

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the financial statements of "INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED", which comprise Balance Sheet as at 31st March 2016, and its statement of profit and loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Financial Statements

Management 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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; ;making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

As audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order 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 financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

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

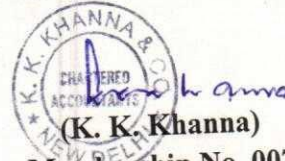
Report on Other Legal and Regulatory Requirements

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 purpose of our audit;
 - (b) 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under section 143 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 of the Companies Act, 2013.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. 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:

15 OCT 2016

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 or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (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) Subjected to our Note 2.20 on notes to accounts, 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 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 accompany.
- (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:

15 OCT 2016