of Audit committee is in accordance with the Companies Act,2013 and the Listing Agreement entered

into with the Stock Exchange which includes but not limited to the following:

- i) Review of the Annual and Quarterly Financial Statementents.
Oversee the Company's financial reporting process and the disclosure of its financial information and ensure
- ii) that the
financial statement is correct, sufficient and credible
Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of
- iii) the
statutory Auditors
- iv) Review of the Accounting policies and Accounting standards applied in preparation of financial statement.
- v) Review of Notes to the Financial statements
Review of internal Auditors Report on Quarterly basis and Limited Review Report of Auditors on Quarterly
- vi) financial
Statement [Standalone and Consolidated] and Statutory Report on Annual Accounts
- vii) Review and suggest explanations to the qualifications made in the Audit Report.
- viii) Review of Disclosure of related party transactions.
- ix) Recommend appointment of Chief financial officer
- x) Recommend change if any in Accounting policies, Practices and Reasons or the same.
- xi) Recommend for sale of Fixed Assets of the company if necessary, for reinforcement of fund requirements of the
company.
- xii) Review of status of outstanding statutory dues and employees related issue
- xiii) Review financial affairs of the Company.

POWER OF AUDIT COMMITTEE

The Audit Committee powers includes the followings-

1. To investigate any activity within its terms of reference
2. To seek information from any employee,
3. To obtain outside legal or other professionals' advice, if necessary
4. To Secure attendance of outsides with relevant expertise, if it considerers necessary

REVIEW OF INFORMATION OF AUDIT COMMITTEE

1. Analysis of financial condition and Results of operations;
2. Statement of related party transactions;
3. Management letters, if any, issued by the statutory auditors;
4. Quarterly Audit report

Nomination and Remuneration Committee

In terms of Section 178 of the Companie's Act, 2013 and the listing agreement with the stock exchange thecommittee identifies and recommends the appointment of person as directors/Independent Directors based on criteria laid down in the

Nomination and Remuneration policy.

To review, assess and recommend the remuneration package of the executive directors and executive managers. The minutes of the Remuneration Committee Meetings are taken note of by the Board.

Composition

The Remuneration Committee comprised of 3 Directors.

Name of the member	Status
Mr. Mohan Subramanian	Director
Dr. Narayan Raman	Member
Mr. Krishnakumar Subramanian	Member

The new committee is reconstituted on 3rd August,2018

Mrs. Lucy D'Lima

Mr. Ramakrishnan Iyer

Mr. Anupam Khushwa

iii) Remuneration policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentive. The components of total remuneration vary for different grades and are governed by industry patterns, qualification and experience of the employee, responsibilities handled, individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit.

iv) Details of Remuneration for period 01/04/2017 to 31/03/2018

Nil

d) STAKEHOLDERS' RELATIONSHIP COMMITTEE

In line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the nomenclature of this Committee has been changed to Stakeholders' Relationship Committee. The Committee considers and resolves the grievances of the stake holders. The Committee also reviews the manner and time-lines of dealing with complaint letters

received from all stake holders including the Stock Exchange/ SEBI/ Ministry of Corporate Affairs etc.,

SHARE TRANSFER COMMITTEE

The Share transfer committee has been constituted mainly to look into transfer and transmission of shares. Share transfers are effected by the Registrar and Transfer Agent (RTA) Linkintime Service Limited, Mumbai, on the authorization given by the

Board. The transfers/transmissions effected by the Registrar are submitted to the Share Transfer Committee for confirmation.

Mr. Anupam Khusawa Independent Director chair the meetings of the committee. Mrs. Lucy D'lima, Director and Mr. Rama Krishnan Iyer, Director are the members of the committee.

ii) Composition

The Shareholders'/Investors' Grievance Committee comprised the following Directors:

Name of the member	Status
Dr. Narayan Raman	Director
Mr. Mohan Subramanian	Member
Mr. Ravi Subramanian	Member

The new committee is reconstituted on 3rd August, 2018

Mrs. Lucy D'Lima

Mr. Ramakrishnan Iyer

Mr. Anupam Khushwa

The Board has delegated the powers of approving transfer of shares to the Registrar and Share Transfer Agents M/s. Link Intime India Pvt Ltd, Mumbai.

iii) Shareholders Complaints

Particulars	Letters in the nature of complaints
1. No. of shareholders complaints received during the period 1.04.2017 to 31.03.2018	25
2. No. of shareholders complaints mentioned above not solved to the satisfaction of the Shareholders	23
Pending Share Transfers as on 01/04/2017	NIL
Pending Demat Requests as on 31/03/2018	NIL

* The pending shareholders complaints relate to shareholders/ investors suits / disputes / legal cases pending in civil courts, consumer forums, etc. Such suits / disputes / legal cases are initiated by investors / acquires against transferees who have allegedly sought wrongful transfers i.e. on account of postal interceptions/thefts/ forgeries etc., of instruments of transfers lodged with the Company. The majority of such cases are at various stages of resolution and would be finally disposed off in accordance with the rulings of the adjudicating authorities.

e) General Body meeting

Particulars of the last three years Annual General Meetings:

Financial Year	Date	time	Location
2012-13	23/09/2015	11.00 a.m.	Alemu Hall, Opposite Ahobila Mutt temple, Near Diamond Garden, Chembur, Mumbai – 400 071
2013-14	23/09/2015	1.00 p.m	Alemu Hall, Opposite Ahobila Mutt temple, Near Diamond Garden, Chembur, Mumbai – 400 071
2014-15	23/09/2015	2.45 p.m	Alemu Hall, Opposite Ahobila Mutt temple, Near Diamond Garden, Chembur, Mumbai – 400 071

The Company has not passed any resolution through Postal Ballot in any of the above-mentioned meetings.

f) Disclosures**Related party transactions:**

Please refer to the note no. 21 of Notes to Accounts provided with financial statements.

i) Means of communication

- i) Quarterly results will published in prominent daily newspapers viz. The Free Press Journal, NavShakti.
- ii) Management's Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

g) General Shareholders information

- i) The Annual General Meeting is proposed to be held on 24th August,2018 at 1.30 P.M at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.

ii) Financial Calendar

Annual General Meeting 24th August,2018

Payment of Dividend Nil

iii) Dates of Book closures

17th August,2018 to 24th August, 2018 (Both days inclusive)

iv) Dividend payment date: Not applicable

v) Listing of equity shares on stock exchanges at: Mumbai (BSE)

Stock Code on Mumbai Stock Exchange: Rolling Settlement - 500389 (under suspension)

vi) Registrar and share transfer agent: Link Intime India Private Ltd., C-101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai, Maharashtra, 400083

vii) Share transfer system

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. In case of transfers not on the floor of the Stock exchange physical shares which are lodged for transfer with the Transfer Agents are processed and returned to the shareholders within a period of 30 days.

viii) Distribution of shareholding as on March 31st, 2018

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
01-5000	202503	94.1000	12462035	20.7750
5001-10000	6081	2.8260	4825738	8.0450
10001-20000	3172	1.4740	4713674	7.8580

20001-30000	1125	0.5230	2858670	4.7660
30001-40000	504	0.2340	178664	2.9780
40001-50000	435	0.2020	2045719	3.4100
50001-100000	738	0.3430	5417797	9.0320
100001 and above	641	0.2980	25875215	43.1360
Total	215199	100.0000	59985488	100.0000

ix) Categories of shareholders as on 31st March,2018

Category	No. of shares	Percentage
PROMOTORS	5,825	0.01%
BANK & MUTUAL FUND	1,18,772	0.2%
DOMESTIC COMPANY	10,99,409	1.84%
INDIAN PUBLIC & OTHERS	517,71,417	86.30%
NON RESIDENT	69,90,065	11.65%
Total	5,99,85,488	100.00%

x) Dematerialisation of shares

As on March 31st, 2018, 99.62% of the Companies total shares representing 5,97,58,852 shares were held in dematerialised form and the balance 0.38% representing 226,636 shares were in physical form.

xi) **Address of Company**

Location of Software Development Centers: Unit No 121, SDF IV. Seepz, Andheri East, Mumbai 400 096

Address of correspondence:

The Company's Registered Office is situated at: Unit 121, SDF IV, SEEPZ Andheri, Mumbai 400 096

Shareholders Correspondence should be addressed to

Link Intime India Private Ltd., C-101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai, Maharashtra, 400083

Shareholders holding share in electronic mode should address all their correspondence to their respective Depository Participants (DPs)

Code of Business Conduct

Members of the Board and the Senior Management, shall

- a) Always act in good faith and in the best interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing
- c) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations of non-conformities.
- d) Not derive personal benefit or undue advantages (financial or otherwise)by virtue of their position or relationship with the company.
- e) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/default. In addition to the above, an Independent Director on the Board of the Company shall:
 1. Exercise his responsibilities in a bona fide manner in the interest of the Company;
 2. Refrain from any action that would lead to loss of his independence;
 3. Assist the Company in implementing the best corporate governance practices.

Declaration

As required under Clause 49(1)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the year ended March,31st,2018.

Place: Mumbai

Date: 3rd August,2018

Lucy D'Lima - Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Silverline Technologies Limited

1. We have examined the compliance with the conditions of Corporate Governance by Silverline Technologies Limited (the Company) for the year ended March 31st,2018 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has not complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 3rd August,2018

Mr. Lucy D'lima

Director

DIRECTOR CERTIFICATION

We the undersigned in our respective capacities as Director of Silverline Technologies Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March,2018 and that to the best of our knowledge and belief, we state that:
 - i. These statement do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year.

- ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place: Mumbai

Date: 3rd August, 2018

Lucy D'Lima

Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SILVERLINE TECHNOLOGIES LIMITED.

Reports on the Financial Statements

We have audited the accompanying financial statements of M/s. SILVERLINE TECHNOLOGIES LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement and statement of change in the equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the 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 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 and 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 or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 including the Ind AS specified in section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018 and its loss and its cash flows and the change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 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 written representations received from the directors as on date new board reconstituted in the EGM of the company held on 3rd July, 2018 in place of promoters / Directors who was disqualified under the notification notify by the MCA.
- f. 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, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.

For JMT & ASSOCIATES

Chartered Accountants

(Registration No.104167W)

Place : Mumbai

Dated : 3rd August, 2018

Arun S. Jain

Partner

M. No: 043161

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in the Auditor's Report of even date to the members of SILVERLINE TECHNOLOGIES LIMITED, MUMBAI on the financial statements for the year ended 31st March, 2018

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.

- a) As explained to us, the Company did not have any physical stock during the year under report.
- b) In our opinion and according to the information and explanations given to us, our comments on matters specified in clause of the Order are not required.
- (iii) In respect of loans, secured or unsecured granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
- a) The Company has given loans or advances to one such party. In respect of such loans or advances the maximum amount outstanding at any time during the year was Rs 331 Lacs.
- b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of the loans or advances given by the Company, are prima facie not prejudicial to the interest of the Company. no Interest charge during the year under report.
- c) The loans or advances given by the Company to such parties are repayable on demand. No Interest charge on such account during the year.
- d) In respect of the said loans or advances and interest thereon, there are no overdue amounts.
- iv) In our opinion, and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v) The Company has not accepted any Fixed Deposits from the public other than from director and their relatives.
- vi) The Central Government has not prescribed maintenance of cost records pursuant to section 148(1) of the companies Act, 2013. Therefore the provision of clause (vi) of paragraphs 3 of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us, company has defaulted in depositing the undisputed statutory dues in respect of Professional Tax , Income tax deducted at Source by it .
- b) As regards the disputed statutory liabilities –
- Based on the representation by the Management, we report that there are disputed income tax liabilities of Rs. 15206 lakhs in respect of the Assessment Years 2002-03; 2003-04; 2004-05 2011-12 and 2012-13 as on date of our reporting. Details of authorities before whom the tax proceedings are pending have not been provided to us and we are also not able to comment on the outcome of income tax proceedings and consequential total income tax liabilities The company has not filed the income tax return from assessment year 2013-14 onwards.
- viii) The company have accumulated losses at the end of the year.
- ix) According to the information and explanation giver to us by the management and based on our examination of the record, we are of the opinion the Company has not defaulted in repayment of dues if any to the financial institutions, Banks & debenture holders.
- x) According to the information and explanation given to us, the Company has not given guarantee in respect loans taken by other companies from Banks and financial institutions .
- xi) During the year, the Company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.
- xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For JMT & ASSOCIATES

Chartered Accountants

(Registration No.104167W)

Place : Mumbai

Dated : 3rd August,,2018

Arun S. Jain

Partner

M. No: 043161

Balance Sheet As at 31st March, 2018

Particulars	Notes	As At 31/03/2018	As At 31/03/2017	As At 31/03/2016
I. ASSETS				
1. NON-CURRENT ASSETS				
(a) Properties, Plant & Equipment	2	19,29,603	19,29,603	19,29,603
(b) Capital Work in Process		-	-	-
© Other Intangible Assets		-	-	-
(d) Financial assets				
i. Investments	3	-	-	-
ii. Loans	4	3,31,90,116	3,31,90,116	3,31,90,116
iii. Other Financial Assets		-	-	-
(e) Non-Current Tax Assets	5	63,06,021	63,06,021	63,06,021
(f) other non-Current Assets		-	-	-
Total Non- Current assets		<u>4,14,25,740</u>	<u>4,14,25,740</u>	<u>4,14,25,740</u>
2. Current assets				
(a) Inventories		-	-	-
(b) Financial Assets				
i. Trade Receivable	6	2,51,80,714	1,59,85,432	1,33,53,181
ii. Cash & Cash Equivalent	7	1,31,727	1,39,059	7,05,559
iii. Bank balances other than cash & cash Equivalent		-	-	-
iv. Loans		-	-	-
v. other Financial assets		-	-	-
Total Current Assets		<u>2,53,12,441</u>	<u>1,61,24,491</u>	<u>1,40,58,740</u>
Total Assets		<u>6,67,38,181</u>	<u>5,75,50,231</u>	<u>5,54,84,480</u>
I. EQUITIES AND LIABILITIES				
I. Equity				
(a) Equity share Capital	8	59,98,54,880	59,98,54,880	59,98,54,880
(b) Other Equity				
Reserves & Surplus	9	(57,67,94,674)	(57,95,29,742)	(57,96,34,392)
Other Reserves		-	-	-
Total Equity		<u>2,30,60,206</u>	<u>2,03,25,138</u>	<u>2,02,20,488</u>
II. LIABILITIES				
Non Current Liabilities				
(a) Financial Liabilities				
Borrowing	10	4,37,559	1,27,559	11,72,559
(b) Provision	11	2,09,93,474	2,03,08,474	2,03,08,474
© Deferred Tax Liabilities [See notes]		1,88,851	1,88,851	1,88,851
(d) Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		<u>2,16,19,884</u>	<u>2,06,24,884</u>	<u>2,16,69,884</u>
Current Liabilities				
(a) Financial Liabilities				
i. Borrowings				
ii. Trade Payable-Other than MSME	12	2,10,14,632	1,55,56,750	1,27,50,650
iii. Trade Payable - MSME		-	-	-
iv. Other Financial Liabilities		-	-	-
(b) Provisions				
© Current Tax Liabilities	13	10,43,459	10,43,459	10,43,459
Total Current Liabilities		<u>2,20,58,091</u>	<u>1,66,00,209</u>	<u>1,37,94,109</u>
Total Equity & Liabilities		<u>6,67,38,181</u>	<u>5,75,50,231</u>	<u>5,56,84,481</u>

The accompanying notes are part of the financial statements

For JMT & ASSOCIATES

Chartered Accountants

Arun S. Jain

Membership No. 043161

(Registration No.104167W)

Mumbai, 3rd August 2018

Lucy D'Lima

Director

DIN- 07394708

For Silverline Technologies Limited

CIN:L99999MH1992PLC066360

Anupam Khwasha

Director

DIN - 07083119

Mumbai, 3rd August 2018

Ramkrishnan Iyer

Director

DIN - 00528878

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2018

PARTICULARS	NOTES	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Revenue from operation	14	2,20,90,890	60,23,890
Total Income		2,20,90,890	60,23,890
EXPENDITURE			
Software development charges		1,28,95,608	30,26,270
Employee expenses		-	-
Financial Cost		-	-
Depreciation and Amortisation		-	-
Other Expenses	15	57,75,214	28,92,970
Total Expenditure		1,86,70,822	59,19,240
Profit/(loss) before Exceptional item		34,20,068	1,04,650
Less : Exceptional Item		0	0
Profit before tax item		34,20,068	1,04,650
Less: Tax Expenses			
Current Tax		685000	0
Deferred tax		0	0
Net Profit/(loss) after tax		27,35,068	1,04,650
Profit/(Loss) from discontinue operation		-	-
Profit/(Loss) from continue operation		27,35,068	1,04,650

The accompanying notes are part of the financial statements

For JMT & ASSOCIATES

Chartered Accountants

Arun S. Jain

Membership No. 043161
(Registration No.104167W)
Mumbai, 3rd August 2018

Lucy D'Lima

Director
DIN- 07394708

For Silverline Technologies Limited

CIN:L99999MH1992PLC066360

Anupam Khwasha

Director
DIN - 07083119

Ramkrishnan Iyer

Director
DIN - 00528878

Mumbai, 3rd August 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,2018

	31/03/2018	31/03/2017
	RUPEES	RUPEES
Cash flows from operating activities		
Net Profit before Tax and before extraordinary item	34,20,068	1,04,650
Adjustments for :		
Depreciation	-	-
Preliminary Expenses & Filing fees written off	-	-
Provision for Doubtful Debts	-	-
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	-	-
Increase in Deferred Revenue Expenditure	-	-
Sub Total	34,20,068	1,04,650
Operating Profit before Working Capital changes		
Working capital changes		
Increase in Sundry Debtors	(91,95,282)	(26,32,251)
Increase in advances recoverable in cash or kind or for value to be received	-	-
Increase / Decrease in Sundry Creditors	54,57,882	28,06,100
Increase / Decrease in Work in Process	-	-
Increase / Decrease in other current liabilities	-	-
Increase in provisions	-	-
Increase in Deferred Tax	-	-
Net Cash from operating activities	(3,17,332)	2,78,499
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Investment Account	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	-	-
Cash flows from financing activities		
Proceeds from issuance of share capital and share premium	-	-
Borrowings (Net)	3,10,000	2,78,499
Extraordinary Items-Premium on prepayment of foreign currency term loans		
Net cash (used in)/ surplus from financing activities	-	8,45,000
Net increase in Cash & Cash equivalents	7,332	5,66,500
Effect of Unrealised foreign exchange fluctuation gain / (loss)	-	-
Cash & Cash equivalents at the beginning of the year	1,39,059	7,05,559
Cash & Cash equivalents at the end of the year	1,31,727	1,39,059
Increased in Cash Balance	(7,332)	(5,66,500)

The accompanying notes are part of the financial statements

For JMT & ASSOCIATES

Chartered Accountants

For Silverline Technologies Limited

CIN:L99999MH1992PLC066360

Arun S. Jain

Membership No. 043161
(Registration No.104167W)
Mumbai, 3rd August 2018

Lucy D'Lima

Director
DIN- 07394708

Anupam Khwasha

Director
DIN - 07083119
Mumbai, 3rd August 2018

Ramkrishnan Iyer

Director
DIN - 00528878

Statement in change of Equity for the Year ended 31st Mrch,2018.

A. Equity share Capital

Particulars	Notes	Amount
As at April 17,2016	1	59,98,54,880
Change in Equity share capital		0

B. other Equity

Particulars	Notes	Reserves and Surplus		Other Reserves		Total
		General Reserve	Capital Reserve	Retained Earnings	Reimbursement of delined bene-fit plan	
Balance As at April 1, 2017		0	0	(57,96,34,392)	0	(57,96,34,392)
Profit for the Year		0	0	27,35,068	-	27,35,068
Other Comprehensive income		0	0	0	0	0
Total comprehensive income for the Year		0	0	0	0	0
Transfer to general Reserve		0	0	0	0	0
Transactions with owners in their capacity as owners		0	0	0	0	0
Dividend paid		0	0	0	0	0
Balance as at March 31,2018.		0	0	(57,68,99,324)	0	(57,68,99,324)

Notes forming parts of Annual Accounts for the year ended March 31st,2018

Silverline Technologies Limited Is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed in BSE Limited, Mumbai but presently under the suspended category.

The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is principally engaged in the information technology related services.

The financial statements of the Company for the year ended 31st March, 2018 were authorized for issue in accordance with the resolution of the Board of Directors as on 3rd August,2018

1. Significant Accounting Policies

Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to the year ended 31st March 2018 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer Note 36 for an explanation of how the transition from the previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company.

The financial statements have been prepared on a historical cost basis, except the Fixed assets which valued at fair value.

Current/non-current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realisable/ payable within 12 months are to be classified as current and rest will be classified as non current.

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are

Rendering of services

Revenue from rendering of services is recognised based on percentage of completion method when the outcome of the transactions can be estimated reliably.

Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criterion is satisfied.

Property, plant and equipment is eliminated from the financial statements, either on disposal or on retirement from active use. Losses and gains arising from the retirement/disposal are recognised in the statement of profit or loss in the year of occurrence.

Notes forming parts of Annual Accounts for the year ended March 31st,2018

The asset's residual value, useful lives and methods of depreciation are reviews at each financial year and adjusted prospectively, if appropriate.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is provided on the "straight line method" based on the estimated useful life of assets which are equal to those suggested in Part C of schedule II of the Act except for assets stated below, for which depreciation is calculated.:

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of tangible assets.

Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in an asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Capital work in progress

Capital work-in-progress includes if any, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of "Computer Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 3 to 5 yers.

Impairment of non financial assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined as the higher of the fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Foreign currency

Notes forming parts of Annual Accounts for the year ended March 31st,2018

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are recorded on initial recognition in the functional currency, using the exchange rate prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Segment reporting

The management of the company is a Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of nature of services.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted

The earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provision for non-compliance under the companies Act,2013 , ESBI Regulation and BSe agreement for listing of company are not provided as same is not ascertainable.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above, as they are considered an integral part of the Company's cash management

Financial instruments

Financial assets:

Initial recognition and measurement

Notes forming parts of Annual Accounts for the year ended March 31st, 2018

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

Financial asset at fair value and at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test** : the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- **Cash flow characteristics test** : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates, if any. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective

Notes forming parts of Annual Accounts for the year ended March 31st,2018

Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2. Significant Accounting judgements, estimates and assumptions

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non financial asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Defined Benefit plans

The cost of defined benefit plans and other post employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful life

The estimated useful lives of items of property, plant and equipment and intangible assets for the current and the comparative periods are as follows :

Asset	Management estimate of useful life	Useful life as per Schedule 3
Computer	Over the lease term	years
Furniture & fixture	30 years	Years
	10 years	10 years
Other Plant & Equipment	15 years	15 years

Period of lease or useful life prescribed under Schedule II of the Act, whichever is lower.

Fair valuation of financial instruments

Notes forming parts of Annual Accounts for the year ended March 31st,2018**Notes 2.****Property Plant and Equipment****Tangible assets**

Particulars	Computer Account	Electric Fitting	Furniture Fixture	Office Equipment	Total	Capital work in progress
Gross carrying Amount						
Opening	94,03,042	18,84,723	1,00,33,809	59,56,685	2,72,78,259	-
Gross carrying Amount						
Exchange differences						
Addition/(deletion)						
Closing gross carrying amount	94,03,042	18,84,723	1,00,33,809	59,56,685	2,72,78,259	-
Accumulated depreciation and impairment						
Opening Accumulated Depreciation	81,19,034	18,84,723	96,36,360	57,08,539	2,53,48,656	-
Depreciation charge during the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing accumulated Depreciation and impairment	81,19,034	18,84,723	96,36,360	57,08,539	2,53,48,656	-
Net carrying amount	12,84,008	-	3,97,449	2,48,146	19,29,603	-

Intangible Assets

Particulars		
Nil		

Notes forming parts of Annual Accounts for the year ended March 31st,2018**Notes 3. loans And Advances**

Particulars	As on 31/03/2018	As on 31/03/2017
Inter corporate deposit (Unsecured Considered bad by the management)	3,31,90,116	3,31,90,116
Total Loans	<u>3,31,90,116</u>	<u>3,31,90,116</u>

Notes 4 Non-Current Tax Assets

Particulars	As on 31/03/2018	As on 31/03/2017
Advance payment of taxes and TDS account	63,06,021	63,06,021
Total Non-current Assets	<u>63,06,021</u>	<u>63,06,021</u>

Notes 5 Trade Receivables

Particulars	As on 31/03/2018	As on 31/03/2017
Trade receivables		
Unsecured considered goods		
Trade receivables	2,51,80,714	1,59,85,432
Receivable from related parties	-	-
Total	-	-
Less:allowances for bad debts	-	-
Total trade receivables	<u>2,51,80,714</u>	<u>1,59,85,432</u>
Current portion	<u>2,51,80,714</u>	<u>1,59,85,432</u>
Non-Current portion	<u>0</u>	<u>0</u>

No trade or other receivables are due from directors or other officer of the company either severally or jointly with any other person. No provision is made for any unrealised account of last several years.

Notes forming parts of Annual Accounts for the year ended March 31st,2018**Notes 6 Financial Statement**

Particulars	As on 31/03/2018	As on 31/03/2017
Current		
Unsecured considered goods		
Loans and advances includes company in which the directors are interested	3,31,90,116	3,31,90,116
Non-current		
Total Loans	3,31,90,116	3,31,90,116

Notes 7 Cash and cash Equivalent

Particulars	As on 31/03/2018	As on 31/03/2017
Balances with the Bank		
- In current Account	5,767	256
Cash on hand	1,25,960	1,38,803
Total cash & cash Equivalent	1,31,727	1,39,059

Notes 8

Equity share capital
Authorised Capital

Particulars	Number of Shares	Par Value per shares Rs.	Total Equity Rs.
As at 1 April,2017	30,00,00,000	Rs. 10	3,00,00,00,000
Increase during the year	0	0	0
As at 31st March,2018	30,00,00,000	Rs. 10	3,00,00,00,000

Issued Share Capital

Particulars	Number of Shares	Par Value per shares Rs.	Total Equity Rs.
As at 1 April,2017	59,98,54,880	Rs. 10	5,99,85,48,800
Increase during the year	-	0	0
As at 31st March,2018	59,98,54,880	Rs. 10	5,99,85,48,800

Subscribed and fully paid up

Particulars	Number of Shares	Par Value per shares Rs.	Total Equity Rs.
As at 1 April,2017	59,98,54,880	Rs. 10	5,99,85,48,800
Increase during the year	-	0	0
As at 31st March,2018	59,98,54,880	Rs. 10	5,99,85,48,800

The company has only one class of Equity shares a par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. In the event of liquidation of the company, the holders of equity shares entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Notes forming parts of Annual Accounts for the year ended March 31st,2018

Details of sharholding more than 5% shares in the company
Nil (Previous Year Nil)

Notes 9 Reserves and surplus

Particulars	As on 31/03/2018	As on 31/03/2017
Retained earning	(57,67,94,674)	(57,95,29,742)
Capital Reserves	-	-
Total Reserves and surplus	<u>(57,67,94,674)</u>	<u>(57,95,29,742)</u>

a. Capital Reserve

Particulars	As on 31/03/2018	As on 31/03/2017
Opening balance	-	-
Movement against retained earning	-	-
Closing balance	<u>-</u>	<u>-</u>

The capital reserves is used from time to time to transfer profits from retained earnings for appropriation purposes and will be not classified subsequently to profit and loss account

Retained earning

Particulars	As on 31/03/2018	As on 31/03/2017
Opening balance	(57,95,29,738)	(57,96,34,388)
Current year Retained earning	27,35,068	1,04,650
Movement from capital reserve	-	-
Closing balance	<u>(57,67,94,670)</u>	<u>(57,95,29,738)</u>

Notes 10 Financial Liabilities - Borrowing

Particulars	As on 31/03/2018	As on 31/03/2017
From Directors and Relatives	4,37,559	1,27,559
Interest accrued	-	-
Total financial liabilities	<u>4,37,559</u>	<u>1,27,559</u>

Notes 11 Provision

Particulars	As on 31/03/2018	As on 31/03/2017
Provision for Income tax		
provision made for the income tax liabilities includes FBT	2,09,93,474	2,03,08,474
Total Rs.	<u>2,09,93,474</u>	<u>2,03,08,474</u>

Notes 12 Trade payable

Particulars	As on 31/03/2018	As on 31/03/2017
Trade payable	2,10,14,632	1,55,56,750
Includes compliance expenses		
Total trade payable	<u>2,10,14,632</u>	<u>1,55,56,750</u>

Notes 13 Other Current liabilities

Particulars	As on 31/03/18	As on 31/03/17
Statutory liabilities		
Employees provident fund	4,79,337	4,79,337
Other statutory liabilities	5,64,122	5,64,122
Total other current liabilities	<u>10,43,459</u>	<u>10,43,459</u>

Notes to financial Statement for the period ended March 31,2018**Note 14 Revenue from operation**

Particulars	As on 31/03/2018	As on 31/03/2017
Sale of services		
Software development charges		
Export	2,20,90,890	60,23,890
Total Revenue from operation	2,20,90,890	60,23,890

Note 15 Other Expenses

Particulars	As on 31/03/2018	As on 31/03/2017
Audit fees	1,71,000	1,71,000
Rental Expenses	15,75,000	12,50,000
Bank charges	579	2,500
Bad debts	-	-
R&T and compliance expenses	35,00,000	10,80,000
Communication charges	25,935	15,980
Travelling and Conveyance	4,15,828	3,12,610
Printing and Stationery	10,890	5,620
Miscellaneous expenses	75,982	55,260
Total Other expenses	57,75,214	28,92,970

Particulars	As at March 31st,2018 (Rs.)	As at March 31st,2017 (Rs.)
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NOTE 15.1 - AUDITORS REMUNERATION

Statuary Audit fees	114,000	114,000
Other Services	57,000	57,000
	171,000	171,000

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31ST,2018**NOTE 16 - Earnings per Equity share****(A) Basic**

(i) Number of Equity Shares at the Beginning of the year	59,985,488	59,985,488
(ii) Number of Equity Shares at the End of the year	59,985,488	59,985,488
(iii) Weighted Average Number of Equity Shares	59,985,488	59,985,488
Outstanding during the year	59,985,488	59,985,488
(iv) Face value of each Equity Share (Rs.)	10.00	10.00
(v) Profit / (Loss) after tax available for Equity Shareholders	104,650	(1,235,852)
(vi) Basic Earning per Equity Share (Rs.)(v)/(iii)]	0.01	(0.02)
(vii) Loss after exceptional item	104,650	(1,429,612,870)
Basic earning after extraordinary Item	0.01	(23.83)

(B) Diluted

(i) Diluted Potential Equity Shares	0	0
(ii) Diluted Earnings per Equity Share (Rs.)(same asA (vi) above)]	0.01	(23.82)

NOTE - 17

Balances of the Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

NOTE 18 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	3,026,270	859,612
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NOTE 19- EARNINGS IN FOREIGN CURRENCY

Exports of Softwares	6,023,890	3,630,128
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NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31ST,2018**NOTE 20 - RELATED PARTIES DISCLOSURES**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Till the date of disqualification

Mr. Ravi Subramanain	Director
Mr. Mohan Subramanain	Director
Mr. Dr, Narayan Raman	Director
Mr. Krishnakumar Subramanian Independent Board Reconstituted as on 31 st July,2018.	
Mrs. Lucy D'limaa	
Mr. Ramesh Iyer	
Mr. Anupam Khushwa	Director

Transactions during the year with related parties : (Rs. In Lacs)**Nature of Transaction**

	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	0.00	0.00	0.00
Loans/Advances repaid	0.00	0.00	0.00
	8.45	0.00	8.45
Loans/Advances received (Net)	3.10	0.00	3.10
	0	0.00	0.00
Given Advances received back	0.00	0.00	0.00
	0.00	0.00	0.00

Note: Figures in italics are of previous year.

Balances as on 31.03.2018

Loans/Advances received (Net)	4.37	0.00	4.37
Loans / Advances given	0.00	331.60	331.60

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. Nil)

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. Nil (Previous year Rs.nil lakhs)

Loans/Advances repaid

Given Advances received back includes:-

Nextgen Animation Mediaa Ltd. Rs.nil (Previous year Rs.nil) Outstanding balance as on 31st March,2018 – Rs. NIL

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2018**NOTE 21 - SEGMENT REPORTING**

Providing of information technology services is the Company's only signal business segment, hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicable.

NOTE 22- CONTINGENT LIABILITIES AND COMMITMENTS**Claims against the Company /disputed liabilities not acknowledged as debts: (As per the representation made by the Management)**

Disputed Income tax liabilities of Rs. 15206 lakhs in respect of Assessment years 2001-02; 2002-03; 2003-04, 2011-12 and 2012-13

The Company has disputed against the same with appropriate authorities and it has not provided for the same in view of it was legally advised. The company has not provided the liability towards the compliance under the various law and regulatory authorities as same is not ascertainable.

NOTE 23: Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. Market risk is the risk of loss of future earnings, fair value or future cashflows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings.

If the risk exposure is significant than senior management reviews the position and takes decision regarding hedging/ other risk strategies to mitigate such risk exposures.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The company is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign currency risk

The Company is exposed to foreign exchange risk through its sales and services in overseas.

(iii) Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse change in business
- (ii) Actual or expected significant change in the operating results of the counterparty
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty

A default on a financial asset is when the counterparty fails to make contractual payments within five years of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans or receivables have been written off, the Company may engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The carrying amounts of financial assets represent the maximum credit risk exposure

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31ST,2018**Roll rate method for trade receivable:**

Impairment loss for trade receivable is calculated using the roll rate method. In the roll rate method, the entire portfolio balance is segmented by various buckets e.g. Current, 1-90 , 91-180 , 181-270 etc. Roll rate technique is a fore-cast in which the flow of outstanding from one level of delinquency (lower) to another (higher) is applied to the current portfolio outstanding mix. This technique follows the flow from 'Current' through all the delinquency buckets to 'charge-off'. The losses are determined as a product of flow rates from the bucket to the final bucket. Once historical net roll rates by bucket have been calculated, their patterns over time are examined and future roll rates are estimated. Expected credit loss is computed on a collective basis as receivables are in similar category and amount of individual trade receivables are not individually significant.

Based on management estimation and data available there is no significant increase in credit risk/credit impaired for individual trade receivables.

In computation of the expected credit loss, there is no specific provisioning / write off policy for outstanding for more than certain period. There are no specific forward looking information estimated by the management.

Since the company has receivable for more than 840 days which is indeed provide the major risk of receiving the bills amount and not able to provide information about the exposure to credit risk and expected credit loss for trade receivables for corporate customers and has not prepared the age analysis as at 31 March 2018. As Board has inform to us that since the board has just constituted and will provide the same in the coming year.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Note 24: Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements

(i) Loan covenants

Under the terms of the major borrowing facilities, there are no financial covenants which are required to be complied by the company

(ii) Dividends - No dividend proposed or declared during the year.**Note 25: Capital Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is Nil as on date.

Note 26: Events occurring after the reporting period

The disqualification of promoters and Newly board may effect the financial statement of the company.

Note 27. Prior period error

There are prior period error identified during the year including corresponding year related to the listing agreement with the BSE and other compliance expenses and rent to SEEPZ authority.

Note 28: Assets Pledged /Mortgaged /Hypothecated as security

No any financial borrowing by way of pledging mortgage/Hypothecation of assets of the company.

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2018**Note 29: First-time adoption of Ind AS****Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other relevant provisions of the Act (Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes:

A. Exemptions and Exceptions availed**1. Ind AS Optional exemptions 1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to select to continue with the carrying value for all of its , plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

2. Ind AS Mandatory Exceptions

2.1 Estimates An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except for the Impairment of financial assets based on expected credit loss model where application of the Indian GAAP did not require estimation.

2.2 Classification and measurement of financial assets

The Company has classified financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes to Financial Statements for the period ended March 31, 2018**Reconciliations between previous GAAP and Ind AS Reconciliation of equity as at date of transition (1 April 2015)**

As the company does not have such Assets and liabilities which are recognized at cost value, so the reconciliation between the GAAP and AS would not have any major effect on the financial statement of the company.

Note 30:

The Company's main clients are overseas customers, the consequential claims and counterclaims on performance bonus/deductions affect the trade receivables on account of which the substantial part of balances outstanding as trade receivables are not confirmed by them. However, the management is confident that such receivables are stated at their realizable value and adequate provisions are made in the accounts, wherever required.

Note 31: Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to

30/12/2016 is not applicable for the year under report.

Notes to Financial Statements for the period ended March 31, 2018

Note 1

Under the previous GAAP, billable cost were presented as part of other current assets. Under Ind AS, service provider are required to be separately presented in the financial statements. There is no impact on the total equity or profit as a result of this adjustment.

Note 2

Under Ind AS, impairment allowance has been determined based on ECL model.

Note 3

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Due to the uncertainty and non filing of Return of income tax act,1961 and other non compliance item the deferred tax and liabilities being not accounted.

NOTE - 32

Figures of the previous year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are part of the financial statements

For JMT & ASSOCIATES

Chartered Accountants

For Silverline Technologies Limited

CIN:L99999MH1992PLC066360

Arun S. Jain

Membership No. 043161
(Registration No.104167W)
Mumbai, 3rd August 2018

Lucy D'Lima

Director
DIN- 07394708

Anupam Khwasha

Director
DIN - 07083119
Mumbai, 3rd August 2018

Ramkrishnan Iyer

Director
DIN - 00528878

SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

BALLOT FORM

- (1) Name(s) of Shareholder(s) (Including Joint-holders, if any) :
- (2) Registered Address of the Sole / First Named Shareholder :
- (3) Registered Folio No. / DPID No. / Client ID No. : (*Applicable to investors holding shares)
- (4) No. of Shares held :
- (5) I/We hereby exercise my/our vote in respect of the following Resolutions, the Resolutions are to be passed through Ballot for the business stated as below in line with the Notice of the Company by sending my/our assent or dissent against each Resolution by placing tick (✓) mark at the appropriate box below.

I/We assent to the Resolution (For) 25th AGM in the Order	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)	I/We are neutral to the Resolution
Resolution No.1			
Resolution No.2			
Resolution No.3			

Date: 3RD August,2018

(Signature of Shareholder)

INSTRUCTIONS:

- Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders.
- The Scrutinizer's decision on the validity of a Ballot form will be final

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SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

ATTENDANCE SLIP

Names of the Members: _____

Folio No. _____

Client ID No.: _____

DP ID No.: _____

No. of shares held: _____

Name of Proxy : _____

Members/ Proxy's Signature: _____

(To be signed and handed over at the entrance of the meeting hall)

I hereby record and confirm my presence at the 26th Annual General Meeting of the Company held at Sri Ahobila Mutt, 1st floor, Chembur, Mumbai-400071 on Friday 24th August, 2018 at 02.10 P.M.**NOTES:**

1. Shareholder/proxy holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
2. Shareholder/proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

PROXY FORM

I/We _____ of

_____ in the district of _____ being a member/

members of the above named Company, hereby appoint _____ of

_____ or failing him _____ of

_____ in the district of _____ as my/

our Proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company held on Friday, 24th August, 2018 at 02.10 A.M. at Sri Ahobila Mutt, 1st floor, Chembur, Mumbai-400071.

Signed this _____ day of _____ 2018

**1 Rupee
Revenue
Stamp**

Signature

Notes:

1. The Proxy form duly completed should be deposited at the Registered office of the Company not less than 48 Hours before the time fixed for the meeting.
2. The proxy need not be a member of the Company.
3. All alterations made in the form of Proxy should be initialed.
4. In case of multiple proxies, proxy later in time shall be accepted.

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