

# INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

BALANCE SHEET AS AT 31st MARCH 2014

	Notes	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Equity and Liabilities</b>			
Shareholders' funds			
Share Capital	3	10,000,000.00	10,000,000.00
Reserves and surplus	4	90,541,442.21	73,289,302.01
		<b>100,541,442.21</b>	<b>83,289,302.01</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	3,832,634.00	4,429,639.00
		<b>3,832,634.00</b>	<b>4,429,639.00</b>
<b>Current Liabilities</b>			
Trade payable	6	131,367,172.80	146,623,974.59
Other current liabilities	7	225,928,182.88	171,423,689.24
Short-term provisions	5	34,417,195.00	22,401,750.00
		<b>391,712,550.68</b>	<b>340,449,413.83</b>
<b>TOTAL</b>		<b>496,086,626.89</b>	<b>428,168,354.84</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	8	3,238,883.57	2,921,952.46
Capital Work in Progress		943,800.00	
Deferred tax assets (net)	9	(427,284.00)	878,039.00
Long-term loans and advance	10	969,554.00	904,021.00
		<b>4,724,953.58</b>	<b>4,704,012.46</b>
<b>Current assets</b>			
Inventories	11	9,734,934.42	2,942,806.28
Trade receivables	12.1	323,578,414.12	260,637,290.63
Cash and bank balances	13	94,479,450.25	121,692,910.84
Short-term loans and advances	10	54,662,896.53	31,141,443.63
Other current assets	12.2	8,905,977.99	7,049,890.99
		<b>491,361,673.31</b>	<b>423,464,342.37</b>
<b>TOTAL</b>		<b>496,086,626.89</b>	<b>428,168,354.83</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For Kumra Bhatia & Co.

Firm registration number : 002848N

Chartered Accountants



SHARAD PATHAK

Partner

Membership No : 81724

For and on behalf of the Board of Directors :

(ASHUTOSH PANDEY)

Director

(R.S KAUSHIK)

Managing Director

Place : New Delhi

Date : 08/09/2014



**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014**

	Notes	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Revenue</b>			
<b>Income</b>			
Revenue form operations	14	622,073,121.50	539,807,619.02
Other Income	15	4,660,921.00	10,921,434.00
<b>Total (I)</b>		<b>626,734,042.50</b>	<b>550,729,053.02</b>
<b>Expenses</b>			
Purchase of traded goods	16	56,216,996.50	116,088,463.00
Cost of Services , Maintenance etc.	17	517,393,956.40	416,200,852.36
(Increase)/ decrease in inventories of traded goods	18	(6,792,128.42)	(1,996,962.93)
Employee benefits expense	19	15,458,923.00	10,058,180.00
Other expenses	20	10,916,680.17	7,906,346.72
<b>Total (II)</b>		<b>593,194,427.65</b>	<b>548,256,879.15</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>33,539,614.85</b>	<b>24,551,684.23</b>
Depreciation	21	329,439.69	645,085.85
Finance costs	22	312,808.17	278,132.77
<b>Profit / (loss) before exeptional items and tax</b>		<b>32,897,366.99</b>	<b>23,628,465.61</b>
<b>Exceptional Items</b>			
Excess Provision written back/written off			
Prior Period Expenses			1107732.00
<b>Tax expenses</b>			
Current tax		12,000,000.00	9,000,000.00
Deferred tax		1,305,323.00	729,379.00
<b>Total</b>		<b>13,305,323.00</b>	<b>9,729,379.00</b>
<b>Profit / (loss) for the year</b>		<b>19,592,043.99</b>	<b>14,250,112.61</b>
<b>Basic/Diluted Earning Per Share</b>		<b>195.92</b>	<b>142.50</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For Kumra Bhatia & Co.

Firm registration number : 002848N

Chartered Accountants

SHARAD PATHAK

Partner

Membership No : 81724

Place : New Delhi

Date : 08/09/2014

For and on behalf of the Board of Directors :

  
 (ASHUTOSH PANDEY)  
 Director

  
 (R.S KAUSHIK)  
 Managing Director



**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

**1. Corporate information**

Intelligent Communications Systems India Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the trading of Hardware Items and other computer/telecom/IT equipments under reputed brands. The company caters to domestic markets. The company also supplies manpower to various organizations, and provides education through franchises. The company also provides annual maintenance contracts.

**2.1 General**

The accounts of the company are prepared under the historical cost convention and on 'Going Concern Basis'.

**2.2 System of Accounting**

The company follows the accrual basis of accounting. Course fee is accounted for on accrual basis to the extent of amount intimated as realized by Franchisee upto 30<sup>th</sup> June following the year closing.

**2.3 Sales & Service**

- a) Sales are accounted for on passing over of the property in the goods to the Customer.
- b) In the case of Annual Maintenance Contracts, income is recognized with reference to the period under contract.
- c) In case of Turnkey project (Domestic), income is booked on the basis of amount billed and accepted under the contract.
- d) In case of turnkey projects (foreign projects) :
  - i) Where contract for works and material is one unit and for works in other contract, by taking proportion that cost to date bear to the latest estimated total cost through work in progress including total attributable profits.
  - ii) In evaluating Work in progress, agency commission and sponsorship fees borrowing costs being specific for the contract are included in the cost while HO expenses which include Bonus, Productivity Linked Rewards etc. and local income tax abroad are not considered for the purpose of costs incurred and total estimated costs.
- e) For the License Fee from Franchisees, the income is accounted for on cash basis. For Manpower supply the company has started recognizing the revenue and expenses on accrual basis from this year.





## 2.4 Valuation of Stocks

- i) Raw Materials, stores, spare parts are valued at lower of cost or Net realizable value whichever is lower.
- ii) Stock-in-trade is valued at lower of cost or Net realizable value whichever is lower.

## 2.5. Fixed Assets & Depreciation

Fixed Assets are stated at cost and depreciation is provided on straight-line basis as prescribed under section 205(2)(b) read with Schedule XIV to the Companies Act, 1956.

## 2.6 Provision for Warranty / Maintenance Period Expenses

On completion of the contract or when warranty period commences in terms of contracts for projects covered under 2.3(d), provision is made for warranty period/maintenance expenses on specific basis as estimated. The excess provision created in earlier years is written back through "Other Income" after completion of the warranty period.

## 2.7 Deferred Revenue Expenditure:

The company has adopted a policy of deferring expenditure incurred on research and development of product/process whose technical and commercial feasibility had been demonstrated to be written off in subsequent year as determined by the management. However, the company's Research & Development Division has since been closed and the company has fully written off this expenditure.

## 2.8 Foreign Currency Translations

Accounts of foreign projects are translated at the year-end as below:

Revenue Expenditure	At the average of weekly average of opening and closing rates. Where weekly rates are not available, average of monthly opening and closing rates or available rates.
Depreciation of Fixed Assets	At the rates used for translation of respective Fixed Assets.
Fixed Assets	At the exchange rate of the date of purchase. In case of non-availability of rate of exchange of the date of purchase, available rate in month of purchase.
Inventories including Work in Progress	Opening inventories at the opening rate and closing inventories at the closing rate.





Current Assets and Current Liabilities

At the closing exchange rate as on 31<sup>st</sup> March

Remittance from foreign Countries & foreign Currencies Purchase in India

At the actual exchange rate at which foreign currencies converted and/or purchased in India.

## 2.9 Retirement Benefits

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

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

2.10 Provision is made for doubtful debts/advances as and when they are so considered.

## 2.11 INCOME TAX

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and laws.

The tax effect of the timing differences that results between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.



(ASHUTOSH PANDEY)

DIRECTOR



(R. S. KAUSHIK)

MANAGING DIRECTOR

Auditor's Report  
As per our Report of even date attached

For KUMRA BHATIA & Co.  
(FRN 02848N)  
Chartered Accountants



( SHARAD PATHAK )  
PARTNER

Membership No. 81724

New Delhi

Dated : 08/09/2014



**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**3 . Share Capital**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Authorized shares ( Rs)</b>		
1,00,000 (31 March 2013 : 1,00,000) equity shares of Rs 100/- each	10,000,000.00	10,000,000.00
<b>Issue, subscribed and fully paid - up shares (Rs)</b>		
1,00,000 (31 March 2013 : 1,00,000) equity shares of Rs 100/- each	10,000,000.00	10,000,000.00
	<b>10,000,000.00</b>	<b>10,000,000.00</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

	31-Mar-14 No	31-Mar-14 (Rs.)	31-Mar-13 No	31-Mar-13 (Rs.)
At the beginning of the year	100,000	10,000,000.00	100,000	10,000,000.00
Issued during the year	-	-	-	-
issued during the period- ESOP	-	-	-	-
Outstanding at the end of the year	<b>100,000</b>	<b>10,000,000.00</b>	<b>100,000</b>	<b>10,000,000.00</b>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the company**

	31-Mar-14		31-Mar-13	
	No	% holding in the class	No	% holding in the class
<b>Equity shares of 100 each fully paid</b>				
TELECOMMUNICATION CONSULTANTS INDIA LTD.	36,000	36%	36,000	36%
DELHI STATE INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT CORPORATION, LTD.	40,000	40%	40,000	40%
ORISON INFOCOM PVT. LTD.	9,000	9%	9,000	9%
FALCON CABLE TV, USA	15,000	15%	15,000	15%





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
Notes to Financial statements for the year ended 31st March 2014

**4. Reserves and Surplus**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Share Premium	1,248,000.00	1,248,000.00
<b>Surplus /(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	72,041,302.01	60,115,639.40
<b>Profit for the year</b>	19,592,040.20	14,250,112.61
Less : Appropriations :		
Proposed Dividend	2,000,000.00	2,000,000.00
Income Tax on Proposed Dividend	339,900.00	324,450.00
	<u>2,339,900.00</u>	<u>2,324,450.00</u>
<b>Net surplus in the statement of profit and loss</b>	<b>89,293,442.21</b>	<b>72,041,302.01</b>
<b>Total reserves and surplus</b>	<b>90,541,442.21</b>	<b>73,289,302.01</b>

**5. Provisions**

	Long -term		Short-term	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Provision for employee benefits</b>				
- Gratuity	2,042,049.00	2,713,027.00		
- Provision for Leave Encashment	1,790,585.00	1,716,612.00		
<b>Other provisions</b>				
Proposed Equity Dividend			2,000,000.00	2,000,000.00
Provision of tax on proposed Equity dividend			339,900.00	324,450.00
Provision for tax on Income			32,077,295.00	20,077,300.00
	<u>3,832,634.00</u>	<u>4,429,639.00</u>	<u>34,417,195.00</u>	<u>22,401,750.00</u>

**Provision for litigations**

Company has not done any Provision for litigations.

**6. Other Current Liabilities**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Trade payables	131,367,172.80	146,623,974.59
<b>7. Others Liabilities</b>		
Advance from customers	98,953,537.79	75,166,989.99
Duties & Taxes	25,259,098.32	16,590,535.34
Security deposit	9,876,421.10	11,670,473.40
Unclaimed Dividend	600,000.00	300,000.00
Expenses payable	82,770,576.25	61,556,352.28
Other Liabilities	5,328,059.12	3,335,176.00
TCIL Kuwait Project MOU	3,140,491.07	2,804,163.00
	<u>225,928,182.88</u>	<u>171,423,689.24</u>
	<u>357,295,355.68</u>	<u>318,047,663.83</u>





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
Notes to Financial statements for the year ended 31st March 2014

**8. Tangible Assets**

	Plant and Equipments	Furniture and Fixture	Office Equipment	Computer, Printer & Software	Electrical Equipment	Vehicles	Airconditioners	Total
<b>Gross Block</b>								
At 31 March 2013	0.00	890324.60	519982.34	3330230.94	105681.00	1091630.00	355600.00	6,293,448.88
Additions		67800.00	113351.00	395219.00	0.00	0.00	70000.00	646,370.00
Disposal/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31 March 2014	0.00	958,124.60	633,333.34	3,725,449.94	105681.00	1091630.00	425600.00	6,939,818.88
<b>Depreciation</b>								
At 31 March 2013	0.00	288496.22	171803.18	2488069.36	84847.95	305265.49	33014.22	3371496.42
Disposals/Adjustments Charge for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31 March 2014	0.00	39696.72	19892.71	175835.39	989.62	74704.63	18319.82	329,438.89
At 31 March 2014	0.00	328192.94	191695.89	2663904.76	85837.56	379970.12	51334.04	3700935.31
<b>Net block</b>								
At 31 March 2014	0.00	629931.66	441637.45	1061545.18	19843.44	711659.88	374265.96	3,238,883.57
At 31 March 2013	0.00	601828.38	348179.16	842161.58	20833.06	786364.51	322585.78	2,921,952.46





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
Notes to Financial statements for the year ended 31st March 2014

**9. Deferred Tax Asset (Net)**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Deferred Tax Asset	(427,284.00)	878,039.00
Variation over previous year	1,305,323.00	729,379.00
<b>Net Deferred Tax Asset</b>	<b>(427,284.00)</b>	<b>878,039.00</b>

**10. Loan and Advances**

	Non-current		Current	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Security deposit</b>				
Unsecured, considered good	451010.00	441010.00		
(A)	451010.00	441010.00	0.00	0.00
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good			485,403.90	27,540.00
(B)	0.00	0.00	485,403.90	27,540.00
<b>Other loans and advances</b>				
Pre-paid Expenses			338,552.26	16,004.26
Advances to Staff			340,234.00	78,533.00
Loans & Advances Kuwait	518544.00	463011.00		
Advance Income tax/TDS			52,976,146.60	30,935,695.60
Balances with statutory/government authorities (DVAT-Input)			522,559.77	83,670.77
(C)	518,544.00	463,011.00	53,498,706.37	31,019,366.37
<b>Total (A+B+C)</b>	<b>969,554.00</b>	<b>904,021.00</b>	<b>54,177,492.63</b>	<b>31,113,903.63</b>

Loans and advances due by directors or other officers, etc.

	Non-current		Current	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Loans to directors or other officers	0.00	0.00	0.00	26,000.00

**11. Inventories (valued of lower of cost and net realizable value)**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Traded goods	9,734,934.42	2,942,806.28
	9,734,934.42	2,942,806.28





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**12. Trade Receivables and Other Assets**

**12.1 Trade receivables**

	Non-current		Current	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	0.00	0.00	2,592,450.00	35,025,377.02
(A)	<u>0.00</u>	<u>0.00</u>	<u>2,592,450.00</u>	<u>35,025,377.02</u>
<b>Other receivables</b>				
Unsecured, considered good	0.00	0.00	320,985,963.22	225,611,913.61
Provision for doubtful receivables	0.00	0.00	-	-
(B)	<u>0.00</u>	<u>0.00</u>	<u>320,985,963.22</u>	<u>225,611,913.61</u>
<b>Total (A+B)</b>	<u>0.00</u>	<u>0.00</u>	<u>323,578,414.12</u>	<u>260,637,290.63</u>

**12.2 Other Assets**

	Non-current		Current	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Others				
Interest accrued on fixed deposits			8905977.99	7,049,890.99
<b>Total</b>			<u>8,905,977.99</u>	<u>7,049,890.99</u>

**13. Cash and Bank balances**

	Current	
	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Cash and cash equivalents</b>		
<b>Balance with banks:</b>		
On current accounts	24,237,020.28	22,394,690.55
With Foreign Bank at Kuwait	94,502.68	84,382.00
Cash in hand	24,816.00	94,859.00
	<u>24,356,338.96</u>	<u>22,573,931.55</u>
<b>other bank balances</b>		
Deposit Accounts	70,123,111.29	99,118,979.29
	<u>70,123,111.29</u>	<u>99,118,979.29</u>
FDRs provided as security for bank Guarantees		36,659,110.00
FDRs with an original maturity of more than 12 months		0
FDRs with a maturity of more than 12 months from Balance Sheet date		0
	0.00	0.00
	<u>94,479,450.25</u>	<u>121,692,910.84</u>





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**14. Revenue from operations**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Revenue from operations		
Sale of products		
Traded goods	52,515,721.50	123,606,766.66
Sale of Services		
Servicing	569,557,400.00	416,200,852.36
Revenue from operations (gross)	<b>622,073,121.50</b>	<b>539,807,619.02</b>
Revenue from operations	<b>622,073,121.50</b>	<b>539,807,619.02</b>

**Details of products sold**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Trade goods sold		
Computers & Laptops	28,928,814.59	30,091,521.85
Scanners	769,274.10	5,262,089.40
Printers	5,748,797.25	5,995,418.14
Computer Peripherals & Accessories	2,028,212.55	11,900,764.09
Software	2,707,746.30	2,356,659.00
Other Telecom/IT Equipments	12,332,876.71	68,000,314.18
	<b>52,515,721.50</b>	<b>123,606,766.66</b>

**Details of Services**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Income from Franchise	34,539,462.00	30,452,338.00
Income from AMC, Cabling & Services	17,092,499.00	2,470,410.50
Income from Jeevan Project	31,959,003.00	37,946,446.00
Income from Card Repair Works	-	349,800.00
Income from Manpower Supply & Training Charges etc.	485,966,436.00	344,981,857.86
	<b>569,557,400.00</b>	<b>416,200,852.36</b>

**15. Other Income**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Gross Interest - Banks (includes TDS Rs. 576438/-Previous Year 11,77,074/- )	4,006,133.00	9,916,059.20
Miscellaneous	654,788.00	1,005,374.80
	<b>4,660,921.00</b>	<b>10,921,434.00</b>

**16. Purchase of traded goods**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Purchases	56,216,996.50	116,088,463.00
	<b>56,216,996.50</b>	<b>116,088,463.00</b>





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**
**Notes to Financial statements for the year ended 31st March 2014**
**17. Cost of Services maintenance**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
Franchises Expenses	28,535,665.40	24,875,521.00
AMC, Cabling Work & Services	15,527,022.00	1,136,964.00
Expenses -Jeevan Project	30,019,759.00	36,246,447.00
Expenses against Manpower Supply, Training Charges etc.	443,311,510.00	331,556,426.00
Card Repair Works		305,984.00
	<b>517,393,956.40</b>	<b>394,121,342.00</b>

**18. (Increase)/decrease in inventories**

	31-Mar-14	31-Mar-13	(increase)/ decrease (Rs)
	(Rs.)	(Rs.)	
<b>Inventories at the end of the year</b>			<b>31-Mar-14</b>
Traded goods	9,734,934.42	2,942,806.28	(6,792,128.14)
	<b>9,734,934.42</b>	<b>2942806.28</b>	<b>(6,792,128.42)</b>
<b>Inventories at the beginning of the year</b>			
Traded goods	2,942,806.28	945,843.35	(1,996,962.93)
	<b>2,942,806.28</b>	<b>945843.35</b>	<b>(1,996,962.93)</b>

**Details of purchase of traded goods**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
scanners	726,418.00	4,960,239.40
printers	5,841,489.00	5,475,453.43
personal computers	32,292,354.00	30,332,248.69
software	4,449,011.00	2,221,400.00
computer peripherals	2,235,451.00	10,882,242.48
other telecom/IT equipments	10,672,273.50	62,216,879.00
	<b>56,216,996.50</b>	<b>116,088,463</b>

**Details of inventory**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
<b>Trade goods</b>		
scanners		9,100.57
printers	780,215.66	31,275.38
personal computers	6,053,676.99	2,637,296.27
computer peripherals	293,232.84	251,315.43
Software/Server	2,602,847.00	
Franchise Material	4,961.93	13,818.63
	<b>9,734,934.42</b>	<b>2,942,806.28</b>

**19. Employee Benefit Expense**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
Salaries and allowances	13,228,530.00	6,352,553.00
Staff Welfare	1,219,584.00	561,028.00
Contribution to EPF & FPF	409,753.00	599,204.00
Medical Reimbursement	594,146.00	253,318.00
Leave Salary, Pension & Other fund contribution	392,856.00	806,844.00
PF Admn. & EDLI Charges	22,146.00	39,930.00
Gratuity	(475,292.00)	1,396,757.00
Tuition Fees	67,200.00	8,400.00
LTC Paid		40,146.00
	<b>15,458,923.00</b>	<b>10,058,180.00</b>





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**20. Other expenses**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
Printing & Stationary	535,282.00	293,219.00
Books Periodicals	45,417.00	9,253.00
Repair & Maintenance Machinery	14,871.00	4,074.00
Advertisement	718,378.00	767,243.00
Repair & Maintenance Others	431,684.00	717,610.00
Consultancy charges/Fees	2,199,608.00	2,818,163.00
Telephone & Trunkcalls	591,856.00	356,527.84
Conveyance	2,351,510.00	853,107.00
Postage & Telegram	47,938.00	54,199.00
Repair & Maintenance of Vehicles	167,922.00	214,859.00
Travelling expenses	217,150.00	214,920.00
Statutory Auditors' Remuneration	100,000.00	116,000.00
Rates, Taxes & Fees	12,228.00	14,840.00
Insurance	65,193.00	18,331.00
Professional, legal & other consultancy charges	1,817,846.00	807,530.00
Diesel for generator	-	1,410.00
Courtesy to companys' guests	299,251.00	143,058.00
Cartage, clearing & forwarding charges	5,580.00	14,160.00
Training Expenses	-	53,228.00
Electricity Charges	377,201.00	280,590.00
Water Charges	83,549.00	43,147.00
Honorarium	290,300.00	-
Security Expenses	130,321.00	-
Miscellaneous expenses	413,595.17	110,877.88
	<b>10,916,680.17</b>	<b>7,906,346.72</b>

**Payment to auditor**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
<b>As auditor:</b>		
Audit fee	70,000.00	65,000.00
Tax audit fee	30,000.00	30,000.00
For Income Tax	-	21,000.00
	<b>100,000.00</b>	<b>116,000.00</b>

**21. Depreciation and amortization expense**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
Depreciation of tangible assets	329,439.69	645,085.85
	<b>329,439.69</b>	<b>645,085.85</b>

**22. Finance Costs**

	31-Mar-14	31-Mar-13
	(Rs.)	(Rs.)
Bank charges	253,639.17	273,050.77
Other Interest	59,169.00	5,082.00
	<b>312,808.17</b>	<b>278,132.77</b>





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**23. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
<b>Total operations for the year</b>		
Profit/(loss) after tax	19,592,043.99	14,250,112.61
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>19,592,043.99</b>	<b>14,250,112.61</b>
Net profit as above	19,592,043.99	14,250,112.61
<b>Net profit/(loss) for calculation of diluted EPS</b>	<b>19,592,043.99</b>	<b>14,250,112.61</b>
Weighted average number of equity shares in calculating basic EPS	100,000	100,000
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>100,000.00</b>	<b>100,000.00</b>
Earning per Share (In Rs.)	195.92	142.50





**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**Notes to Financial statements for the year ended 31st March 2014**

**24. Related party disclosures**

**Name of related parties and related party relationship**

**Related parties where control exists**

Associate company	TCIL
Associate company	DSIIDC

**Key Management Personnel**

Managing Director	Mr R.S.Kaushik (Since 19.05.2014)
Managing Director	Mr G.K.Nanda (Upto 19.05.2014)

**Related parties with whom transactions have taken place during the year**

**Key Management Personnel**

**Remuneration to Managing Director**

	31-Mar-14 (Rs.)	31-Mar-13 (Rs.)
Salaries & Allowances	1,520,115.00	1,353,945.00
House Rent Allowance	234,708.00	229,368.00
Medical	4,500.00	34,016.00
LTC Paid	0.00	-
Books & Periodicals	0.00	-
Gratuity & Leave Salary Pension Contribution	125,413.00	212,081.00
<b>Total</b>	<b>1,884,736.00</b>	<b>1,829,410.00</b>

MD is allowed to use staff car including for private journey upto a ceiling of 1,000 Kms. per month on payment of Rs. 2000/- per month (previous year Rs.450/- per month).





25. Contingent Liabilities not provided for:-

- i) Claims made by TCIL not acknowledged as debts Rs.388.80 Lacs (Previous year Rs.388.80 Lacs). The company has not provided for any admitted liability as the matter is still open under arbitration.
- ii) Guarantees issued by Banks on behalf of the Company and outstanding as on 31.03.2014 are Rs 3,66,59,110 /-. ( Previous Year as on 31.03.2013 Rs 1,77,36,083/-)

26. (i) Sundry Debtors, Loans and Advances and Creditors Balances including the debit and credit balances of TCIL, the holding Company; in so far as these have not been realized or discharged are subject to confirmation. The bank guarantees disclosed as contingent liability are subject to confirmation from the banks.

(ii) In respect of balances relating to Kuwait, viz Balance in Bank account, Loan and Advances and Liabilities the amounts are subject to confirmation.

(iii) The company is in the process of ascertaining the status as micro, small or medium enterprises in terms of "Micro, Small and Medium Enterprises Development Act, 2006", of its vendors. In absence of such information from suppliers, no information on the principal and interest liability if any can be disclosed.

27. (i) In the opinion of the Management and to the best of their knowledge and belief, the value on realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

(ii) The Advance income tax /TDS (Dr) Rs.52976146/-and provision for tax on income (Cr.) Rs 32077295/- are pending set-off against each other.

28. (i) The Franchisee share in the amounts received from students/trainees is shown as expenses under Schedule 17. Also the total amount received by the franchisee from students/trainees is shown as income under Schedule 14.

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

29. The Company has adopted revised AS15 (Revised in 2005) regarding "Employee Benefits" which is mandatory. Pursuant thereto defined plans are as under:





Gratuity : The Company has defined Gratuity Plan. Every Employee who has rendered continuous service of five years or more is entitled to get Gratuity of 15 days salary for each completed year of service subject to a maximum of Rs.10 Lacs on superannuation, resignation, termination and disablement or on death.

The status of Gratuity based on actuarial valuation is as follows:-

S.No.	Particulars	Gratuity (Rs)
1.	<b>Change in Present Value of Obligations</b>	
	Present Value of obligations as at 01.04.2013	2713027/-
	Interest Cost	214329/-
	Past Service Cost	---
	Current Service Cost for the period 01.04.2013 to 31.03.2014	167647/-
	Actuarial (Gain) / Loss on obligation	(10529540/-)
	Present value of obligation as at 31.03.2014	2042049/-
2.	<b>Change in the Fair value of Plan Assets</b>	
	Fair value of Plan Assets	---
	Expected Return on Plan Assets	---
	Contribution	---
	Benefits paid	---
	Actuarial (Gain) / Loss on Plan Assets	---
	Fair value of Plan Assets as at 31.03.2014	---
S.No.	Particulars	Gratuity (Rs)
3.	<b>Fair value of Plan Assets</b>	
	Fair value of Plan Assets as at 01.04.2013	---
	Actual Return on Plan Assets	---
	Contribution	---





	Benefits paid	----
	Fair value of plan assets as at 31.03.2014	----
	Funded / (Unfunded) Status	(2042049/-)
	Excess of actual over estimated return on plan assets	----
4.	<b>Actuarial Gain/Loss recognized as at 31.03.2014</b>	
	Actuarial gain/(loss) on obligations	(1052954/-)
	Actuarial gain/(loss) for the year on Plan Assets	----
	Total Actuarial gain/(loss) for the period	(1052954/-)
	Actuarial gain/(loss) recognized for the period	1052954/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----
5.	<b>Amounts to be recognized in the Balance Sheet and P &amp; L Account</b>	
	Present value of obligation as at 31.03.2014	2042049/-
	Fair value of plan assets as at 31.03.2013	----
	Funded Status	(2042049/-)
	Net Assets / (Liability) recognized in Balance Sheet	2042049/-
<b>S.No.</b>	<b>Particulars</b>	<b>Gratuity (Rs)</b>
6.	<b>Expenses recognized in Profit &amp; Loss</b>	
	Current Service Cost	167647/-
	Interest Cost	214329/-
	Expected Return on Plan Assets	----





	Net Actuarial (gain)/loss recognized	(10529540)
	Expenses recognized in Profit & Loss	(670978/-)
7.	<b>Amount for the Current Period</b>	
	Present value of obligation	2042049/-
	Plan Assets	nil/-
	Surplus (Deficit)	(2042049)
	Experience adjustments on plan Liabilities (loss)/gain	865256/-
	Experience adjustments on plan Assets (loss)/gain	Nil/-
8.	<b>Reconciliation Statement of Expenses of Profit &amp; Loss</b>	
	Present value of obligation as at 31.03.2014	2042049/-
	Present value of obligation as on 01.04.2013	(2713027/-)
	Benefits paid	
	i) Directly paid by the enterprise	NIL
	ii) Payment made out of the fund	---
	Actual return on plan assets	---
	Expenses recognized in the profit & loss	(670978)/-
9.	<b>Movement in the Liability recognized in the Balance Sheet</b>	
	Opening net liability	2713027/-
	Expenses as above	(670978)/-
	Benefits paid directly by the Enterprises	NIL
	Contribution paid into the fund	---
	Closing net liability	2042049/-
<b>S.No.</b>	<b>Particulars</b>	<b>Gratuity (Rs)</b>
10.	<b>Major Categories of Plan Assets</b>	
	Government of India Securities	---
	State Government Securities	---
	High Quality Corporate Bonds	---





Equity Shares of listed Companies	---
Property	---
Social Deposit Scheme	---
Funds managed by Insurer	---
Bank Balance	---
Fixed Deposit	---
Other Assets	---
Total	---

**Leave Encashment:** The Company has defined Leave Encashment Plan. Every Employee is entitled to get 30 Earned Leaves per year subject to a Ceiling of 300 days on superannuation, resignation, termination and disablement or on death.

The status of Leave Encashment Liability based on actuarial valuation is as follows:-

S.No.	Particulars	Leave Encashment (Rs)
1.	<b>Change in Present Value of Obligations</b>	
	Present Value of obligations as at 01.04.2013	1716612/-
	Interest Cost	135612/-
	Past Service Cost	---
	Current Service Cost for the period 01.04.2013 to 31.03.2014	28901/-
	Actuarial (Gain) / Loss on obligation	192343/-
	Present value of obligation as at 31.03.2014	1790585/-
S.No.	Particulars	Leave Encashment (Rs)
2.	<b>Change in the Fair value of Plan Assets</b>	
	Fair value of Plan Assets	----
	Expected Return on Plan Assets	----
	Contribution	----





	Benefits paid	----
	Actuarial (Gain) / Loss on Plan Assets	----
	Fair value of Plan Assets as at 31.03.2014	----
3.	<b>Fair value of Plan Assets</b>	
	Fair value of Plan Assets as at 01.04.2013	----
	Actual Return on Plan Assets	----
	Contribution	----
	Benefits paid	----
	Fair value of plan assets as at 31.03.2014	----
	Funded / (Unfunded) Status	(1790585/-)
	Excess of actual over estimated return on plan assets	----
4.	<b>Actuarial Gain/Loss recognized as at 31.03.2014</b>	
	Actuarial gain/(loss) on obligations	(192343/-)
	Actuarial gain/(loss) for the year on Plan Assets	----
	Total Actuarial gain/(loss) for the period	192343/-
	Actuarial gain/(loss) recognized for the period	192343/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----





S.No.	Particulars	Leave Encashment (Rs)
5.	<b>Amounts to be recognized in the Balance Sheet and P &amp; L Account</b>	
	Present value of obligation as at 31.03.2014	1790585/-
	Fair value of plan assets as at 31.03.2013	----
	Funded Status	(1790585)
	Net Assets / (Liability) recognized in Balance Sheet	1790585/-
6.	<b>Expenses recognized in Profit &amp; Loss</b>	
	Current Service Cost	28901/-
	Interest Cost	135612/-
	Expected Return on Plan Assets	----
	Net Actuarial (gain)/loss recognized	191343/-
	Expenses recognized in Profit & Loss	356856/-
7.	<b>Amount for the Current Period</b>	
	Present value of obligation	1790585/-
	Plan Assets	----
	Surplus (Deficit)	(1790585/-)
	Experience adjustments on plan Liabilities (loss)/gain	(342587/-)
	Experience adjustments on plan Assets (loss)/gain	----
8.	<b>Reconciliation Statement of Expenses of Profit &amp; Loss</b>	
	Present value of obligation as at 31.03.2014	1790585/-
	Present value of obligation as on 01.04.2013	(1716612/-)
	Benefits paid	
	i) Directly paid by the enterprise	282883
	ii) Payment made out of the fund	----
	Actual return on plan assets	----
	Expenses recognized in the profit & loss	356856/-





S.No.	Particulars	Leave Encashment (Rs)
9.	<b>Movement in the Liability recognized in the Balance Sheet</b>	
	Opening net liability	1716612/-
	Expenses as above	356856/-
	Benefits paid directly by the Enterprises	282883/-
	Contribution paid into the fund	---
	Closing net liability	1790585/-
10.	<b>Major Categories of Plan Assets</b>	
	Government of India Securities	---
	State Government Securities	---
	High Quality Corporate Bonds	---
	Equity Shares of listed Companies	---
	Property	---
	Social Deposit Scheme	---
	Funds managed by Insurer	---
	Bank Balance	---
	Fixed Deposit	---
	Other Assets	---
	Total	---

30. As stipulated in AS-28, after due assessment, company is of the view that there is no indication of impairment of any assets and accordingly no impairment provision is called for in this case. Hence, there is no impact on profit for the year.
31. Previous year figures have been regrouped/rearranged wherever necessary in order to make them comparable with the Current Year figures.






	<u>2013-14</u> Rs.	<u>2013-13</u> Rs.
32. Earning in Foreign Exchange	Nil	Nil
33. Expenditure in Foreign Exchange:	Nil	Nil
34. Actual Foreign Exchange Remitted into India	Nil	Nil
35. Imports on CIF Basis	Nil	Nil

Signature to Notes 1 to 35 and Statement of significant Accounting Policies & Practices and Explanatory Notes relating to the Accounts.

  
(ASHUTOSH PANDEY)  
DIRECTOR

  
(R. S. KAUSHIK)  
MANAGING DIRECTOR

Auditor's Report  
As per our Report of even date attached  
For **KUMRA BHATIA & Co.**  
(FRN 02848N)  
Chartered Accountants

  
(SHARAD PATHAK)  
PARTNER  
Membership No. 81724

New Delhi

Dated 08/09/2014



**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014**

	31 March 2014 (Rs.)	31 March 2013 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax from continuing operations	32,897,366.99	23,628,465.61
Profit before tax from discontinuing operations	-	-
Profit before tax	<u>32,897,366.99</u>	<u>23,628,465.61</u>
Non cash adjustment to reconcile profit before tax to net cash		
Depreciation/amortization on continuing operations	329,439.69	645,085.85
Bad debts written off	-	-
Interest expense	-	5,082.00
Interest income	(4,006,133.00)	(9,916,059.20)
Dividend income	-	-
<b>Operating profit before working capital changes</b>	<u><b>29,220,673.68</b></u>	<u><b>14,362,574.26</b></u>
Movements in working capital		
Increase/(decrease) in trade payables	(15,256,801.79)	53,055,269.09
Increase/(decrease) in long term provisions	(597,005.00)	3,021,917.00
Increase/(decrease) in short term provisions	9,699,995.00	(10,227,195.00)
Increase/(decrease) in other current liabilities	78,022,040.87	4,994,277.18
Decrease/(increase) in trade receivables	(86,458,670.71)	(74,979,900.11)
Decrease/(increase) in inventories	(6,792,128.14)	(1,996,962.93)
Decrease/(increase) in long term loans and advances	(65,533.00)	10,000.00
Decrease/(increase) in short term loans and advances	(23,521,452.90)	(20,127,905.07)
Decrease/(increase) in other current assets	(1,856,087.00)	(346,201.15)
Direct taxes paid (net of refunds)	(12,000,000.00)	6,756,492.00
<b>Net cash flow from/(used in) operating activities (A)</b>	<u><b>(29,604,968.99)</b></u>	<u><b>(25,477,634.73)</b></u>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,600,295.29)	(1,583,971.00)
Investments in bank deposits (having original maturity of more than three months)	28,995,868.00	20,107,240.48
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><b>27,395,572.71</b></u>	<u><b>18,523,269.48</b></u>
<b>C. Cash flow from financing activities</b>		
Interest Income	4,006,133.00	9,916,059.20
Interest paid	-	(5,082.00)
Dividend	(2,324,450.00)	-
<b>Net cash flow from/(used in) in financing activities (c)</b>	<u><b>1,681,683.00</b></u>	<u><b>9,910,977.20</b></u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(527,713.27)	2,956,611.96
Cash and cash equivalents at the beginning of the year	22,573,931.55	19,617,319.59
<b>Cash and cash equivalents at the end of the year</b>	<u><b>22,046,218.28</b></u>	<u><b>22,573,931.55</b></u>
<b>Components of cash and cash equivalents</b>		
Cash in hand	24,816.00	94,859.00
With banks-on current account	24,321,402.28	22,479,072.55
<b>Total cash and cash equivalents (note )</b>	<u><b>24,346,218.28</b></u>	<u><b>22,573,931.55</b></u>

Summary of significant accounting policies

2

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

As per our report of even date

**For Kumra Bhatia & Co.**

Firm registration number : 002848N

Chartered Accountants

**Sharad Pathak**

Partner

Membership No : 81724

Place : New Delhi

Date : 08/09/2014

For and on behalf of the Board of Directors :

  
**(ASHUTOSH PANDEY)**  
 Director

  
**(R.S.KAUSHIK)**  
 Managing Director