

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the Ind AS financial statements of "INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED", which comprise of Balance Sheet as at 31st March 2017, and its statement of profit and loss (including other comprehensive income) and the Cash Flow Statement and the statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as Ind AS financial Statements).

Management's Responsibility on 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 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.

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 and Order u/s 143(11) of the Act.

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 Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 systems over financial reporting and the operating effectiveness of such controls. 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 Ind AS 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 Ind AS 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:

- (a) In the case of the balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss (including other comprehensive income), of the **profit** for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- (d) The Statement of change in Equity

Other Matter

The financial transactions of the Kuwait branch are also consolidated in the Ind AS financial statements of the Company. The audit of Kuwait branch is performed by a firm of Auditors appointed by C&AG.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by Section 143(3) of the Act, we report that:



- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of change in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (f) Keeping in view the inadequacy of Internal Financial Control systems, company needs to strengthen this so as to make it commensurate with the size of Company.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements; Refer note no. 7 of Ind AS financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holding as well as dealing in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to note 16 of Ind As financial Statements.

2. Report on the direction's issued by CAG under section 143(5)

Report on the matter's as specified in Annexure 1 as directed by CAG under section 143(5) of the Companies Act, 2013.

- i) The Company does not own neither freehold nor leasehold property. Therefore, the question of having title deeds in respect of leasehold or freehold property do not arise. However, the office premises of Company have been provided by DSIIDC – the parent company, free of rent.
- ii) There has been no case of waiver/ write off of bad debts/ loans/ interest etc. During the FY – 2016-17.
- iii) Proper records are maintained for inventories lying with third parties & that no assets were received as gift from government or other authorities during the FY 2016-17.



3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order to extent available.


(K. K. Khanna)
Membership No. 007887
Partner
K. K. Khanna & Co.,
Chartered Accountants
Firm Reg. No. 002221 N



Place: New Delhi
Date: 06th September

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

- (i)
- (a) As for records of fixed assets, company is maintaining records in soft format which do not show certain prescribed particulars like identification numbers and situation of fixed assets. The records are not maintained in hard copy/physical form;
 - (b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has not granted any 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 expecting for providing guarantees through Allahabad Bank, Indian Bank, State Bank of India and Axis Bank worth Rs. 2,17,23,128 /- as performance guarantee for safe performance of contracts or has entered with various Deptt., the guarantees are covered by mortgaging of FDRs of Rs. 1,14,46,000 /-
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

- (vi) The Central Government has not prescribed for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) At times the Company is not depositing undisputed statutory dues including provident fund, employees' state insurance dues to the appropriate authorities within prescribed time.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not issued any debentures and does not have any borrowings from the financial institutions.
- (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 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 year.
- (xi) In our opinion and according to the information explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 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 Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year 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 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any cash or non cash confirm transactions with its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. The Company does not have an associate company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.


(K. K. Khanna)
Membership No. 007887
Partner
K. K. Khanna & Co.,
Chartered Accountants
Firm Reg. No. 002221 N



Place: New Delhi

Date: 06th September, 2017

Intelligent Communication Systems India Limited
BALANCE SHEET AS AT 31st MARCH 2017

(Figures in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3	23.21	19.02	20.04
(b) Financial Assets	4			
- Trade Receivable	4(a)	44.43	172.99	244.72
- Other Financial Assets	4(b)	-	-	4.03
Deferred Tax Asset (Net)		36.07	17.15	14.13
(c) Other Non-Current Assets	5	-	1.06	1.06
		103.71	210.21	283.97
(2) Current Assets				
(a) Inventories	10	27.15	43.08	371.89
(b) Financial Assets	4			
- Trade Receivables	4(a)	5,725.74	3,399.23	3,322.37
- Cash and cash equivalents	8	2,820.64	1,447.38	1,383.25
- Loan	6	17.70	15.80	12.69
- Other Financial Assets	4(b)	45.36	34.10	60.99
(c) Current Tax Assets (Net)	7	954.81	799.38	659.34
(d) Other Current Assets	5	31.48	76.33	280.97
		9,622.88	5,815.29	6,091.49
TOTAL ASSETS		9,726.59	6,025.51	6,375.47
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	SOCE 1	100.00	100.00	100.00
(b) Other Equity	SOCE	1,758.92	1,424.54	1,123.87
		1,858.92	1,524.54	1,223.87
LIABILITIES				
(1) Non-current Liabilities				
(a) Financial Liabilities	11			
- Trade Payable	11(a)	267.21	159.78	212.54
- Other Financial Liabilities	11(b)	933.96	190.69	183.17
(b) Provisions	13	58.63	47.80	42.00
(c) Deferred Income		114.23	27.00	47.18
		1,374.02	425.27	484.90
(2) Current Liabilities				
(a) Financial Liabilities	11			
- Trade Payables	11(a)	3,604.74	1,767.16	1,991.58
- Other Financial Liabilities	11(b)	1,180.35	781.31	870.10
(b) Other current liabilities	12	1,205.34	1,184.72	1,442.13
(c) Provisions	13	3.21	3.28	2.89
(d) Current tax liabilities	14	500.00	339.23	360.00
		6,493.64	4,075.70	4,666.70
TOTAL EQUITY AND LIABILITIES		9,726.59	6,025.51	6,375.47
Significant accounting policies and notes to accounts				
	1, 2			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For K.K. Khanna & Co.
Firm registration number: 002221N
Chartered Accountants


(K.K. KHANNA)
Partner
Membership No: 007887




(AJAY AGARWAL)
Director
DIN - 06778079

For and on behalf of the Board of Directors:


(KAMENDRA KUMAR)
Managing director
DIN - 07578257

Place: New Delhi
Date: 06th September, 2017



Intelligent Communication Systems India Limited
Statement of Profit & Loss Account for the Year ended 31st March 2017

(Figures In lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
I. Income			
Revenue from Operations	15	14,619.78	11,347.87
Other Income	16	161.21	129.54
Total Income (I)		14,780.99	11,477.41
II. Expenses			
Purchase of stock in trade	17	166.62	401.37
Cost of Services , Maintenance etc.	18	8,847.70	8,213.50
Cost of Contract Executed at ICSIL Kuwait	19	4,762.99	1,646.97
(Increase) / Decrease in inventories of Stock-in-Trade	20	14.31	336.40
Employee benefits expense	21	263.20	228.76
Finance Cost	22	70.18	38.92
Other expenses	23	99.64	103.05
Depreciation and amortization expense	3	7.19	6.89
Total Expenses (II)		14,231.83	10,975.86
III. Profit/(loss) before exceptional items and tax (I-II)		549.16	501.55
IV. Exceptional Items		-	-
V. Profit/(loss) before tax (III-IV)		549.16	501.55
VI. Tax Expense			
(1) Current Tax		200.00	180.00
(2) Deferred Tax		(18.93)	(3.02)
VII. Profit/(Loss) for the Year (V-VI)		368.09	324.57
VIII. Other Comprehensive Income			
Re-measurement losses on defined benefit plans	E	(2.15)	(2.77)
Total Other Comprehensive Income		(2.15)	(2.77)
IX. Total Comprehensive Income for the Year (VII+VIII)		365.94	321.80
X. Earnings per equity share of Rs.100 each			
Basic/Diluted		365.94	321.80
Significant accounting policies and notes to accounts	1, 2		

The accompanying notes are an integral part of the financial statements

E As per Ind AS, remeasurement gain / loss on Defined Benefit Plans (Leave Encashment & Gratuity) is to be reported under 'Other Comprehensive Income' (net of Deferred Tax thereon), instead of P&L statement.

As per our report of even date
 For K.K. Khanna & Co.
 Firm registration number: 002221N
 Chartered Accountants

(K.K. KHANNA)
 Partner
 Membership No: 007887

Place: New Delhi
 Date: 06th September, 2017

For and on behalf of the Board of Directors:

Agarwal

(AJAY AGARWAL)
 Director
 DIN - 06778079

(KAMENDRA KUMAR)
 Managing director
 DIN - 07578257



Intelligent Communication Systems India Limited
Cash Flow Statement for the Year Ended 31st March 2017

(Figures In lakhs)

	As at 31.03.2017	As at 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax from continuing operations	547.41	497.50
Profit before tax from discontinuing operations	-	-
Profit before tax	547.41	497.50
Loss/(Profit) on sale of fixed assets	(0.29)	-
Depreciation/amortization on continuing operations	7.19	6.89
Provision for income tax	(200.00)	(176.98)
Interest income	(102.34)	(88.20)
Dividend income	-	-
Operating profit before working capital changes	251.97	239.20
Movements in working capital		
Increase/(decrease) in trade payables	107.43	(52.76)
Increase/(decrease) in long term provisions	2.24	6.19
Increase/(decrease) in short term provisions	161.42	(16.55)
Increase/(decrease) in current liabilities	204.79	(610.42)
Decrease/(increase) in trade receivables	(2,197.95)	(5.13)
Decrease/(increase) in inventories	15.93	329.56
Decrease/(increase) in long term loans and advances	1.06	4.03
Decrease/(increase) in short term loans and advances	(138.19)	182.76
Decrease/(increase) in other current assets	2,916.32	256.49
Direct taxes paid (net of refunds)	(18.93)	(327.50)
Net cash flow from/(used in) operating activities (A)	1,306.09	5.87
B. Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(11.64)	(5.87)
Proceeds from sale of fixed assets	0.55	-
Investments in bank deposits (having original maturity of	(1,313.06)	(303.39)
Net cash flow from/(used in) investing activities (B)	(1,324.15)	(309.27)
C. Cash flow from financing activities		
Interest Income	102.34	88.20
Dividend	(24.07)	(24.07)
Net cash flow from/(used in) in financing activities (c)	78.27	64.13
Net increase/(decrease) in cash and cash equivalents (A+B+C)	60.20	(239.26)
Cash and cash equivalents at the beginning of the year	287.75	527.01
Cash and cash equivalents at the end of the year	347.95	287.75
Components of cash and cash equivalents		
Cash in hand	0.03	0.23
With banks-on current account	347.92	287.52
Total cash and cash equivalents	347.95	287.75

The accompanying notes are an integral part of the financial statements.

As per our report of even date
 For K.K. Khanna & Co.
 Firm registration number: 002221N
 Chartered Accountants

(Signature)
 (K.K. KHANNA)
 Partner
 Membership No: 007887



For and on behalf of the Board of Directors

(Signature)
 (AJAY AGARWAL)
 Director
 DIN - 06778079

(Signature)
 (KAMENDRA KUMAR)
 Managing Director
 DIN - 07578257

Place: New Delhi
 Date: 06th September, 2017



Intelligent Communication Systems India Limited (ICSIL)
Schedule forming part of the Financial Statements for the year ended March 31, 2017

Note 1:- SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Overview of Company

Intelligent Communications Systems India Limited is a company, incorporated under the provisions of the Companies Act, 1956 having registered office at Administrative Building, 1st floor, above post office, Okhla Industrial Estate, Phase III.

The company is engaged in the trading, Installation and commissioning of Hardware/ Software Items such as computer/telecom/IT equipment of reputed brands. The company caters in domestic markets. The company also supplies manpower to various government organizations/departments, and also provides education through licensees under individual agreements with different Franchise centres. The company also undertakes annual maintenance contracts of hardware items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

Compliance with INDIAN ACCOUNTING STANDARDS (Ind AS)

These financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

The Financial Statements are prepared under the historical cost convention unless otherwise stated. For comparative, previous year figures have been restated and reclassified in the financial statements.

For all periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements including the preparation of the opening Ind AS.

Balance sheet as at 1st April, 2015 being the date of transaction to Ind AS, all assets and liabilities has been reclassified as current and non-current as per the company's normal business operating cycle.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value; and
- Defined benefit plans—plan assets measured at fair value.



(c) **Use of Estimates**

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a non-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Recoverable amount of Trade and other receivables.
- Provisions.
- Tax Calculation

(d) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

- An asset is treated as current when it is:
 - Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
 - It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. **The Company has identified twelve months as its operating cycle.**



3. RECOGNITION OF INCOME/ EXPENDITURE

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured by taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(a) Consultancy Contracts

- On completion of respective activity, where the Contract envisages activity wise completion.
- 80% of the contract value on submission of report and balance 20% on its acceptance.
- For incomplete activities, the project expenditure is adjusted on pro-data basis through work-in-progress.

(b) Service Contracts

In the case of service contracts, revenue is recognised on the basis of actual period of services rendered up to the end of year by correlating expenditure incurred there against.

(c) Trade Income

Trade income is accounted for on the basis of sales bills raised.

(d) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. **Provisions are not recognized for future operating losses.**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

4. INVENTORIES AND STOCK-IN-TRADE

- Stock-in-trade is valued at lower of cost or realizable value.

5. DEPRECIATION ON FIXED ASSETS

Depreciation on Property, plant and equipment

The Company has elected to continue with the carrying value for all of its Tangible Assets as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Costs that are directly related to acquisition of



asset are capitalized until the assets are ready to be put to use.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/part have a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate. **(IndAS16)**

Depreciation on fixed assets

- Depreciation on fixed assets is provided on straight line method based on the useful life as specified in Schedule II of Companies Act 2013
- Capital items valuing less than Rs 5000/- each are fully depreciated in the year of acquisition

6. TAXATION

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to recover from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred Income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred income tax assets and liabilities is recognized as income and expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

7. LIQUIDATED DAMAGES / CLAIMS

Liquidated damages/ claims deducted by customer or the company are considered on admittance basis and accounted for in miscellaneous expenses/ income.



8. RETIREMENT BENEFITS

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Actuarial valuation is taken and used to measure the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Employment obligations

The Company operates the scheme of defined benefit plans and defined contribution plans such.

Gratuity:

Liability for payment of gratuity towards the employees of Intelligent Communication Systems Indian Limited is provided in accounts on the basis of Actuarial Valuation report. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability (asset) are recognized in other comprehensive Income.

Leave Encashment:

For Leave Encashment of employees on retirement, liabilities in this respect are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

Provident Fund:

Eligible employees of Intelligent Communication Systems India Limited receive benefits from a provident fund, which is a defined benefit plan. Both, eligible employee and company make monthly contributions to the provident fund.

9. LIABILITIES / CONTINGENT LIABILITIES

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.



10. PREPAID EXPENSES.

Prepaid expenses upto Rs 25000/- are treated as expenditure of the current year and charged to the natural heads of account.

11. IMPAIRMENT

The company is of the view that there is no indication of impairment of any financial and non financial assets and accordingly no impairment provision is called for in this case. Hence, there is no impact on profit for the year.

12. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement:

All financial assets and liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement:-

Financial instruments at amortized cost-

The financial instrument is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI)

A financial asset is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. In other cases, Company decides to classify the each financial instrument either as at FVOCI or FVTPL at initial recognition.

Financial asset Held-to-maturity financial assets

If Company, has positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and trade and other receivables.



Cash and Cash equivalents

Cash and cash equivalents comprise cash balances (Cash in hand, bank balances) and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of the short-term commitments.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Financial liabilities

Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss or fair value through other comprehensive income) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

13. CASH FLOW STATEMENT

Cash flow statement are reported using indirect method, whereby, profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The Cash flows from operating, investing and financing activities of the company are segregated.



Intelligent Communication Systems India Limited (ICSIL)
Schedules forming part of the Financial Statements for the year ended 31st March, 2017

Note 2:- NOTES TO ACCOUNTS

A. Retirement Benefits

Gratuity: - Provision for Gratuity Liability to employees is made on the basis of Actuarial valuation.

S.No	<u>Particulars</u>	<u>31/03/2017</u>	<u>31/03/2016</u>
1.	Change in Present Value of Obligations during the year		
	Present Value of obligations at the beginning of the year	28,06,590/-	23,75,420/-
	Interest Cost	2,10,494/-	1,85,283/-
	Past Service Cost	----	----
	Current Service Cost	2,56,557/-	2,41,759/-
	Benefit Paid	NIL	NIL
	Actuarial (Gain) / Loss on obligation	2,81,561/-	4,128/-
	Present value of obligation at the end of the period	35,55,202/-	28,06,590/-
2.	Changes in the fair Value of Plan Assets during period		
	Fair Value of Plan Assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected Return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
3.	Fair value of Plan Assets during the year		
	Fair value of Plan Assets at the beginning of period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----
	Benefits paid	----	----
	Fair value of plan assets at the end of year	(35,55,202/-)	----
	Funded Status	----	(28,06,590/-)
	Excess of actual over estimated return on plan assets	----	----
4.	Actuarial Gain/Loss recognized for the period		
	Actuarial gain/(loss) on obligations	(2,81,561/-)	(4,128/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total (gain)/ loss for the period	2,81,561/-	4,128/-
	Actuarial (gain) /loss recognized for the period	2,81,561/-	4,128/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----	----



5.	Amounts to be recognized in the Balance Sheet and P & L Account		
	Present value of obligation at the end of the period	35,55,202/-	28,06,590/-
	Fair value of plan assets at the end of the period	----	----
	Funded Status	(35,55,202/-)	(28,06,590/-)
	Net (Assets) / Liability recognized in Balance Sheet	35,55,202/-	28,06,590/-
6.	Expenses recognized in the statement of Profit & Loss for the period		
	Current Service Cost	2,56,557/-	2,41,759/-
	Interest Cost	2,10,494/-	1,85,283/-
	Expected Return on Plan Assets	----	----
	Expenses recognized in Profit & Loss	467051/-	427042/-
	Other comprehensive (income) / expense (Remeasurement)		
	Actuarial (gain)/loss – obligation	2,81,561/-	4128/-
7.	Amount for the Current Period		
	Present value of obligation	35,55,202/-	28,06,590/-
	Plan Assets	----	----
	Surplus (Deficit)	(35,55,202/-)	(28,06,590/-)
	Experience adjustments on plan Liabilities (loss)/gain	2,23,852/-	17,240/-
	Experience adjustments on plan Assets (loss)/gain	---	---
8.	Reconciliation Statement of Expenses in the statement of Profit & Loss		
	Present value of obligation as at the end of period	35,55,202/-	28,06,590/-
	Present value of obligation at the beginning of the year	(28,06,590/-)	(23,75,420/-)
	Benefits paid:		
	i) Directly paid by the enterprise	NIL	NIL/-
	ii) Payment made out of the fund	----	----
	Actual return on plan assets	----	----
	Actuarial (gain)/loss	281561/-	4,128/-
	Expenses recognized in the profit & loss	4,67,051/-	4,27,042/-
9.	Movement in the Liability recognized in the Balance Sheet		
	Opening net liability	28,06,590/-	23,75,420/-
	Expenses as above	7,48,612/-	4,31,170/-
	Benefits paid directly by the Enterprises	NIL	NIL
	Contribution paid into the fund	---	---
	Closing net liability	35,55,202/-	28,06,590/-
10.	Major Categories of Plan Assets (as % of total plan Assets)		
	Government of India Securities	----	----
	State Government Securities	----	----
	High Quality Corporate Bonds	----	----
	Equity Shares of Listed Companies	----	----
	Property	----	----
	Special Deposit Scheme	----	----
	Funds managed by Insurer	----	----
	Bank Balance	----	----
	Fixed Deposit	----	----
	Other Assets	----	----
	TOTAL	----	----



B. Leave Encashment: - Provision for Leave Encashment Liability to employees is made on the basis of actuarial valuation.

S.No	Particulars	31/03/2017	31/03/2016
1.	Change in Present Value of Obligations		
	Present Value of obligations at the beginning of the period	23,01,049/-	21,13,675/-
	Interest Cost	1,72,579/-	1,64,867/-
	Current Service Cost	2,21,598/-	86,747/-
	Benefits paid	NIL	(3,36,983/-)
	Actuarial (Gain) / Loss on obligation	(66,258/-)	2,72,743/-
	Present value of obligation as at the end of the period	26,28,968/-	23,01,049/-
2.	Change in fair Value of Plan Assets during the year		
	Fair Value of plan assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on Plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
3.	Fair value of Plan Assets		
	Fair value of Plan Assets at the beginning of the period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----
	Benefits paid	----	----
	Fair value of plan assets at the end of the period	----	----
	Funded / (Unfunded) Status	(26,28,968/-)	(23,01,049/-)
	Excess of actual over estimated return on plan assets	----	----
4.	Actuarial Gain/Loss recognized for the period		
	Actuarial gain/(loss) on obligations	66,258/-	(2,72,743/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total Actuarial (gain) / loss for the period	(66,258/-)	2,72,743/-
	Actuarial (gain) / loss recognized for the period	(66,258/-)	2,72,743/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----	----
5.	Amounts to be recognized in the Balance Sheet and P & L Account		
	Present value of obligation at the end of the period	26,28,968/-	21,13,675/-
	Fair value of plan assets as at the end of the period	(26,28,968/-)	(23,01,049/-)
	Funded Status	26,28,968/-	23,01,049/-
	Net (Assets) / Liability recognized in Balance Sheet		
6.	Expenses recognized in Profit & Loss		
	Current Service Cost	2,21,598/-	86,747/-
	Interest Cost	1,72,579/-	1,64,867/-
	Expected Return on Plan Assets	----	----
	Expenses recognized in Profit & Loss	3,94,177/-	2,51,614/-
	Other comprehensive (income) / expenses (Remeasurement)		
	Actuarial (gain)/loss - obligation	(66,258/-)	2,72,743/-
7.	Amount for the Current Period		
	Present value of obligation	26,28,968/-	23,01,049/-



Plan Assets	----	----
Surplus (Deficit)	(26,28,968/-)	(23,01,049/-)
Experience adjustments on plan Liabilities (loss)/gain	1,09,634/-	(2,56,457/-)
Experience adjustments on plan Assets (loss)/gain	-----	-----
8. Reconciliation Statement of Expenses of Profit & Loss		
Present value of obligation as at the end of period	26,28,968/-	23,01,049/-
Present value of obligation as at beginning of the period	(23,01,049/-)	(21,13,675/-)
Benefits paid		
i) Directly paid by the enterprise	NIL	3,36,983/-
ii) Payment made out of the fund	----	----
Actual return on plan assets	----	----
Actuarial (gain)/loss	(66,258/-)	2,72,743/-
Expenses recognized in the profit & loss	3,,94,177/-	2,51,614/-
9. Amount in the liability Recognized in the Balance Sheet		
Opening net liability	23,01,049/-	21,13,675/-
Expenses as above	3,27,919/-	5,24,357/-
Benefits paid directly by the enterprises	NIL	(3,36,983/-)
Contribution paid into the fund	---	---
Closing net liability	26,28,968/-	23,01,049/-
10. Major Categories of Plan Assets (as % of total plan Assets)		
Government of India Securities	----	----
State Government Securities	----	----
High Quality Corporate Bonds	----	----
Equity Shares of Listed Companies	----	----
Property	----	----
Special Deposit Scheme	----	----
Funds managed by Insurer	----	----
Bank Balance	----	----
Fixed Deposit	----	----
Other Assets	----	----
TOTAL	----	----

C. Provision for doubtful debts/advances

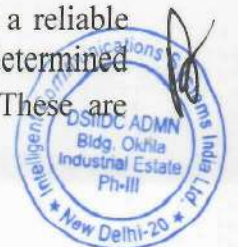
No provisions for doubtful debts are made even for debts which are outstanding for a period exceeding even three years.

D. Income Tax

Provisions have been made for the current Income Tax as per the provisions of Tax laws prevailing in India and abroad and are based on the decision of the Appellate Authorities. The assessment of the company u/s 143(3) of Income Tax Act, 1961 has been completed up to AY 2014-15. However, no provision is considered necessary in respect of issues, which are subject matter of appeals, filed with Appellate Authorities (either by the company or by the revenue department).

E. Provision

Provisions are recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is discounted to its present value and is determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimate.



F. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As of March 31, 2017 none of the fixed assets were considered impaired. Hence, there is no impact on profit for the year.

G. Contingent liability

Claims against the Company not acknowledged as debts

- a. M/s D.M. Systems (P) Ltd. V/S ICSIL, suit for recovery of Rs. 19,75,518 /-. The decision of the Court order taken on 30.07.2014, for which ICSIL further proceeded to file application in Saket Court to set aside the ex-Parte decree dated: 30.07.2014. The captioned matter was listed before the LD ADJ on 04 Feb 2017. On the said date the witness of the plaintiff/DM was substantially cross examined by us and for his further cross examination, matter has been listed on 03 May 2017.
- b. Muzaffer Majeed Dar & Anr. V/S Union of India, wherein the exact anticipated liability cannot be specifically ascertained, since the nature of the case revolves around rehabilitation of two technicians who claim to be ICSIL employees. If the matter was to be decided in their favour, the court could order ICSIL to pay them accrued salaries, as well as the relevant cost to give them appropriate employment. Initially the case was handled by Sh Anjum Javed and now Sh Abhimanyu Garg.
- c. Jaubir S. Baliyan V/S ICSIL & Ors, wherein the petitioner has sought interest @15% per annum on Arbitral Award(dated 17.05.2012) sum of Rs. 5,29,760 /-. The petition has been filed on 13.08.2012. Additionally, the petitioner has also sought Rs. 59,946.75 /- towards a certain outstanding maintenance charges, and cost of arbitral proceedings. The case was handled by Sh Ratan K Singh, Advocate. At present the case is being handled by Sh Abhimanyu Garg, Advocate.
- d. Mr. Mahendra Kumar V/S ICSIL, wherein the petitioner has filed suit for recovery of security money and EPF of the education project dated 14 Dec, 2009. As per the ABG court order ICSIL has to pay Rs.60,000/- along with interest @ 8% for termination of service. The case has been appealed in High Court. Sh. Ratan Singh Advocate is looking after the case. The captioned matter was listed before the Hon'ble High Court on 21 March. And issued notice to respondent and also called for records of the lower court. The next date of hearing has been fixed on 23 May 2017.
- e. Sh. Bhagat Singh V/S DSIIDC/ICSIL, Sh. Bhagat Singh was working in DSIIDC through ICSIL on contract basis as a helper/attendant since 01.09.2009 to 31.08.2010 He was terminated from the service without any notice/intimation. He has filed a case for all the financial benefits in labour court. Case is fixed for management reply from DSIIDC, ICSIL. Files withdrawn and next date is on 17.07.2017.
- f. There is a service tax demand of Rs. 7,30,38,184/- not provided for in accounts. Although this is being contested with Custom, Excise and Service Tax Appellate Tribunal, New Delhi.



H. Bank Guarantee

The company has given Bank Guarantees' through Allahabad Bank, Indian Bank, State Bank of India and Axis Bank worth Rs. 2,17,23,128/- as performance guarantee for safe performance of contracts it has entered into with various departments. The guarantees are covered by mortgaging of FDR of Rs. 1,14,46,000/-

I. Related Party disclosures

Transactions with related parties in the normal course of business

<u>Related Parties where control exits</u>		<u>Amount of transaction</u>		<u>Nature of transaction</u>
		<u>Current Year</u>	<u>Previous Year</u>	
TCIL	Associate Company	NIL	NIL	Arbitration claims, Interest claims and other dues paid (net) adjusted upon Arbitration Award of TCIL
TCIL	Associate Company	47,62,98,403.00	16,46,97,048.60	Sub contractor Expenses Relating to ICSIL Kuwait
		47,86,91,862.00	1,65,524,672.00	Receivable from MOC on behalf of TCIL
		23,93,459.00	8,27,623.36	Dues from TCIL (NET)
DSI IDC	Associate Company	105,657,579.80	134,725,260.00	Manpower, Hardware, CCTV and Services

J. Key Management personnel

Sh. Kamendra Kumar	(Since 14.07.2016)	Managing Director
Sh. R.S. Kaushik	(From 19.05.2014; Upto 08.07.2016)	Managing Director

K. Remuneration of Managing Director 31st March, 2017

	31 st March, 2017	31 st March, 2016
Salaries & Allowances	20,25,283.00	15,75,085.00
House Rent Allowance	2,27,187.00	2,18,532.00
Medical	27,572.00	82,476.00
Gratuity & Leave Salary	1,39,843.00	2,40,498.00
Pension Contribution		
	<u>24,19,885.00</u>	<u>21,16,591.00</u>

The Managing Director is entitled to use the Car with Driver for official and private use subject to deduction of Rs, 2,000/- per month as per the guidance issued by Department of Public Enterprises/ circular issued by TCIL.



Sundry Debtors, Sundry Creditors, Advances from Customers and Security Paid/ Received are subject to confirmation.

ICSIL office is located in the premises of its associate company (DSI IDC) and there is no formal agreement regarding rent. Hence, ICSIL has not provided for the same as it is not required, as per the opinion of the management.

The Licensees share in the amounts received from students/trainees is shown as expenses where the total amount received by the Licensor (ICSIL) from students/trainees is shown as income in accounts.

The Internal control system needs to be strengthened in commensurate with the size of the Company and the nature of its business. The company needs to improve controls to reconcile old customers advances with debtors and for depositing statutory liabilities in time which in many instances, have been accounted for at year end. Due to such practices the statutory liabilities like PF and ESI at times are not paid within the prescribed time. The company has inadequate system/policy for indentifying and following up to write off/ write back of old debit and credit balances and there is no adequate system in place to obtain confirmations from the parties.

Details of Specified Bank Notes held and transacted during the period November 08, 2016 to December 30, 2016 are provided below:-

Description	Specific Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on Nov 08, 2016	-	13,277	13,277
(+) Permitted Receipts		1,65,641	1,65,641
(-) Permitted Payments	-	1,65,210	1,65,210
(-) Amount deposited in Banks	-	Nil	Nil
Closing cash in hand as on Dec 30, 2016		13,708	13,708

L. Service Tax

There is a service tax demand of Rs. 7,30,38,184/- not provided for in accounts. Although this is being contested with Custom, Excise and Service Tax Appellate Tribunal, New Delhi;

M. VAT/CST

There is a VAT/CST demand amounting to Rs.46,46,221/- and penalty of Rs.40,92,127/- which is related to FY 2010-11 to 2013-14 not provided for in the accounts. Although this is being contested with VAT authorities and also filed the requisite documents pending with VAT authorities, New Delhi.

N. Dividend

Company has decided to declare dividend at the end of the every financial year. The dividend declared during the last financial year 31.3.2016 amounting to Rs.20.00 Lac out of that unclaimed dividend as on 31.3.17 is Rs.12.00 Lac. The dividend for the financial year ended 31 March 2017 is yet to be declared in the board meeting.



O. Basic & Diluted Earning per share

In compliance with IndAS-33 "Earning per share" issued by the institute of Chartered Accountants of India, the elements considered for computation of Earning Per Share (Basic & Diluted) are as under:

Description	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	365.94 Lacs	321.80 Lacs
Weighted Average number of Equity Shares used for computing Earnings Per Share (Basic & Diluted)	1 Lacs	1 Lacs
Earnings Per Share (Basic & Diluted) (Rupees)	Rs. 365.94 per share	Rs. 321.80 per share
Face Value Per Share (Rupees)	100	100

P. Corporate Social Responsibility

In view of Companies (Corporate Social Responsibility Policy) Rules, 2014, the companies does not have 'Net Profits' in terms of Rule 2(f) as defined in these rules and thus the company is not liable for undertaking CSR expenditure under section 135 of the Companies Act, 2013.

During the FY 2015-16, as per information and explanation provided to us case no. 42A has been initiated by Anti Corruption Branch of CBI against Managing Director - Shri R. S. Kaushik, Ex-Managing Director - Shri G. K. Nanda and Ex-Managing Director - Shri A. K. Duggal the case was initiated on 15th December, 2015. Since the matter is pending before Anti Corruption of CBI, therefore, the outcome of the case not known and, therefore, no further comments can be made in this regard.

Previous year figures have been regrouped or rearranged wherever necessary to conform to this year classification.

As per our report of even date
For K.K. Khanna & Co.
Firm registration number: 002221N
Chartered Accountants


K.K. KHANNA
Partner
Membership No: 007887




(AJAY AGARWAL)
Director

For and on behalf of the Board of Director


(KAMENDRA KUMAR)
Managing Director



Place: New Delhi
Date: 06th September, 2017

Notes Annexed to Kuwait Accounts for the year ended 31st March, 2017.

A. Contingent and other liabilities not provided for:

- Liabilities and claims in courts or under arbitration is NIL (Previous Year NIL/-)
- Letter of credit arranged directly and through the agent outstanding as on 31st March, 2017 Rs. 29488081.58/- (Previous Year Rs. 10,66,52,053/-). There is no L/C opened with any counter – guarantee from India.
- Guarantees issued by banks on behalf of Kuwait Branch directly and through its agent/ TCIL outstanding as on 31st March,2017 are Rs. 14,19,91,160 /- (Previous year Rs. 14,65,45,021/-).

B. Estimated amount of contract remaining to be executed on Capital Account and not provided for are NIL as on 31st March, 2017 (Previous year NIL).

C. Income Tax Assessment upto the financial year 2005-2006 has been completed by Ministry of Finance Kuwait. There are no demands outstanding as on 31st March, 2017.

D. Disclosure as per revised Accounting Standard on “ Accounting for Construction Contracts” (AS-7) issued by the Institute of Chartered Accountants of India with regards to Turnkey Contracts entered on or after 01.04.2002:

	(Amounts in INR)	
	2016-17	2015-16
1. Contract revenue recognized for the year,	47,86,91,862	16,55,24,672
2. Amount of cost incurred and recognized profit in respect of work in progress	71,69,63,566	23,82,71,704
3. Amount due from customers (unbilled WIP)	31,47,710	76,33,415
4. Advances received from customers & outstanding as at year end.	NIL	NIL
5. Retention money outstanding as at year end.	7,11,87,924	2,30,63,830

E. The Transaction with related parties during the year is NIL (Previous year NIL)

F. IMPAIRMENT OF ASSETS

As stipulated in AS 28, after due Assessment Company is of the view that assets employed in continuing business (for the assets to which AS 28 is applicable) are capable of generating adequate returns over the useful lives in the usual course of business. There is no indication to the Company and accordingly the management is of view that no impairment provision is called for in this case.

G. In accordance with Accounting Standard on “Accounting for Taxes on Income” (AS-22) issued by the Institute of Chartered Accountants of India, break-up of deferred tax assets and liabilities into major components comprise of the following:



(Amount in INR)

	Assets 2016-17	Liabilities 2016-17	Assets 2015-16	Liabilities 2015-16
1. Depreciation	-	28,547	-	-
2. Provision for doubtful debts/Advances	-	-	-	-
3. Provision for obsolescence	-	-	-	-
4. Expenses disallowed for tax purposes allowable on actual payment	2,45,209	-	-	-
5. Others (warranty provision)	10,75,000	-	-	-
6. Total	13,20,209	28,547	-	-
7. Net deferred tax assets/(Liabilities)	12,91,662	-	-	-

As per our report of even date

For K.K. Khanna & Co.

Firm registration number: 002221N

Chartered Accountants

K.K. KHANNA

Partner

Membership No: 007887



(AJAY AGARWAL)

Director

For and on behalf of the Board of Director

(KAMENDRA KUMAR)

Managing Director

Place: New Delhi

Date: 06th September, 2017



Statement of changes in equity as at 01-4-2015

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 1st April 2014	100.00	12.48	892.93	-	-	1,005.41
Profit for the year	-	-	-	209.02	-	209.02
Dividend including tax on dividend	-	-	-	24.00	-	24.00
Remeasurement of the net defined benefit liability/assets	-	-	-	-	(14.56)	(14.56)
As at 1st April 2015	100.00	12.48	892.93	233.02	(14.56)	1,223.87

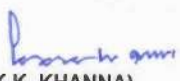
Statement of changes in equity as at 31.03.2016

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 1st April 2015	100.00	12.48	892.93	233.02	(14.56)	1,223.87
Profit for the year	-	-	-	324.57	-	324.57
Appropriation of Dividend & tax thereon	-	-	-	(24.07)	-	(24.07)
Dividend including tax on dividend	-	-	-	4.22	-	4.22
Remeasurement of the net defined benefit liability/assets	-	-	-	-	(2.77)	(2.77)
Effect of deferment of security deposit	-	-	-	(1.29)	-	(1.29)
As at 31st March 2016	100.00	12.48	892.93	536.45	(17.33)	1,524.54

Statement of changes in equity as at 31.03.2017

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 31st March 2016	100.00	12.48	892.93	536.45	(17.33)	1,524.54
Profit for the year	-	-	-	368.09	-	368.09
Appropriation of Dividend & tax thereon	-	-	-	(24.07)	-	(24.07)
Provision as per Actuary	-	-	-	(8.52)	-	(8.52)
Dividend including tax on dividend	-	-	-	0.65	-	0.65
Effect of deferment of security deposit	-	-	-	0.39	(2.15)	(1.76)
As at 31st March 2017	100.00	12.48	892.93	872.99	(19.48)	1,858.92

For K.K. Khanna & Co.
Firm registration number: 002221N
Chartered Accountants


(K.K. KHANNA)
Partner
Membership No: 007887



For and on behalf of the Board of Directors:


(AJAY AGARWAL)
Director
DIN - 06778079


(KAMENDRA KUMAR)
Managing director
DIN - 07578257

Place: New Delhi
Date: 06th September, 2017



Intelligent Communication Systems India Limited
Equity Share Capital

SOCE - 1

(Figures in Lakhs except share quantity and per share data)

As at

Particulars	31/Mar/17	31/Mar/16	01/Apr/15
Authorized			
Equity shares, 100 par value			
100000 equity shares	<u>100</u>	<u>100</u>	<u>100</u>
Issue, subscribed and fully paid - up			
Equity shares, 100 par value			
100000 equity shares	100	100	100
	100	100	100



The carrying value of financial instruments by categories as of 1st april 2015 as follows:

(Figures in lakhs)

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash & cash equivalents	-	-	1,383.25	1,383.25
Trade receivables	-	-	3,567.09	3,567.09
Loans & Advances	-	-	12.69	12.69
Other financial assets	-	-	65.02	65.02
Total	-	-	5,028.04	5,028.04
Financial liabilities				
Trade Payable	-	-	2,204.12	2,204.12
Other financial liabilities	-	-	1,053.27	1,053.27
Total	-	-	3,257.40	3,257.40

The carrying value of financial instruments by categories as of 31st March 2016 as follows:

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash & cash equivalents	-	-	1,447.38	1,447.38
Trade receivables	-	-	3,572.22	3,572.22
Loans & Advances	-	-	15.80	15.80
Other financial assets	-	-	34.10	34.10
Total	-	-	5,069.49	5,069.49
Financial liabilities				
Trade Payable	-	-	1,926.94	1,926.94
Other financial liabilities	-	-	972.01	972.01
Total	-	-	2,898.94	2,898.94

The carrying value of financial instruments by categories as of 31st March 2017 as follows:

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash & cash equivalents	-	-	2,820.64	2,820.64
Trade receivables	-	-	5,770.17	5,770.17
Loans & Advances	-	-	17.70	17.70
Other financial assets	-	-	45.36	45.36
Total	-	-	8,653.87	8,653.87
Financial liabilities				
Trade Payable	-	-	3,871.95	3,871.95
Other financial liabilities	-	-	2,114.31	2,114.31
Total	-	-	5,986.26	5,986.26



Note 3: Property, plant and equipment

(Figures in lakhs)

	Furniture and Fixture	Office Equipment	Computer, Printer & Software	Electrical Equipment	Vehicles	Air-conditioners	Total
Gross Carrying Amount	9.58	6.48	37.75	1.06	10.92	4.26	70.04
Accumulated Depreciation	4.29	4.21	32.71	1.03	6.73	1.04	50.01
Deemed cost as at 1st April 2015	5.29	2.28	5.04	0.03	4.18	3.22	20.04
Addition	0.73	-	5.14	-	-	-	5.87
Disposal/Adjustments	-	-	-	-	-	-	-
Gross Carrying Amount as on 31st March 2016	10.31	6.48	42.89	1.06	10.92	4.26	75.92
Depreciation							
Disposal/Adjustments	-	-	-	-	-	-	-
Charges for the year	0.95	0.71	3.87	-	0.85	0.53	6.89
As on 31st March 2016	5.23	4.91	36.58	1.03	7.58	1.56	56.90
Net Block							
As on 31st March 2016	5.08	1.57	6.31	0.03	3.34	2.69	19.02
Addition	1.17	0.22	2.41	0.28	7.17	0.38	11.64
Disposal/Adjustments	-	-	-	-	5.17	-	-
Gross Carrying Amount as on 31st March 2017	11.48	6.71	45.31	1.34	12.92	4.63	82.39
Depreciation							
Disposal/Adjustments	-	-	-	-	4.91	-	4.91
Charges for the year	1.05	0.71	3.72	0.02	1.22	0.46	7.19
As on 31st March 2017	6.28	5.63	40.30	1.05	3.90	2.02	59.18
Net Block							
As on 31st March 2017	5.20	1.08	5.01	0.28	9.03	2.61	23.21



Note 4: Financial assets

4(a) Trade Receivable

(Figures In lakhs)

	31/Mar/17	31/Mar/16	01/Apr/15
Trade receivable - Domestic	2863.30	2696.25	3120.58
Trade receivable - Kuwait	2906.87	875.96	446.50
Total receivable	5770.17	3572.22	3567.09
Current portion	5725.74	3399.23	3322.37
Non-current portion	44.43	172.99	244.72

Break up of trade receivable

	31/Mar/17	31/Mar/16	01/Apr/15
Secured, considered good	-	-	-
Unsecured, considered good	5,770.17	3572.22	3,567.09
Doubtful	-	-	-
Total	5,770.17	3,572.22	3,567.09

4(b) Other financial assets

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Security Deposit	1.38	-	1.59	-	-	4.03
Interest accrued on fixed deposit	43.99	-	32.51	-	60.99	-
Total other financial assets	45.36	-	34.10	-	60.99	4.03

Note 5: Other assets

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Cash loss due to theft considered doubtful	-	-	-	1.06	-	1.06
Unbilled Work in Progress-(MOC ICSIL Kuwait)	31.48	-	76.33	-	280.97	-
Total other assets	31.48	-	76.33	1.06	280.97	1.06

Note 6: Loans and advances

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Loans & Advances Kuwait	13.02	-	10.01	-	9.85	-
Advances to Staff	4.68	-	5.78	-	2.84	-
Total loans and advances	17.70	-	15.80	-	12.69	-

Note 7: Current tax assets (Net)

	31/Mar/17	31/Mar/16	01/Apr/15
Advance income tax/TDS	954.81	799.38	659.34
Total current tax assets (Net)	954.81	799.38	659.34

Note 8: Cash and cash equivalents

	31/Mar/17	31/Mar/16	01/Apr/15
Cash in Hand	0.03	0.23	0.06
In current accounts with banks	279.53	259.98	517.94
With Foreign Bank at Kuwait	68.40	27.54	9.01
Bank deposit Accounts with more than 3 months maturity	1,541.00	1107.68	856.24
Bank deposit Accounts with less than 3 months maturity	931.70	51.95	-
Total cash and cash equivalents	2,820.64	1,447.38	1,383.25



Note 10: Inventories

(Figures in lakhs)

	31/Mar/17	31/Mar/16	01/Apr/15
Traded goods	27.15	43.08	371.89
Total inventories	27.15	43.08	371.89

Note 11: Financial liabilities**11(a) Trade Payable**

	31/Mar/17	31/Mar/16	01/Apr/15
Trade payable - Domestic	870.14	940.65	1,460.67
Trade payable - Kuwait	3,001.81	986.29	743.45
Total payable	3871.95	1926.94	2204.12
Current portion	3604.74	1767.16	1991.58
Non-current portion	267.21	159.78	212.54

11(b) Other financial liabilities

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Expenses Payable	1,168.35	-	769.31	-	861.10	-
Unclaimed Dividend	12.00	-	12.00	-	9.00	-
Security Deposit	-	933.96	-	190.69	-	183.17
Total other financial liabilities	1,180.35	933.96	781.31	190.69	870.10	183.17

Note 12: Other liabilities

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance from customers	596.99	-	662.10	-	635.21	-
Taxes Payables	543.76	-	500.46	-	790.93	-
Other Liabilities	64.59	-	22.16	-	15.99	-
Total other liabilities	1,205.34	-	1,184.72	-	1,442.13	-

Note 13: Provisions

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for gratuity	1.84	33.72	1.58	26.49	1.31	22.44
Provision for leave encashment	1.38	24.91	1.71	21.31	1.58	19.56
Total Provisions	3.21	58.63	3.28	47.80	2.89	42.00

Note 14: Current tax liabilities

	31/Mar/17	31/Mar/16	01/Apr/15
Provision for Income Tax	500.00	339.23	360.00
Total current tax liabilities	500.00	339.23	360.00



Note 15: Revenue from Operation

(Figures In lakhs)

	31/Mar/17	31/Mar/16
Sale of Products	198.46	745.13
Sale of Services	9,634.40	8,947.49
Revenue from Kuwait operations	4,786.92	1,655.25
Revenue from operation	14,619.78	11,347.87

Note 16: Other Income

	31/Mar/17	31/Mar/16
Interest Income	102.34	88.20
Other Income	-	11.57
Miscellaneous	39.89	10.90
Interest Income on deferment of security deposit	18.99	18.87
Other Income	161.21	129.54

Note 17 : Purchase of Traded Goods

	31/Mar/17	31/Mar/16
Scanners	17.99	33.99
Printers	8.96	66.11
Computers & Laptops	106.26	171.35
Software	22.71	0.24
Computer peripherals	8.68	35.50
Other telecom/IT equipments	2.01	94.18
Total Purchase of Trade Goods	166.62	401.37

Note 18: Cost of Service Maintenance

	31/Mar/17	31/Mar/16
Licensees Franchises Expenses	372.34	352.07
AMC-Hardware and software & services	66.55	430.47
Expenses -Jeevan Project	-	3.27
Expenses against Manpower Supply, Training Charges etc.	8,408.81	7,427.69
Total cost of service maintenance	8,847.70	8,213.50

Note 19: Cost of contract executed at ICSIL Kuwait

	31/Mar/17	31/Mar/16
Cost of Contract	4,708.75	1,600.40
Due / (Recoveries) towards exp. to / from TCIL	54.24	46.57
Total Cost of Contract	4,762.99	1,646.97

Note 20: (Increase)/Decrease in inventories of Stock-in-Trade

(Figures In lakhs)

	31/Mar/17	31/Mar/16
Opening Stock		
Stock-in-Trade	35.48	371.89
(A)	35.48	371.89
Closing Stock		
Stock-in-Trade	21.17	35.48
(B)	21.17	35.48
Net (Increase) / Decrease in Stocks (A-B)	14.31	336.40



Note 21: Employee Benefit Expenses

	31/Mar/17	31/Mar/16
Salaries and allowances	215.53	174.67
Staff Welfare	10.47	7.08
Contribution to EPF & FPF	17.00	18.06
Medical Reimbursement	4.39	10.46
Leave Salary, Pension & Other fund contribution	10.47	11.60
PF Admn. & EDLI Charges	-	0.22
Gratuity	4.67	5.92
Tuition Fees	0.67	0.75
Total employee benefit expenses	263.20	228.76

Note 22: Finance Cost

	31/Mar/17	31/Mar/16
Bank Guarantee Charges	3.63	2.56
Other Interest / Interest On statutory Dues	47.17	18.77
Finance cost on amortization of Security Deposit	19.38	17.58
Total finance cost	70.18	38.92

Note 23: Other Expenses

	31/Mar/17	31/Mar/16
Printing & Stationary	2.89	3.93
Books Periodicals	0.28	0.07
Repair Plant & Machinery	0.14	0.05
Advertisement	1.92	5.30
Repair & Maintenance Others	4.37	1.07
Consultancy charges/Fees	3.15	10.44
Telephone & Trunkcalls	4.95	6.71
Conveyance	10.95	11.49
Postage & Telegram	0.84	0.84
Repair & Maintenance of Vehicles	2.37	1.21
Travelling expenses	0.21	0.81
Statutory Auditors' Remuneration	1.40	1.89
Rates, Taxes & Fees	1.54	0.68
Insurance	3.24	0.10
Professional, legal & other consultancy charges	17.60	19.67
Courtesy to companys' guests	0.62	0.45
Electricity Charges	5.80	5.03
Water Charges	1.12	0.34
Honorarium	4.70	4.09
Security Services	4.40	2.73
Cenvat Credit Reversal	10.35	22.00
Miscellaneous expenses	16.81	4.17
Total other expenses	99.64	103.05

