

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai - 400 013,
Maharashtra, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNEGRA EMS LIMITED Report on the Financial Statements

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We have audited the accompanying financial statements of SYNEGRA EMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period from 17th August 2016 (the date of the incorporation of the Company) to 31st March 2017, and a summary of the significant accounting policies and other explanatory information.

Management's 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 prescribed under section 133 of the Act.

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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting 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 thereunder.

We conducted our audit of the financial statements 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order

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to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 obtained by us 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 aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the period from 17th August 2016 to 31st March 2017.

Report on Other Legal and Regulatory Requirements

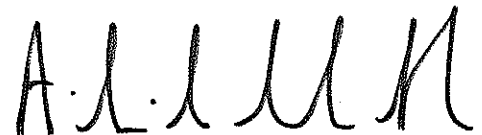
1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books 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 prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/ "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



A. Siddharth
(Partner)
(Membership No. 31467)

Place: Mumbai
Date: 17th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SYNEGRA EMS LIMITED** ("the Company") as at 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the period from 17th August, 2016 to 31st March, 2017.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



A. Siddharth
(Partner)
(Membership No. 31467)

Place: Mumbai
Date: 17th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Re: Synegra EMS Limited.

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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.
 - (b) Some of the fixed assets were physically verified by the Management during the period in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable

- (ii) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

- (iv) The Company has not granted any loans, made investments or provided guarantees and securities, hence reporting under clause (iv) of the CARO 2016 is not applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. There are no unclaimed deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.

- (vi) The maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is not applicable to the Company during the current period.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (c) There were no disputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as on 31st March, 2017.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the period. Hence, reporting under clause (xi) of CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. This is the first period of operations and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) During the period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the period, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A handwritten signature in black ink, appearing to read 'A. Siddharth', written in a cursive style.

A. Siddharth
Partner
(Membership No. 31467)

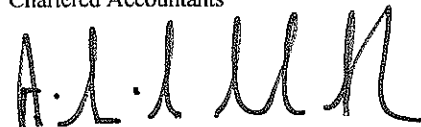
Place: Mumbai
Date: 17th May 2017

Synergia EMS Limited

Balance sheet as at 31st March, 2017


Particulars	Note No.	As at 31st March, 2017 Rupees
I EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	3	45,000,000
(b) Reserves and surplus	4	<u>1,106,870</u>
		46,106,870
(2) Non-current liabilities		
(a) Long-term provisions	5	<u>479,697</u>
		479,697
(3) Current liabilities		
(a) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	29e	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,333,366
(b) Other current liabilities	6	1,029,110
(c) Short-term provisions	7	<u>145,471</u>
		7,507,947
	Total	<u><u>54,094,514</u></u>
II ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment		
(i) Tangible assets	8 a	8,150,190
(ii) Intangible assets	8 b	<u>9,577,107</u>
		17,727,297
(b) Long-term loans and advances	9	<u>484,213</u>
		18,211,510
(2) Current assets		
(a) Current investments	10	12,526,170
(b) Inventories	11	3,550,552
(c) Trade receivables	12'	16,845,180
(d) Cash and cash equivalents	13	1,316,639
(e) Short-term loans and advances	14	<u>1,644,463</u>
		35,883,004
	Total	<u><u>54,094,514</u></u>
See accompanying notes forming part of the Financial Statements	1-30	

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

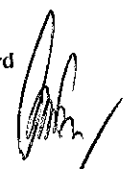


A. Siddharth
Partner


For and on behalf of the Board



K. R. Naik
Executive Director
DIN: 00002013



Bhanubhai Patel
Director
DIN: 00223115



Urjita Damle
Company Secretary

Mumbai, dated : 17th May, 2017

Mumbai, dated : 17th May, 2017

Synegra EMS Limited

Statement of Profit and Loss for the period from 17th August, 2016 to 31st March, 2017

Particulars	Note No.	For the period from
		17th August, 2016 to 31st March, 2017
		Rupees
I Revenue from operations (gross)	15	41,676,161
Less : Excise duty		2,186,357
Revenue from operations (net)		<u>39,489,804</u>
II Other income	16	454,704
III Total Revenue (I + II)		<u><u>39,944,508</u></u>
IV Expenses :		
Cost of raw materials consumed	17	10,461,378
(Increase) in inventories of finished goods and work-in-progress	18	(641,647)
Employee benefits expense	19	16,747,808
Depreciation and amortisation expense	8	2,018,325
Other expenses	20	10,251,774
Total Expenses		<u><u>38,837,638</u></u>
V Profit for the period (III-IV)		<u><u>1,106,870</u></u>
VI Earnings per equity share (Face value of Rs. 10/- per share)		
Basic and Diluted	26	0.38
See accompanying notes forming part of the Financial Statements	1-30	

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants




A. Siddharth
Partner

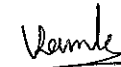
For and on behalf of the Board



K. R. Naik
Executive Director
DIN: 00002013



Bhanubhai Patel
Director
DIN: 00223115



Urjita Damle
Company Secretary

Mumbai, dated : 17th May, 2017

Mumbai, dated : 17th May, 2017

Synegra EMS Limited

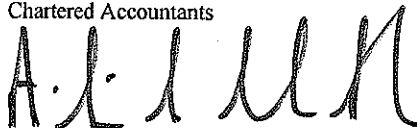
Cash flow statement for the period from 17th August, 2016 to 31st March, 2017

	For the period from 17th August, 2016 to 31st March, 2017
	Rupees
A. Cash flows from operating activities	
Profit before tax	1,106,870
Adjustments for:	
Depreciation and amortisation expense	2,018,325
Gain on sale of current investment (net)	(26,170)
Operating profit before working capital changes	3,099,025
(Increase) in trade receivables	(14,769,336)
Decrease in inventories	6,153,864
(Increase) in loans and advances	(555,469)
Increase in trade and other payables	3,183,575
Cash (used in) operations	(2,888,341)
Direct taxes (paid) (net)	(484,213)
Net cash (used in) operating activities	(3,372,554)
B. Cash flows from investing activities	
Purchase of Property, plant and equipment (Refer note 2)	(200,155)
Purchase of current investments	(16,800,000)
Sale of current investments	4,300,000
Purchase consideration paid for transfer of business, net of working capital adjustment	(27,610,652)
Net cash (used in) investing activities	(40,310,807)
C. Cash flows from financing activities	
Proceeds from issue of Equity shares	45,000,000
Net cash generated from financing activities	45,000,000
Net Increase in cash and cash equivalents	1,316,639
Cash and cash equivalents at the end of the period	1,316,639

Notes :

1. Cash flows are reported using the indirect method.
2. Purchase of Property, plant and equipment are stated inclusive of movements of capital creditors between the commencement and end of the period and are considered as part of investing activity.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



A. Siddharth
Partner

For and on behalf of the Board



K. R. Naik
Executive Director
DIN: 00002013



Bhanubhai Patel
Director
DIN: 00223115



Urjita Damle
Company Secretary

Mumbai, dated : 17th May, 2017

Mumbai, dated : 17th May, 2017

Synegra EMS Limited

Notes forming part of the financial statements

NOTE 1 : BACKGROUND OF THE COMPANY

Synegra EMS Limited ("Company") is incorporated on 17th August, 2016. The Company is in the business of manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business)

The Board of Directors at its meeting held on 25th August, 2016 approved the purchase of EMS business from Smartlink Network Systems Limited ("Holding Company") and the Company signed the Business Transfer Agreement on 24th September, 2016 with the Holding Company for purchase of its "EMS Business" on slump sale basis. The transfer of EMS business was done on 10th October, 2016 for a total consideration net of working capital adjustment of Rs. 27,610,652/- .

In accordance with the Business Transfer Agreement, the following have been given effect to in the the books of accounts of the Company.

The details of Assets, Liabilities accounted in the books with effect from 10th October, 2016:

Amount in Rupees	
Property, Plant and Equipment	
Gross Block	153,832,691
Less: Accumulated Depreciation	144,866,654
Net block	8,966,037
Current Assets, Loans and Advances	
Inventories	9,704,416
Sundry Debtors	2,075,844
Short-term Loans and Advances	1,088,994
Total - Current Assets	12,869,254
Total Assets (A)	21,835,291
Current Liabilities and Provisions	
Long-term provisions	183,408
Trade payables	4,323,531
Other current liabilities	297,131
Total Liabilities (B)	4,804,070
Total (A-B)	17,031,221

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

(b) Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

(c) Inventories

Items of inventory are valued at lower of cost and net realisable value, on the following basis:

- (i) Raw materials, components, stores and spares - on weighted average basis.
- (ii) Work-in-progress and finished goods - on the basis of absorption costing comprising of direct costs and overheads other than financial charges.

(d) Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Motor Vehicle	- 5 years
Plant and Equipment	- 8 years
Furniture and Fixture	- 8 years.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Acquired Goodwill	- 5 years
Computer Software	- 4 years

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Handwritten signatures and initials.

Synegra EMS Limited

Notes forming part of the financial statements

(e) Revenue recognition

Revenue (income) is recognized when no significant uncertainty as to determination/realisation exists.

Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales include excise duty but exclude sales tax and value added tax.

Revenue from services is recognised when the services are rendered. Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive the same is established.

(f) Property, plant and equipment

i) Tangible assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any

ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

(g) Foreign currency transactions

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected.

In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense.

At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange.

Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

(h) Investments

Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline. Current investments are carried at lower of cost and fair value.

(i) Employee Benefits

i. Provident fund liability is determined on the basis of contribution as required under the statute / rules and when services are rendered by the employees.

ii. The Synegra Group Gratuity Trust has taken a Group Gratuity cum Life Assurance policy from the Life Insurance Corporation of India (LIC).

Provision is made in respect of difference between the actuarially determined gratuity liability and the fund available with LIC at the period end.

iii. Provision for Leave encashment is made on actuarial valuation done as at the

(j) Taxes on income

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses are recognised if there is virtual certainty that supported by convincing evidence sufficient future taxable income will be available to realise the same (Refer note 27 below)

(k) Impairment of assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on Property, plant and equipment by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(l) Provisions and contingencies

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements

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Synegra EMS Limited

Notes forming part of the financial statements

As at 31st March, 2017
Rupees

NOTE 3 : SHARE CAPITAL

Authorised

4,500,000 Equity Shares of Rs.10/- each

45,000,000

Issued, subscribed and paid-up

4,500,000 Equity Shares of Rs.10/- each, fully paid-up

45,000,000

Total

45,000,000

Footnotes:

a) Terms / rights attached to equity shares

The Company has only one class of Equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital.

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

As at 31st March, 2017
No. of Shares

At the beginning of the period

-

Add : Shares issued during the period

4,500,000

Shares outstanding at the end of the period

4,500,000

c) Details of shares held by Holding Company

As at 31st March, 2017

	No. of Shares	% holding in the class
Equity shares of Rs.10/- each fully paid-up. Smartlink Network Systems Limited	4,500,000	100.00%

d) Details of shareholders holding more than 5% shares in the company.

As at 31st March, 2017

	No. of Shares	% holding in the class
Equity shares of Rs.10/- each fully paid-up. Smartlink Network Systems Limited	4,500,000	100.00%

The above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

NOTE 4 : RESERVES AND SURPLUS

As at 31st March, 2017
Rupees

Surplus in Statement of Profit and Loss

Profit for the period

1,106,870

Total

1,106,870

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Synegra EMS Limited

Notes forming part of the financial statements

As at 31st March, 2017

Rupees

NOTE 5 : LONG-TERM PROVISIONS

Provision for employee benefits

For Leave encashment

479,697

Total

479,697

NOTE 6 : OTHER CURRENT LIABILITIES

Other payables :

Statutory dues

845,702

Security deposits

183,408

Total

1,029,110

NOTE 7 : SHORT-TERM PROVISIONS

Provision for employee benefits

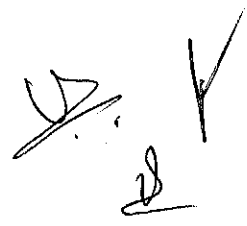
For Leave encashment

145,471

Total

145,471

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Synergia EMS Limited

Notes forming part of the financial statements

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

Nature of assets	Gross block				Depreciation / Amortisation		Net block	
	Additions	Adjustment on account of transfer of business	As at 31st March, 2017	For the period	Adjustment on account of transfer of business	As at		
						31st March, 2017	31st March, 2017	
a <u>Tangible Assets</u>								
Plant and Equipment	-	144,925,181	144,925,181	609,258	137,907,904	138,517,162	6,408,019	
Furniture and Fixture	162,005	782,954	944,959	4,170	782,887	787,057	157,902	
Vehicles	-	2,112,791	2,112,791	200,307	1,208,953	1,409,260	703,531	
Office equipment	-	22,880	22,880	-	22,880	22,880	-	
Others								
Electrical installations	-	634,055	634,055	33,536	587,539	621,075	12,980	
Computers	38,150	4,678,830	4,716,980	168,731	3,680,491	3,849,222	867,758	
Tangible assets totals	200,155	153,156,691	153,356,846	1,016,002	144,190,654	145,206,656	8,150,190	
b <u>Intangible assets :</u>								
Goodwill	10,579,430	-	10,579,430	1,002,323	-	1,002,323	9,577,107	
Computer software - acquired	-	676,000	676,000	-	676,000	676,000	-	
Intangible assets totals	10,579,430	676,000	11,255,430	1,002,323	676,000	1,678,323	9,577,107	
Total	10,779,585	153,832,691	164,612,276	2,018,325	144,866,654	146,884,979	17,727,297	

Footnote:

1. Goodwill represents the difference between assets and liabilities transferred and the purchase consideration paid to Smartlink Network Systems Limited pursuant to scheme of arrangement for transfer of business.

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Synegra EMS Limited

Notes forming part of the financial statements

As at 31st March, 2017

Rupees

NOTE 9 : LONG-TERM LOANS AND ADVANCES

Unsecured, considered good (unless stated otherwise):

Others :

Advance payment of taxes

	484,213
Total	484,213

NOTE 10 : CURRENT INVESTMENTS

Investments in Mutual Funds (unquoted)

(At lower of cost and fair value)

5,236.5020 Units in Reliance Mutual Fund - Liquidity Fund-Growth Plan-Growth Option	12,526,170
Total	12,526,170

Footnote:

Aggregate value of investments (net of adjustment)

Unquoted - cost

12,526,170

NOTE 11 : INVENTORIES

(At lower of cost and net realisable value)

Raw materials and components

931,941

Work-in-progress

2,562,576

Finished goods

29,450

Stores, spares and packing materials

26,585

Total	3,550,552
--------------	------------------

NOTE 12 : TRADE RECEIVABLES

Unsecured

a) Outstanding for a period exceeding six month from the date they were due for payment

-

b) Others

Considered good (refer footnote (i) below)

16,845,180

Total	16,845,180
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Footnote:

(i) Receivable from related party

 Digisol Systems Limited

3,535,883

NOTE 13 : CASH AND CASH EQUIVALENTS

a) Cash on hand

12,656

b) Balances with bank

 In Current accounts

1,303,983

Total	1,316,639
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NOTE 14 : SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good (unless otherwise stated):

Security deposits

33,000

Advances / Loans to Employees

147,635

Prepaid expenses

1,123,168

Others :

 CENVAT / Service tax credit receivable

255,615

 Advances to suppliers

85,045

Total	1,644,463
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Synegra EMS Limited

Notes forming part of the financial statements

For the period from
17th August, 2016 to
31st March, 2017

NOTE : 15 REVENUE FROM OPERATIONS

	<u>Rupees</u>
Sale of Manufactured products	19,675,085
Sale of services (Refer Note (i) below)	22,001,076
	<u>41,676,161</u>
(i) Sale of Services comprises of	
Job work charges	22,001,076
Total	<u><u>22,001,076</u></u>

NOTE 16 : OTHER INCOME



Gain on sale of current investments (net)	26,170
Leave encashment written back	137,939
Gratuity written back (Refer note 23)	283,982
Exchange gain (net) (Refer note 21)	6,613
Total	<u><u>454,704</u></u>

NOTE 17 : COST OF RAW MATERIALS CONSUMED

Raw materials consumed comprises

Diodes	5,088,519
Intergrated circuits	2,202,505
PCBs	1,137,337
Relays	581,979
Capacitors	418,851
Others	1,032,187
Total	<u><u>10,461,378</u></u>

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Synegra EMS Limited

Notes forming part of the financial statements

For the period from
17th August, 2016 to
31st March, 2017

Rupees

NOTE 18 : (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Stock as at 10th October, 2016 taken over pursuant to scheme of arrangement for transfer of business.

Manufactured goods	1,950,379
Work-in-progress	-
	<u>1,950,379</u>
<u>Less : Stock as at 31st March, 2017</u>	
Manufactured goods	29,450
Work-in-progress	2,562,576
	<u>2,592,026</u>
	<u>(641,647)</u>

NOTE 19 : EMPLOYEE BENEFITS EXPENSE

Salaries and wages	15,290,493
Contribution to provident and other funds (Refer note 23)	466,756
Staff welfare expenses	990,559
Total	<u>16,747,808</u>

NOTE 20 : OTHER EXPENSES

Stores, spares and packing material consumed	500,241
Excise duty (Refer Note No. 30 (d))	5,159
Power and fuel	1,999,244
Rent	3,170,963
Rates and taxes	95,319
Insurance	264,730
Repairs and maintenance - Others	152,541
Travelling and conveyance expenses	61,709
Communication expenses	55,102
Legal and Professional fees	1,882,045
Advertisement and sales development expenses	86,250
Application, Registration and Filing Fees	533,949
Audit Fees (Refer Note No. 22)	500,000
Miscellaneous expenses	944,522
Total	<u>10,251,774</u>

NOTE 21 : FOREIGN CURRENCY

Amount of exchange differences included in the Statement of Profit and Loss

Exchange gain	16,272
Exchange loss	9,659

NOTE 22 : PAYMENT TO AUDITORS (NET OF SERVICE TAX)

a. As Auditors	500,000
b. For Expenses	-
Total	<u>500,000</u>

Synegra EMS Limited

Notes forming part of the financial statements

For the period from
17th August, 2016 to
31st March, 2017

NOTE 23 : EMPLOYEE BENEFITS

A The disclosure as required under AS-15 regarding the Company's defined benefit plans is as follows:

	Gratuity (Funded)
I. Reconciliation of opening and closing balances of Defined Benefit obligation	
Defined Benefit obligation at beginning of the period	-
Liability taken over pursuant to scheme of arrangement for transfer of business.	3,571,562
Current Service Cost	138,825
Interest Cost	188,934
Actuarial (gain) / loss	(611,266)
Benefits paid	(48,375)
Defined Benefit obligation at period-end	<u>3,239,680</u>
II. Reconciliation of opening and closing balances of fair value of plan assets	
Fair value of plan assets at beginning of the period	-
Expected return on plan assets	92,558
Actuarial gain/(loss)	(92,083)
Employer contribution	192,113
Transfer in pursuant to scheme of arrangement for transfer of business.	3,571,562
Benefits paid	(48,375)
Fair value of plan assets at period end	<u>3,715,775</u>
III. Reconciliation of fair value of assets and obligations	
Present value of obligation as at 31st March, 2017	3,239,680
Fair value of plan assets as at 31st March, 2017	3,715,775
Amount recognized in Balance Sheet	476,095
IV. Expense recognized during the period (Under the head "Other Income" - Refer to note 16)	
Current Service Cost	138,825
Interest Cost	188,934
Expected return on plan assets	(92,558)
Actuarial (gain) / loss	(519,183)
Net Cost / (Gain)	<u>(283,982)</u>
V. Actuarial assumptions	
Discount rate (per annum)	6.69%
Expected rate of return on plan assets (per annum)	7.50%
Rate of escalation in salary (per annum)	5.00%
Mortality Table used	Indian Assured Lives Mortality 2006-08 ultimate table
VI. The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.	
VII. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below.	
Experience Adjustment	<u>31-Mar-17</u>
On plan liabilities	(611,266)
On plan assets	(92,083)
Present value of benefit obligation	3,239,680
Fair value of plan assets	3,715,775
Excess of (obligation over plan assets) / plan assets over obligation	476,095

VIII. The plan assets are managed by the Gratuity trust formed by the Company. The management of funds is entrusted with Life Insurance Corporation of India. The details of investments made by them are not available.

B The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows :

i) Contribution to provident fund Rs.349,177/-.

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Synegra EMS Limited

Notes forming part of the financial statements

NOTE 24 : SEGMENT INFORMATION

(A) Segment information for primary reporting (by business segment)

The Company is in the business of manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business).

The primary reporting segment for the Company therefore, is the business segment, viz., EMS.

(B) Segment information for secondary segment reporting (by geographical segments)

The Company does not have any reportable secondary (geographical) segment as the operations are carried within India.

NOTE 25 : OPERATING LEASE RENTALS

Lease rental charged to the statement of Profit and Loss in respect of premises taken on cancellable operating lease are Rs.3,170,963/-
The tenure of these leases is 11 months.

NOTE 26 : EARNINGS PER SHARE

Earnings per share is calculated by dividing the Profit / (loss) attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the period, as under:

	For the period from 17th August, 2016 to 31st March, 2017
Net Profit for the period attributable to Equity Shareholders (Rupees)	1,106,870
Weighted average number of equity shares	2,892,070
Par value per share (Rupees)	10.00
Basic and Diluted earnings per share net of tax (Rupees)	0.38

NOTE 27 : DEFERRED TAX (NET)

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

	As at 31st March, 2017
	Rupees
a. Deferred Tax Liability	-
b. Deferred Tax Asset	
Fiscal allowances of Property, plant and equipment	3,688,940
Carry-forward depreciation loss	1,498,879
Provision for slow moving stock	404,455
Others	272,041
Total	5,864,315
Deferred Tax Asset (net)	NIL*

Notes :

* The Company has Deferred Tax Assets as at 31st March, 2017. However, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, the Company has not accounted for the same.

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Synegra EMS Limited

Notes forming part of the financial statements

NOTE 28 : RELATED PARTY DISCLOSURES

a) Name of related parties where control exists

Name of the related parties	Nature of relationship
Smartlink Network Systems Limited	Holding Company

b) List of related parties with whom transactions have taken place during the period and nature of relationship

Name of the related parties	Nature of relationship
Smartlink Network Systems Limited	Holding Company
Digisol Systems Limited	Fellow Subsidiary

c) Details of related party transactions during the period

Nature of transactions	Holding Company	Fellow Subsidiary	Rupees Total
<u>Sale of Services</u> Digisol Systems Limited	-	21,909,456	21,909,456
<u>Rent Expense</u> Smartlink Network Systems Limited *	2,847,131	-	2,847,131
<u>Management Support Fees</u> Smartlink Network Systems Limited *	1,427,420	-	1,427,420
<u>Subscription to share capital</u> Smartlink Network Systems Limited	45,000,000	-	45,000,000
<u>Purchase Consideration net of working capital Adjustment</u> Smartlink Network Systems Limited	27,610,652	-	27,610,652
<u>As at the year-end</u> Amount due from Digisol Systems Limited	-	3,535,883	3,535,883
Amount due to Smartlink Network Systems Limited	791,683	-	791,683

* The amounts are exclusive of Service Tax

NOTE 29: Specified Bank Notes disclosure (SBN)

During the period, the Company did not have specified bank notes as defined in the MCA notification G.S.R. 308 (F) dated 31st March, 2017 on details of specified bank notes held and transacted during the period from 8th November, 2016 to 30th December, 2016.

The denomination wise details as per the notification is given below.

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	8,170	8,170
(+) Permitted receipts	-	20,062	20,062
(-) Permitted payments	-	19,840	19,840
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	8,392	8,392

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Synegra EMS Limited

Notes forming part of the financial statements

For the period from
17th August, 2016 to
31st March, 2017

NOTE 30 : OTHER DISCLOSURE

	Rupees	% age to total consumption
a) <u>Raw materials consumed</u>		
imported	2,131,653	20.38
indigenous	8,329,725	79.62
Total	10,461,378	100.00

b) <u>Stores, spares and packing materials consumed</u>		
imported	387,347	77.43
indigenous	112,894	22.57
Total	500,241	100.00

For the period from
17th August, 2016 to
31st March, 2017
Rupees

c) <u>C.I.F. value of goods imported</u>	
Raw materials and components	2,006,002
Stores, spares and packing materials	370,611

d) Excise duty collected from customers against sales has been disclosed as a deduction from turnover . The excise duty related to the difference between the opening and closing stock of finished goods is disclosed separately in Note 20 in the statement of profit and loss as "Excise Duty".

e) The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said Act;


Amount in Rupees

Particulars	
Outstanding principal amount and interest as on 31st March 2017	
- Principal Amount	-
- Interest due thereon	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of the said Act	-

e) The Company was incorporated on 17th August, 2016, hence comparable previous period figures are not available.

Signature to notes I to 30

For and on behalf of the Board


K. R. Naik
Executive Director
DIN: 00002013


Bhanubhai Patel
Director
DIN: 00223115


Urjita Damle
Company Secretary

Mumbai, dated : 17th May, 2017