



Intelligent Communication Systems India Ltd. (ICSIL)

(A Joint Venture of T.C.I.L. - A Govt. of India Enterprise & D.S.I.I.D.C.-An Undertaking of Delhi Govt.)



Corporate Identity Number (CIN)-U74899DL1987GOI027481

NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of **Intelligent Communication Systems India Limited** will be held on **Friday the 28th day of December, 2018 at 12:30 PM** at the Office of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) at **N-36, Bombay Life Building, Connaught Circus, New Delhi-110001** to transact the following business:-

ORDINARY BUSINESS:-

1. To receive and adopt the Audited Financial Statements consisting of Balance Sheet as at 31st March, 2018, Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajiv Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare a dividend.
4. To fix remuneration of Auditors for the financial year 2018-19 and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2018 - 19."

SPECIAL BUSINESS:-

5. To consider and, if thought fit, to pass with or without modification(s) if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Sh. Devendra Kumar Gupta (DIN 08064713), who was appointed as an Additional Director w.e.f. 05.02.2018 and shall hold office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company".

**By Order of the Board
Intelligent Communication Systems India Ltd.**

**(Vinod Kumar Sinha)
Managing Director
(DIN No. 07964872)**

Date: 06/12/2018
Place: New Delhi

To

1. All Members of the Company

2. All Directors of the Company
3. Statutory Auditors

Notes:

1. Pursuant to Section 102 of the Companies Act, 2013, an Explanatory Statement setting out material facts and reasons for the proposed special business is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A blank proxy form is enclosed herewith.
3. Corporate Members, intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5 APPOINTMENT OF SH. DEVENDRA KUMAR GUPTA

Board of Directors of the Company had appointed vide resolution by circulation dated 02.02.2018 Sh. Devendra Kumar Gupta as an Additional Director, w.e.f 05.02.2018 as a Nominee of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) to hold office till the Annual General Meeting of the Company.

Since the tenure of appointment of Sh. Devendra Kumar Gupta is due to expire at the Annual General Meeting, pursuant to section 161(1) of the Companies Act, 2013, approval of the shareholders is being sought in order to appoint him as Director of the Company.

Save and except Sh. Devendra Kumar Gupta, none of the other Directors or their relatives is, in any way, concerned or interested in this resolution.

**By Order of the Board
Intelligent Communication Systems India Ltd.**


06/12/2018
**(Vinod Kumar Sinha)
Managing Director
(DIN No. 07964872)**

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U74899DL1987GOI027481

Name of the Company : INTELLIGENT COMMUNICATION SYSTEMS
INDIA LTD.

Registered Office : Administrative Building, Okhla Industrial Estate,
Phase-III, New Delhi-110020

Name of the member(s) :

Registered address :

E-mail Id :

Folio No./Client Id :

DP ID :

I/we, being the member (s) of Shares of the above named company, hereby appoint

1. Name:
Address:
E-mail ID:

Signatures: or failing him.....
2. Name:
Address:
E-mail ID:

Signatures: or failing him.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the company, to be held on 28th December, 2018, at 12:30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO. 1

To consider and discuss and adopt the Financial Statements consisting of Balance Sheet as at 31st March, 2018, Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date.

RESOLUTION NO.2

To appoint a Director in place of Shri Rajiv Gupta who retires by rotation and being eligible, offers

himself for re-appointment.

RESOLUTION NO.3

To declare a dividend

RESOLUTION NO.4

To fix the remuneration of Auditors

Special Resolutions:

RESOLUTION NO. 5

Appointment of Sh. Devendra Kumar Gupta

Signed this day of December, 2018

Signatures of shareholder.....

Signatures of Proxy holder(s).....

Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

ATTENDANCE SLIP

31st Annual General Meeting of Intelligent Communication Systems India Ltd. to be held on the 28th December 2018 at 12:30 P.M.

Regd. Folio No. _____/DP ID _____ Client ID/Ben. A/C _____ No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 31st Annual General Meeting of the Company on Wednesday the 28th December, 2018 at 12:30 PM at the Regd. Office of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) At N-36, Bombay Life Building, Connaught Circus, New Delhi-110001

Member's/Proxy's name in Block Letters

Member's/Proxy's
Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

(6)

INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
31ST ANNUAL GENERAL MEETING

DEAR SHAREHOLDERS,

Your Directors have immense pleasure in placing the 31st Annual Report of Intelligent Communication Systems India Limited along with the audited financial accounts for the period ended 31st March 2018.

OPERATING RESULTS

The Company's performance in financial terms has been better than previous years. The revenue from operations excluding other income for this year is Rs. 14,830.75 Lakhs compared to Rs. 14619.77 Lakhs for the previous year. The overall financial performance of ICSIL for the financial year 2017-18 together with the comparative figures of the previous year is mentioned as under: -

S. NO.	PARTICULARS	2017-18	2016-17
		AMOUNT IN RS. LAKHS	
01.	Sales & Service	14,830.75	14619.77
02.	EBITDA before depreciation and Financial Charges & provision for tax	629.31	549.16
03.	Profit after tax	367.02	365.94

DIVIDEND

Subject to the approval of the Members at the Annual General Meeting, the Board of Directors of your company recommends payment of Dividend of 20% of the Paid up share capital for Financial Year 2017-18.

TRANSFER TO RESERVES

An amount of Rs. 1239.03 Lakhs has been transferred to General Reserve in the year 2017-18.

PROJECTS

M/s Intelligent Communication Systems India Limited (ICSIL), a joint venture of Telecommunications Consultants India Ltd. (TCIL), A Govt. of India Enterprise under Ministry of Communications & IT and Delhi State Industrial & Infrastructure Development Corporation Ltd. (DSIIDC), an undertaking of Govt. of NCT Delhi. ICSIL is an ISO 9001:2008 compliant company also holds the status of Public Sector Undertaking (PSU). Govt. of NCT of Delhi nominated ICSIL as a Nodal Agency for the procurement of Computer Hardware, Software, Computer accessories etc. and Empanelled by the Department of Industries, Govt. of NCT of Delhi for providing Manpower to the Departments of Govt. of NCT of Delhi, Autonomous Bodies/Local Bodies/Corporations under Govt. of NCT of Delhi. Similarly, ICSIL also undertakes projects for various departments, autonomous bodies, PSU under Central Govt., other State Govt. and abroad.

In brief, the activities of ICSIL are described hereunder for your kind information:

1. Outsourcing of Manpower:

Being an Empanelled Agency of Govt. of NCT of Delhi and reliable source for providing competent manpower, ICSIL has been providing manpower in the caliber of Data Entry Operators, IT Assistants, Multi-Tasking Staff (MTS), Account Assistants, Chartered Accountants (CA), Clerks, Supervisors, Statistical Assistants, Social Welfare Officers, Patient Welfare Officers, Stenographers, Assistant Programmers, Programmers, System Analysts, System Administrator, Database Administrator, Nursing Orderly, Peons, and Drivers etc. to the various Government Departments, autonomous bodies etc. Already over 5000 personnel are deployed in various departments of Govt. of Delhi, Central Govt. and other agencies in Delhi and outside Delhi including ISRO, Bangalore.

2. Supply and maintenance of Computer hardware, software & Computer accessories:

ICSIL is the empanelled Agency of the Govt. of NCT of Delhi for supply of Computer hardware, software and peripherals to various Departments of Govt. of NCT of Delhi. Our clients include both private and Govt. Sectors including Central and Delhi Govt. Departments etc.

ICSIL also undertakes the supply of various Electronic gadgets of various makes & models i.e. LCD's and LED's TV, Video Wall, UPS, networking components and professional display, to various Govt. Departments.

3. Networking:

ICSIL has been carrying out networking projects for its clients such as IIIT, DTT, and Department of Food etc. Activities involve are Network Planning, Design, supply, Implementation, Operation and Optimization, Campus switching and Routing running voice and Data, Structure cabling Wireless LAN Solutions, VPN and Network Security Solutions, IP Telephony, Configuring Gateway with WAN links over Frame-relay/ Analog and Digital leased circuits/ ISDN PRI/BRI /dial-up/ Broadband, Media

(8)

conversation technologies such as UTP to Fiber (single mode/multimode), Third party Content Management and load balancing solutions, LAN infrastructure Audit and Analysis, WAN Traffic Audit, Analysis, Monitoring of Enterprise Network support.

4. **Setting up of CCTV Surveillance System, Security System, Access Control System & Biometric Attendance System:**

ICSIL has acquired rich experience in the field of Security and Surveillance System through its own resources as well as strategic alliances with technology providers as well as solution architects and System Integrators. Some of the deployments are:

- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at 455 Liquor vends of DSIIDC, DTTDC, DSCSC and DCCWSL and further support for three years.
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at 33 numbers of societies at WEST District under Delhi Govt. Bhagidari scheme.
- SITC of Security Access Control System for the construction of permanent campus of Indraprastha Institute of Information Technology, Okhla Campus, Delhi.
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at RWA, Chokhandi extension
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at RWA, Rajouri Garden
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at RWA, Hari Nagar
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at Malviya Nagar Market, R. K. Puram Market, & Munirka DDA-I, DDA-II
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at 15 number of RWAs in Patparganj.
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at IPGCL.
- Supply, Installation, Testing and Commissioning (SITC) of CCTV surveillance system at DSIIDC Head Office and Patparganj Office.
- Supply, Installation, Testing and Commissioning (SITC) of biometric attendance system in DTC.

5. **Computer Education & Training Programmes:**

ICSIL is also in the field of Computer Education Training and has around 140 franchise centers all over India and plan to increase it to many folds in near future. Its aim is to provide quality and industry relevant computer education skill development through these centers. ICSIL also offer customized training programs, designed in consultation with the organization and tailor made as per the requirement of the organization.

ICSIL offers a variety of training programs.. ICSIL can also get customized simulation training software module developed for live applications through its partners.

ICSIL has MOU with Samajik Suvidha Sangam (SSS) under Mission Convergence-Social Welfare schemes & services with the objective of making entitlements reach the poor through a single window system in a hassle free manner with focus on Skill Development and Capacity building to promote employability.

6. **Software Development:**

ICSIL also undertakes software development projects & has executed e-Governance projects for DTC and DJB. ICSIL has developed and deployed DVAT application for DTT through its strategic partner, which is one of Mission Mode Project (MMP). ICSIL can similarly undertake other e- Governance projects such as e- Health, e- Education etc. Similarly, ICSIL has also executed customer specific software projects such as Grievances Management system for Public Grievances Commission, Delhi, Grievance Management System for Police Complaint Authority, Delhi And Firms And Societies Management Information System.

7. **Digitization of documents:**

ICSIL also undertakes digitization projects. ICSIL has executed digitization projects for its clients such as BSNL, Lucknow & Department of Industries.

8. **Setting up of Call Centers & Helpdesk and their maintenance**

ICSIL has been involved in setting up of call centers and helpdesk for its clients such as NDMC, DJB, DTT, etc. These centers are working 24x7 basis. The manpower is also deployed by ICSIL.

9. **GPS based Vehicle Tracking System**

ICSIL is also providing GPS based solutions to its clients for tracking of vehicles. Vehicles can be tracked on real time basis.

10. Project in Kuwait

ICSIL is executing laying and maintenance of telecom infrastructure in association with TCIL for MOC, Kuwait.

ICSIL is committed to deliver high quality solutions to the satisfaction of its clients keeping in mind state & implied needs of Society and Industry.

FUTURE PLANS

Apart from ongoing projects, ICSIL plans to evolve in various specialized IT activities/ projects with more focus on turnkey IT projects, setting up of call centers, e- Health, e- Education security & surveillance (CCTV, Biometric attendance system), networking, computerization of departments, website design and development, e-Governance, various components of smart city, digitization & document management system, skill development, network audit customized IT solutions, consultations, Wi-Fi, Solar solutions etc.

CAPITAL

The authorized as well as paid up share capital of the Company continued to be Rs. 1Crore during the year 2017-18.

MANPOWER

In spite of the constraints of your Company, high degree of dedication, devotion, sincerity and commitment of employees has contributed to the significant growth and performance of the organization.

DIRECTORS

During the period from 1st April 2017 to 31st March 2018, 6 meetings of the Board of Directors were held on the following dates: 135th (19.06.2017), 136th (06.09.2017), 137th (11.10.2017), 138th (04.12.2017), 139th (27.12.2017) and 140th (15.03.2018).

The Board of Directors of the company as on 31.03.2018 were:

- | | |
|-----------------------|-----------------------|
| 1. Sh.Mohanjeet Singh | -Chairperson |
| 2. Sh.V.K Sinha | - Managing Director |
| 3. Sh. Rajiv Gupta | - Director |
| 4. Sh. A.K. Jain | - Director |
| 5. Sh. D.K Gupta | - Additional Director |
| 6. Sh. Arun Mishra | - Director |

During the year, Shri Mohanjeet Singh (DIN 06608391) was appointed as the Chairman w.e.f. 06.09.2017 in place of Shri. K.R Meena , earlier Chairperson.

Shri V.K Sinha (DIN 07964872) was appointed as the Managing Director w.e.f. 12.10.2017., in place of Sh.Kamendra Kumar .

Sh. D.K Gupta 08064713 was appointed as an additional director w.e.f 05.02.2018., in place of Sh. Ajay Aggarwal .

During the year under review, all the Directors attended all the (6) Board Meetings held except as stated below: -

136 th	19.06.2017	Shri Rajiv Gupta
138 th	04.12.2017	Shri Rajiv Gupta
136 th	19.06.2017	Shri A.K Jain

The last AGM of ICSIL was held on 27.12.2017 and the following Directors attended the same: -

- | | | |
|-------------------------|---|-------------------|
| 1. Shri Mohanjeet Singh | - | Chairman |
| 2. Shri V.K Sinha | - | Managing Director |
| 3. Shri. Arun Mishra | - | Director |
| 4. Shri Rajiv Gupta | - | Director |
| 5. Shri A.K. Jain | - | Director |

COMMITTEE MEETING:

During the financial year 2017-18, the members of the Corporate Social Responsibility (CSR) Committee duly met 1 (One) time i.e. on 15.03.2018.

During the financial year 2017-18, the members of the Audit Committee duly met 1 (One) time i.e. on 26.05.2017. However due to notification of Ministry of Corporate Affairs dated 13.07.2017 regarding exemption to an Unlisted Joint Venture Company for the requirement of constitution of Audit committee and nomination committee & remuneration committee, the Company had dissolved Audit committee in 136th Board Meeting dated 06.09.2017.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm:

- 1) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
- 2) That appropriate accounting policies and practices have been applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the Profits of the Company for the year ended on that date.

- 3) That proper care has been taken for the maintenance of accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Annual Accounts have been prepared on a "going concern" basis.
- 5) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSITS

During the year, ICSIL has not accepted any deposit from the public.

CORPORATE GOVERNANCE

The Company has always aimed at the highest level of transparency, accountability and equity in its operations. ICSIL is having a well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the board remains in effective control of the affairs of the company. ICSIL believes that good Corporate Governance practices are essential for generating long term value and maintaining a sustainable business model.

CORPORATE SOCIAL RESPONSIBILITY

A detailed Report on Corporate Social Responsibility is annexed as Annexure ' C ' as per the requirements of Section 135 of the Companies Act, 2013.

INTERNAL CONTROL SYSTEM

Company has an Internal Control System commensurate with its size and nature of business. It provides for adequate recording and custody of assets, compliance with prevalent statutes, policies, management guidelines and circulars. Transactions are adequately recorded, cross verified and promptly reported. Internal Audit has been outsourced and periodic reports are placed before the Management for perusal.

INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 REGARDING EMPLOYEES REMUNERATION

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company as no employee in the Company was drawing more than INR

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5,00,000/- per month or INR 60,00,000/- per annum or in excess of that drawn by the Chairman-cum-Managing Director or Whole-Time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is not undertaking any manufacturing activity. Hence there is no major consumption of energy. However, for office, the company is taking all care to reduce the energy consumption. Further, the Company's line of business does not involve use of hi technology.

RISK MANAGEMENT

The risk management of the company is overseen by the Board of Directors. The Board oversees it through review / approval of the business plans, projects and approvals for business strategy / policy.

AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain major qualification.

RELATED PARTY TRANSACTIONS

Form AOC-2 containing complete particulars of Related Party Transactions is attached AS Annexure "A".

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return of the Company in proposed Form No. MGT-9 for the year under report pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as Annexure "B".

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted a Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed hereunder.

During the financial year 2017-18, the Company has not received any complaint on sexual harassment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the company exceeding the limits specified under Section 186 of the Companies Act, 2013 during the year under review and hence, the said provision is not applicable.

UNSECURED LOAN

During the year under review, the unsecured loans of ICSIL stood at NIL.

DISCLOSURE UNDER SECRETARIAL STANDARD

The Company has complied with the provisions of Secretarial Standard-1 in respect of the Board Meetings and Secretarial Standard-2 in respect of the General Meetings held during the financial year 2017-18.

STATEMENT UNDER SECTION 134(3)(p) OF THE COMPANIES ACT, 2013 REGARDING FORMAL ANNUAL EVALUATION MADE BY BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of the notification dated 05.06.2015 issued by Ministry of Corporate Affairs, the company has been exempted from the above provision and hence the disclosure is no longer required.

AUDITORS

The Comptroller & Auditor General of India has appointed M/s K.K. Khanna & Co., Chartered Accountants, New Delhi as Statutory Auditor of the Company for auditing the accounts of the Company for the financial year 2017-18. Directors would like to record their sincere thanks for the commendable services rendered by them.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to your Company's valuable clients. They also extend their sincere thanks for the co-operation shown to the Company by departments of Govt. of NCT of Delhi and other organizations.

The directors also express their deep sense of appreciation for the continued co-operation and help received from the JV Partners Viz. M/s TCIL and M/s DSIIDC. The Directors also take this opportunity to acknowledge the cooperation extended by the Comptroller & Auditor General of India and the valued Bankers.

The Directors take this opportunity to appreciate the untiring efforts put in by the employees of the Company for their active involvement, dedication and utmost co-operation which enabled the organization to perform better.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always placed on us.

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POSTING OF INFORMATION ON THE WEB SITE OF THE COMPANY

Annual results of ICSIL, tenders and career opportunities are posted on Company's web site: www.icsil.in

**For & on behalf of the board of directors of
Intelligent Communication Systems India Limited**

Devendra Kumar Gupta
06/12/18

**Devendra Kumar Gupta
(Director)
DIN: 08064713**

Vinod Kumar Sinha
06/12/2018

**Vinod Kumar Sinha
(Managing Director)
DIN 07964872**

"ANNEXURE - A"

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES
(PURSUANT TO *CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND*
RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)

THIS FORM PERTAINS TO THE DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

NAME OF RELATED PARTY:- TCIL					
NATURE OF RELATIONSHIP :- JOINT VENTURE					
					AMT. IN INR
NATURE OF CONTRACT	DURATI ON OF CONTRA CT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROV AL BY THE BOARD	AMOUNT PAID AS ADVANC ES
NIL					

NAME OF RELATED PARTY:- DSIIDC					
NATURE OF RELATIONSHIP :- JOINT VENTURE					
					AMT. IN INR
NATURE OF CONTRACT	DURATI ON OF CONTRA CT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROV AL BY THE BOARD	AMOUNT PAID AS ADVANC ES
NIL					

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2. DETAILS OF MATERIAL* CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

THE DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS AT ARM'S LENGTH BASIS FOR THE YEAR ENDED MARCH 31, 2018 ARE AS FOLLOWS:

NAME OF RELATED PARTY		:- TCIL			
NATURE OF RELATIONSHIP		:- JOINT VENTURE			
		AMT. IN INR			
NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES
SUB CONTRACTOR EXP. RELATING TO ICSIL KUWAIT	3 YEARS FOLLOWED BY 1 YEAR WARRANTY.	SETTIN G UP TELECOM NETWORK	12,70,07,563/-		NIL
DUES FORM TCIL (NET)			6,38,229/-		NIL
TOTAL			12,76,45,792/-		NIL

NAME OF RELATED PARTY		:- DSIIDC			
NATURE OF RELATIONSHIP		:- JOINT VENTURE			
		AMT. IN INR			
NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES
MANPOWER	CONTINUOUS SINCE LAST 5 YEARS	SUPPLY OF MANPOWER	15,71,60,191		NIL
TOTAL			15,71,60,191		NIL

FOR AND ON BEHALF OF THE BOARD

Devendra Kumar Gupta
06/12/18
Devendra Kumar Gupta
(Director)
DIN:08064713

Vinod Kumar Sinha
06/12/2018
Vinod Kumar Sinha
(Director)
DIN:07964872

Date:
Place: New Delhi

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74899DL1987GOI027481
2	Registration Date	01.04.1987
3	Name of the Company	M/s. INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED.
4	Category/Sub-category of the Company	Business Services Government Company
5	Address of the Registered office & contact details	DSIIDC ADMINISTRATIVE BLOCK, 1ST FLOOR OKHLA INDL AREA, PHASE-3 OKHLA IND ESTATE -(ABOVE POST OFFICE) -110020
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Income from Hardware and Software product sold	4651	1
2	Income from Manpower Supply & Training Charges etc.	7830	86

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Telecommunication Consultants India Ltd. (TCIL), a govt. of India enterprise, under ministry of communications & IT, TCIL BHAWAN GREATER KAILASH-I NEW DELHI Delhi INDIA 110048	U74999DL1978GOI008911	Associate	36	
2	Delhi State Industrial and Infrastructure Development Corporation (DSIIDC), an undertaking of Delhi government, A/3-4, STATE EMPORIUM BLDG BAWA KHARAK SINGH MARG N DELHI Delhi INDIA 110001	U74899DL1971SGC005536	Associate	40	

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	0.00%			-	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		85,000	85,000	85.00%		85,000	85,000	85.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	85.00%	0.00%
Sub Total (A) (1)		85,000	85,000	85.00%		85,000	85,000	85.00%	0.00%

(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.		15,000	15,000	15.00%		15,000	15,000	15.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	15,000	15,000	15.00%	-	15,000	15,000	15.00%	0.00%
TOTAL (A)	-	100,000	100,000	100.00%	-	100,000	100,000	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	100,000	100,000	100.00%	-	100,000	100,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Telecommunication Consultants India Ltd.	36,000	36%	0	36,000	36.00%	0.00%	0.00%
2	Delhi State Industrial And Infrastructure Development Corporation.	40,000	40%	0	40,000	40.00%	0.00%	0.00%

3	M/S Falcon Cable Usa	15,000	15%	0	15,000	15.00%	0.00%	0.00%
4	M/S Orison Infocom (P) Ltd	9,000	9%	0	9,000	9.00%	0.00%	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year						
	Changes during the year						
	At the end of the year						

There is no change in Promoters' Shareholding between
01.04.2017 to 31.03.2018

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year						
	Changes during the year						
	At the end of the year						
2	Name						
	At the beginning of the year						
	Changes during the year						
	At the end of the year						

There is no shareholder other than Directors and Promoters

There is no shareholder other than Directors and Promoters

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MR Mohanjeet Singh, (Chairman)						
	At the beginning of the year			9	0.009%	9	0.009%
	Changes during the year			No		No	
	At the end of the year			9	0.009%	9	0.009%
2	MR D.K Gupta (Additional Director)						
	At the beginning of the year			8	0.008%	8	0.008%
	Changes during the year			No		No	
	At the end of the year			8	0.008%	8	0.008%
3	MR A.K Jain (Director)						
	At the beginning of the year			0	0.000%	0	0.000%
	Changes during the year			7	0.01%	No	
	At the end of the year			7	0.007%	7	0.007%

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				

* Reduction					NIL
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					NIL
Total (i+ii+iii)					

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Mr. Kamendra Kumar from 01.4.2017 to 22.09.2017	Mr. Vinod Kumar Sinha from 22.09.2018 to 31.03.2018	
	Designation	Managing Director	WTD	(Rs/Lac)
1	Gross salary		N.A.	2,552,586.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2,301,775.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			250,811.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)		N.A.	2,552,586.00
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
				(Rs/Lac)
1	Independent Directors	NIL		
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	Total (1)			-
2	Other Non-Executive Directors	NIL		
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	Total (2)			-
	Total (B)=(1+2)			-
	Total Managerial Remuneration	NIL		2,552,586.00
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961		NIL		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-

2	Stock Option	NIL	-
3	Sweat Equity	NIL	-
4	Commission	NIL	-
	- as % of profit	NIL	-
	- others, specify	NIL	-
5	Others, please specify	NIL	-
	Total	NIL	-

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty				NIL	
Punishment					
Compounding					
B. DIRECTORS					
Penalty				NIL	
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty				NIL	
Punishment					
Compounding					

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Format for the Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken to the CSR policy and projects or programs:

ICSIL's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the disadvantaged/marginalized cross section of the society by providing opportunities to improve their quality of life.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

Web link: <http://icsil.in/about/CSR>.

2. The Composition of the CSR committee

The Chairperson and Members of the Committee are as follows:

S. No.	Name of the Director	Designation
1.	Sh. Mohanjeet Singh	Chairperson
2.	Sh. V.K Sinha	Member
3.	Sh. A.K Jain	Member

3. Average net profit of the company for last three financial years

Average net profit of the company for last three financial years for the purpose of computation of CSR: Rs. 4.55 Crores (Approx).

4. Prescribed CSR Expenditure

Rs. 9.10 Lakhs.

5. Details of CSR spent for the financial year 2017-18:

(a) Total amount spent on CSR during the financial year: Rs. 9.10 Lakhs.

(b) Amount unspent: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/pr ogrammes Local area/other- Specify the State and district where projects or programme s were undertaken	Amount outlay (budget) Project/ program ms wise (Rs. in Lakhs)	Amount spent on the project/progra ms Subheads 1. Direct expend iture on project 2. Overhe ads	Cumul ative spend upto to the reporti ng period	Amount spend: Direct/thr ough impleme nting agency*
1.	Contribution to Swachh Bharat Kosh	Schedule VII, item-I (Improving Sanitation)	Swachh Bharat Kosh	4.55	4.55	4.55	Direct contributi on
2.	Direct contribution to Clean Ganga Fund	Schedule VII, item-IV	Clean Ganga Fund	4.55	4.55	4.55	Direct contributi on

6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

Implementation of CSR activities is in compliance with Companies Act, 2013 and to meet the CSR objectives and policy of the Company.

[Signature]
06/12/2018

Managing Director

[Signature]

(Chairperson, CSR Committee)

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED** ('the company') which comprise the Balance Sheet as at **31st March 2018**, the statement of profit and loss (including other comprehensive income) the Cash Flow Statement and the statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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.

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 Ind AS 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.



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 to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's 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 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 Ind AS 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, 2018;
- (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 changes in Equity

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 separate firm of Auditors appointed by C&AG.



Report on Other Legal and Regulatory Requirements

1. 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, to the extent applicable.
2. 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;
 - (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 (including other comprehensive income), Cash Flow Statement and the statement of changes 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, 2018, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in 'Annexure B'.
 - (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 Ind AS financial statements - Refer note 2.13 to the 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 disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018.

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.

4. 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, who have raised a demand of Rs. 80,76,889/- (excluding interest of Rs. 82,54,529/-) covering unpaid rent for previous years from 24th December, 2009 to 31st March, 2018.
- ii) There has been no case of waiver/ write off of bad debts/ loans/ interest etc. during the FY – 2017-18.
- iii) Since goods traded in India were sold during the financial year 2017-18, therefore, there was no stock lying with the parties in India as on 31st March, 2018.

Place: New Delhi
Date: 14th September, 2018


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



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 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 Company does not own immovable properties.

(ii) We are informed that 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 Indian Bank worth Rs. 3,21,78,761/- as performance guarantee for safe performance of contracts entered with various Depts. The guarantees are covered by mortgaging FDRs of Rs. 34,50,000 /-

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public 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 Govt. guidelines.
- (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 Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in note no. of 2. I to 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 non-cash transactions with its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) According to the information and explanation given to us and the records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause 3(xvi) of the Order is not applicable.

Place: New Delhi
Date: 14th September, 2018


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



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

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

We have audited the internal financial controls over financial reporting of “**Intelligent Communication Systems India Limited**”, ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

Date: 14th September, 2018


(K. K. Khanna)

Membership No. 007887

Partner

**K. K. Khanna & Co.,
Chartered Accountants**

Firm Reg. No. 002221 N



Intelligent Communication Systems India Limited

BALANCE SHEET AS AT 31st MARCH 2018

(Figures in lakhs)

	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	19.17	23.21
(b) Financial Assets			
- Trade Receivable	4(a)	44.43	44.43
- Other Financial Assets	4(b)	-	-
Deferred Tax Asset (Net)		22.81	36.07
(c) Other Non-Current Assets	5	-	-
		86.41	103.71
(2) Current Assets			
(a) Inventories	10	10.65	27.15
(b) Financial Assets			
- Trade Receivables	4(a)	5,173.71	5,725.74
- Cash and cash equivalents	8	557.98	1,279.65
- Other Bank Balances	9	2,698.95	1,541.00
- Loans and Advances	6	47.12	17.70
- Other Financial Assets	4(b)	54.78	45.36
(c) Current Tax Assets (Net)	7	1,037.19	954.81
(d) Other Current Assets	5	42.60	31.48
		9,622.99	9,622.88
TOTAL ASSETS		9,709.40	9,726.59
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE 1	100.00	100.00
(b) Other Equity	SOCE 2	2,125.95	1,758.92
		2,225.95	1,858.92
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Trade Payable	11(a)	267.21	267.21
- Other Financial Liabilities	11(b)	-	-
(b) Provisions	13	61.84	58.63
(c) Deferred Income		-	114.23
		329.05	440.07
(2) Current Liabilities			
(a) Financial Liabilities			
- Trade Payables	11(a)	2,272.13	3,604.74
- Other Financial Liabilities	11(b)	2,771.05	2,114.31
(b) Other current liabilities	12	1,501.03	1,205.34
(c) Provisions	13	40.19	3.21
(d) Current tax liabilities	14	570.00	500.00
		7,154.41	7,427.60
TOTAL EQUITY AND LIABILITIES		9,709.40	9,726.59
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.
Chartered Accountants
Firm registration number: 002221N

For and on behalf of the Board of Directors:


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


(Devendra Kumar Gupta)
Director
DIN - 08064713


(Vinod Kumar Sinha)
Managing director
DIN - 07964872

Place: New Delhi
Date: 14th September 2018



Intelligent Communication Systems India Limited
Statement of Profit & Loss Account for the Year ended 31st March 2018

(Figures in lakhs)

	Note No.	As at 31.03.2018	As at 31.03.2017
I. Income			
Revenue from Operations	15	14,830.75	14,619.78
Other Income	16	172.66	161.21
Total Income (I)		15,003.41	14,780.99
II. Expenses			
Purchase of stock in trade	17	54.06	166.62
Cost of Service	18	12,386.62	8,847.70
Cost of Contract Executed at ICSIL Kuwait	19	1,270.08	4,762.99
(Increase) / Decrease in inventories of Stock-in-Trade	20	21.17	14.31
Employee benefits expense	21	384.64	263.20
Finance Cost	22	13.16	70.18
Other expenses	23	229.75	99.64
CSR Expenditure		9.10	-
Depreciation and amortization expense	3	5.54	7.19
Total Expenses (II)		14,374.11	14,231.83
III. Profit/(loss) before exceptional items and tax (I-II)		629.31	549.16
IV. Exceptional Items		-	-
V. Profit/(loss) before tax (III-IV)		629.31	549.16
VI. Tax Expense			
(1) Current Tax		250.00	200.00
(2) Deferred Tax		13.26	(18.93)
VII. Profit/(Loss) for the Year (V-VI)		366.04	368.09
VIII. Other Comprehensive Income			
Re-measurement losses/gain on defined benefit plans	E	0.98	(2.15)
Total Other Comprehensive Income		0.98	(2.15)
IX. Total Comprehensive Income for the Year (VII+VIII)		367.02	365.94
X. Earnings per equity share of Rs.100 each			
Basic/Diluted		367.02	365.94
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: 14th September 2018



For and on behalf of the Board of Directors:


(Devendra Kumar Gupta)
Director
DIN - 08064713


(Vinod Kumar Sinha)
Managing director
DIN - 07964872



Intelligent Communication Systems India Limited
Cash Flow Statement for the Year Ended 31st March, 2018

		(Figures in lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit before tax from continuing operations	629.31	549.16
	Profit before tax from discontinuing operations	-	-
	Profit before tax	629.31	549.16
	Loss/(Profit) on sale of fixed assets	-	(0.29)
	Depreciation/amortization on continuing operations	5.54	7.19
	Provision for Deferred Tax	(13.26)	18.93
	Provision for Income Tax	(250.00)	(200.00)
	Interest income	(146.78)	(102.34)
	Dividend income	-	-
	Operating profit before working capital changes	224.80	272.65
	Movements in working capital		
	Changes In Trade Payables	(1,332.61)	1,945.01
	Changes In Provisions	40.19	10.76
	Changes In Other Current Liabilities	206.50	107.85
	Changes In Current Liabilities	70.00	160.77
	Changes In Trade Receivables	552.03	(2,197.95)
	Changes In Inventories	16.49	15.93
	Changes In Other Current Assets	(80.25)	(129.51)
	Changes In Other Financial Liabilities	656.74	1,142.30
	Changes In Other Financial Assets	(9.42)	(11.26)
	Changes In Current Loans & Advances	(29.42)	(3.50)
	Net cash flow from/(used in) operating activities (A)	315.08	1,306.09
B.	Cash flow from investing activities		
	Purchase of fixed assets, including intangible assets	(1.50)	(11.64)
	Proceeds from sale of fixed assets	-	0.55
	Interest Income	146.78	102.34
	Change in Investment in FDRs	(1,157.96)	(433.31)
	Net cash flow from/(used in) investing activities (B)	(1,012.68)	(342.06)
C.	Cash flow from financing activities		
	Interest Paid	-	-
	Dividend Paid	(24.07)	(24.07)
	Net cash flow from/(used in) in financing activities (C)	(24.07)	(24.07)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(721.67)	939.96
	Cash and cash equivalents at the beginning of the year	1,279.65	339.70
	Cash and cash equivalents at the end of the year	557.98	1,279.65
	Components of cash and cash equivalents		
	Cash in hand	0.17	0.03
	With banks-on current account	557.81	1,279.62
	Total cash and cash equivalents	557.98	1,279.65

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

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


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

For and on behalf of the Board of Directors


(Devendra Kumar Gupta)
Director
DIN - 08064713


(Vinod Kumar Sinha)
Managing director
DIN - 07964872

Place: New Delhi
Date: 14th September 2018



Intelligent Communication Systems India Limited (ICSIL)
Schedule forming part of the Financial Statements for the year ended March 31, 2018

Note 1:- SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

a. 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.

b. 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.

c. Basis of preparation

(i) 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. Previous year figures have been restated and reclassified in the financial statements.

The Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013.

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.

(ii) 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.



1.2 Use of Estimates

(a) Use of estimates and judgements.

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

(b) Summary of significant Accounting policies.

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.



1.3 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.

Other 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.

2 INVENTORIES AND STOCK-IN-TRADE

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

3 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 2015.



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.

4 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.

5 LIQUIDATED DAMAGES / CLAIMS

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



6 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 at least 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 Employee Provident Fund Organization (EPFO). Both, eligible employee and company make monthly contributions to the provident fund.

7 LIABILITIES / CONTINGENT LIABILITIES

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



8 PREPAID EXPENSES.

Prepaid expenses upto Rs.25,000/- are treated as expenditure of the current year and charged to the natural heads of account.

9 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.

10 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.

11 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.



Notes forming part of the Financial Statements for the year ended 31st
March, 2018

Note 2 :- Notes to Accounts

A. Retirement Benefits

Gratuity: - Provision for Gratuity Liability to employees is made on the basis of Actuarial valuation in terms of Indian Accounting Standard (Ind AS) 19 notified by the Ministry of Corporate Affairs of India.

Table Showing Changes in Present Value of Obligations:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Present value of the obligation at the beginning of the period	35,55,202	28,06,590
Interest cost	2,75,528	2,10,494
Current service cost	2,87,155	2,56,557
Past Service Cost	0	
Benefits paid (if any)	0	0
Actuarial (gain)/loss	(58,136)	2,81,561
Present value of the obligation at the end of the period	40,59,749	35,55,202

Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(65,312)	57,709
Experience Adjustment (gain)/ loss for Plan liabilities	7,176	2,23,852
Total amount recognized in other comprehensive income	(58,136)	2,81,561

Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 03/31/2018	As on: 03/31/2017
Present value of the obligation at the end of the period	40,59,749	35,55,202
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	40,59,749	35,55,202
Funded Status	(40,59,749)	(35,55,202)

Expense recognized in the statement of Profit and Loss:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Interest cost	2,75,528	2,10,494
Current service cost	2,87,155	2,56,557
Past Service Cost	0	
Expected return on plan asset	(0)	(0)
Expenses to be recognized in P&L	5,62,683	4,67,051



Other comprehensive (income) / expenses (Remeasurement)

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Actuarial (gain)/loss - obligation	(58,136)	2,81,561
Actuarial (gain)/loss - plan assets	0	0
Total Actuarial (gain)/loss	(58,136)	2,81,561

Experience adjustment:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Experience Adjustment (Gain) / loss for Plan liabilities	7,176	2,23,852
Experience Adjustment Gain / (loss) for Plan assets	0	0

Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 03/31/2018	As on: 03/31/2017
Current Liability (Short Term)*	1,02,213	1,83,617
Non Current Liability (Long Term)	39,57,536	33,71,585
Total Liability	40,59,749	35,55,202

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

Table Showing Changes in Present Value of Obligations:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Present value of the obligation at the beginning of the period	26,28,968	23,01,049
Interest cost	2,03,745	1,72,579
Current service cost	2,06,356	2,21,598
Benefits paid (if any)	(3,29,255)	0
Actuarial (gain)/loss	23,983	(66,258)
Present value of the obligation at the end of the period	27,33,797	26,28,968

Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(46,587)	43,376
Experience Adjustment (gain)/ loss for Plan liabilities	70,570	(1,09,634)
Total amount recognized in other comprehensive Income	23,983	(66,258)



Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 03/31/2018	As on: 03/31/2017
Present value of the obligation at the end of the period	27,33,797	26,28,968
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	27,33,797	26,28,968
Funded Status	(27,33,797)	(26,28,968)

Expense recognized in the statement of Profit and Loss:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Interest cost	2,03,745	1,72,579
Current service cost	2,01,174	2,21,598
Expected return on plan asset	(0)	(0)
Expenses to be recognized in P&L	4,04,919	3,94,177

Other comprehensive (income) / expenses (Remeasurement)

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Net cumulative unrecognized actuarial (gain)/loss opening	(66,258)	0
Actuarial (gain)/loss - obligation	(39,494)	(66,258)
Actuarial (gain)/loss - plan assets	0	0
Total Actuarial (gain)/loss	(39,494)	(66,258)
Cumulative total actuarial (gain)/loss	(1,05,752)	0

Experience adjustment:

Period	From: 04/01/2017 To: 03/31/2018	From: 04/01/2016 To: 03/31/2017
Experience Adjustment (Gain) / loss for Plan liabilities	6,089	(1,09,634)
Experience Adjustment Gain / (loss) for Plan assets	0	0

Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 03/31/2018	As on: 03/31/2017
Number of employees	11	11
Total monthly salary	4,87,063	4,29,298
Average Past Service(Years)	14.1	13.2
Average Future Service (yr)	12.2	13.1
Average Age(Years)	47.8	46.9
Total Leave With Cap/Without Cap	1,794/1,794	1,834
Total CTC for Availment/ Rate	5,54,143 / 0%	8,58,596
Weighted average duration (based on discounted cash flows) in years	11	12
Average monthly salary	44,278	39,027



Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :

Period	As on: 03/31/2018	As on: 03/31/2017
Current Liability (Short Term)*	70,690	1,37,627
Non Current Liability (Long Term)	25,94,448	24,91,341
Total Liability	26,65,138	26,28,968

C. Provision for doubtful debts

Provision for doubtful debts has not been made for debts which are outstanding for a period exceeding 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 2015-16. 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 not 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, 2018 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

- Jaybir Singh Balyan V/S ICSIL. ICSIL got a contract from TCIL/PGCIL for laying of Cable at Jalandhar and Amritsar route. M/S Affiance Services had been awarded some part of work. They could not complete the work due to some dispute. The vendor took up the case in Delhi High Court. Again the vendor has filed the case in District SAKET COURT, New Delhi for some dues against the ICSIL. The case is being handled by Sh Ratan K Singh Advocate and Sh Abhimanyu Garg, Advocate. ICSIL has to pay an amount of Rs. 584101/- (Rs. 529760 Principal Amount of Award passed by the sole arbitrator plus Rs. 54341 toward interest



@12% per annum. w.e.f 17.05.2012 to 25.03.2013). Quantum of liability is not yet determined.

- b) Muzaffar Majeed Dar V/S State & Others, Sh Muzaffar Majeed Dar & Sh Bilal Ahmed Safi was working in our Awantipur project as a technicians for the project carried out in AF Awantipur for laying of underground cable system through Escort Communication Ltd (ECL). After request of both the individuals were sent to the Deptt of Labour, GNCTD for the post of MTS on the basis of interview but they refused to join the duty. Mr Bilal and Mr Muzaffar Majeed Dar have filed a case in the High Court of Jammu & Kashmir for regularizing their service in ICSIL. The case is being handled by Sh Anjum Javed and Sh Abhimanyu Garg and quantum of claim is not yet determined.
- c) M/S D.M. Systems Pvt. Ltd.V/S M/S ICSIL, This is for E-Biz project for the Industry Department (Red Hat Software) MD ICSIL has informed that Chief Secretary, Delhi and Secretary (finance) verbally directed to procure and supply the above items to Industries Department by the end of Apr 2013. Accordingly, the said items are required to be procured on priority basis by ICSIL and supply to Industries Department by the last week of Apr 2013. ICSIL has supplied some of the few items in various Govt. Department either on Rate Contract or through Tender process. Items have been supplied by the DM System Pvt. Ltd to the concerned department but they refused to accept the items stating that no PO was issued by this department, M/s DM System Pvt Ltd has filed a case in the court of Addl Distt and session Judge against the ICSIL for release of his dues amounting of Rs. 21 Laks(Approx) pending with ICSIL.
- d) Mr. Mahender Kumar V/S ICSIL, Sh Mahendra Kumar was employed by ICSIL on 14 Dec 2009 for a period of one year on contract basis as a IT assistant in Education Deptt. Edn project was withdrawn by the deptt from ICSIL in Jan 2011. When the individual served till 14 Jan 2011. He filed the Case for re-employment with due salary in continuity to his service and to pay the salary since 15 Jan 2011. The court directed ICSIL to pay an amount of Rs. 60,000/ along with interest @ 8% for termination of services of sh. Mahender Kumar on 21.11.2015. Pursuant to legal opinion the case is being appealed in High Court and case is handled by Advocate Ratan Singh.
- 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. Since he was on contract basis. Therefore, his service is not renewed but however he has filed a suit for reinstement.
- f) Gaurav Srivastva V/s ICSIL, Complaint in Dy Labour Commissioner office. Sh Gaurav Srivastava serving with Govt Girls Senior secondary School, JJ Colony, Madanpur khadar, New Delhi as IT assistant joined the duty on 15 Jul 2014 for a period of one year purely on contract basis. He was voluntarily absented himself without any intimation wef 01 Aug 2015. The deptt has been approached to post/replace another IT Assistant. The individual has sent many complaints /grievances with many allegations to various departments complaining that his services has been terminated by ICSIL, but he however filed a suit against ICSIL alleging wrong termination. Whereas the individual has not been terminated by the ICSIL.
- g) Smt. Devi Shree V/s DSIIDC and ICSIL, Smt Devi Shree w/o Sh Mohan Lal, who was deployed with DSIIDC on purely contract basis as a Attendant/Mali up to 31.08.2010. She joined the duty on 01.09.2009 . She is a member of Union and filed a case for securing her regularization in the service on the post of Mali/Attendant and to pay her entire difference of salary. On 15.09.2016, Deepti Gupta appeared on behalf of ICSIL and received the copy of Claim. For next date we will approach Advocate Shivrath Kumar for to appear along with the reply to the Claim of the workman on 05.10.2016. The main party is DSIIDC but Smt Devi shree has made a party to ICSIL also. Last date DSIIDC did not make their appearance.



- h) Sh. Udal Singh V/s Central Homeopathic Research Institute, Noida and ICSIL, Sh Udal Singh, who was serving with CHRI, Noida w.e.f. 01 Jan 2012 as a sanitary worker. He was found to pickup/stole the mobile phone of the patient named Smt Pushpa Devi when she came to see her daughter to the hospital. After verifying the record of CCTV footage, Mr. Udal Singh was found as a defaulter. But Udal Singh has refused the same. Mobile phone was returned to the patient with the force of doctor from him. Mr Udal Singh was dismissed from service w.e.f. 25 Aug 2015 with the allegation of theft and individual has filed the case in Ministry of Labour and Employment, Dehradun.
- i) The service of the Mahender Kumar (Cook) with DWCD, who was on contract basis come to an end on completion of contract. His service was not renewed, yet he has filed a suit claiming reinstatement. The final date is on 04.07.2018
- j) Ms. Poonam Rawat (DEO) who was employed with previous contractor engaged to work as Data Entry Operator(DEO) under Jail Superintendent. Tihar Jail is contesting that since ICSIL has taken over the contract with Jail Authorities, therefore, she should be taken as DEO by ICSIL. ICSIL, however never has had any contractual obligation to take her as its employee.

H. Bank Guarantee

The company has given Bank Guarantee's through Indian Bank aggregating of Rs.3,21,78,761/- 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.34,50,000/-

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	12,76,45,792.00	47,86,91,862.00	Expenses incurred in execution of various contract in Kuwait during the F.Y.2017-18
DSIIDC	Associate Company	157,160,191.00	105,657,579.80	For Manpower Supply Services to DSIIDC
DSIIDC	Associate Company	80,76,889.00	NIL	Rent towards office premises.

J. Key Management personnel

Sh. V.K. Sinha (Since 22.09.2017) Managing Director
Sh. Kamendra Kumar (From 14.07.2016; Upto 22.09.2017) Managing Director

K. Remuneration of Managing Directors 31st March, 2018

	31 st March, 2018	31 st March, 2017
Salaries & Allowances	20,26,021.00	20,25,283.00
House Rent Allowance	2,64,992.00	2,27,187.00
Medical	14,476.00	27,572.00
Conveyance	50,960.00	NIL



Travelling	33,499.00	NIL
Gratuity & Leave Salary	1,62,638.00	1,39,843.00
Pension Contribution		
	<u>25,52,586.00</u>	<u>24,19,885.00</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. In case of up/down from residence to office and vice versa in his own car, the conveyance @ Rs.10/- per km is paid as reimbursement as approved in BOD meeting dt. 11-10-2017.

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

M. ICSIL's office is located in the premises of its associate company (DSI IDC). During the financial year 2017-18, ICSIL has provided a liability of Rs. 80,76,889/- (excluding interest of amount Rs.82,54,529) towards rent for office premises on the bases of demand note receipt from DSI IDC for a period covering from 24.12.2009 to 31.03.2018. There is no formal rent agreement between DSI IDC and ICSIL. However no liability for interest has been provided in Books of Accounts.

N. 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.

O. The Internal control system needs to be strengthened to commensurate with the size of the Company and the nature of its business.

P. Service Tax

There is a service tax demand of Rs. 15.50 Cr.(appx) including interest and same is not provided for in accounts. Although this is being contested; but it is likely that the company would be required to meet this obligation in future. Since this is part of demand created by Service Tax Department, therefore, ICSIL is statutorily liable to pay this amount with interest when demanded by Service Tax authorities

Q. 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.

R. Corporate Social Responsibility

In view of Companies (Corporate Social Responsibility Policy) Rules, 2014, the companies have 'Net Profits' in terms of Rule 2(f) as defined in these rules and thus the company is liable for undertaking CSR expenditure under section 135 of the Companies Act, 2013. During year 2017-18, the following expenditures have been incurred as per CSR guideline:

1. Swachh Bharat Kosh (SBK) = Rs.4,55,000/-
2. Clean Ganga Fund = Rs.4,55,000/-

Both of these funds are covered under CSR activities as per notification issues by Ministry of Corporate affair notification dated 24/10/2014.

S. Dividend

The Board of Director's have recommended dividend of Rs.20 per equity shares, subject to approval of the shareholders in the forth coming Annual General Meeting.



T. 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, 2018	Year ended March 31, 2017
Profit after tax	Rs. 367.02 Lakhs	Rs. 365.94 Lakhs
Weighted Average number of Equity Shares used for computing Earnings Per Share (Basic & Diluted)	1 Lakh	1 Lakh
Earnings Per Share (Basic & Diluted) (Rupees)	Rs. 367.02 per share	Rs. 365.94 per share
Face Value Per Share (Rupees)	100	100

U. 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.

V. The amounts reported in segments are based on the accounting principles used in the preparation of financial statements as per IndAS. "Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional item. Accordingly, finance costs/income, non-operative expenses and exceptional items are not allocated to individual segment.

Inter segment pricing and terms are reviewed and changes by the management to reflect changes in market conditions and changes to such terms are reflected in the period change occurs.

Segment assets comprise assets directly managed by each segment and primarily include receivables, plant and equipment, intangible assets, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The segment composition is identified as under: -

1. Manpower outsourcing Project
2. Franchisee
3. Trading Activities
4. Other operating revenue and service contracts
5. Telecommunications Project (Kuwait)

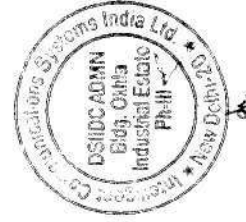
Segments Revenue, Results, Assets and Liabilities include amounts identifies to each segment. Other un-allocable Expenditure includes Revenue and Expenses which are not directly identifiable to the individual segments.



Segment Reporting For The Financial Year 2017-18

(Amount In Lakhs)

Particulars	Manpower Outsourcing Project		Franchisee		Trading Activities		Other Operating Revenue and Service Contracts		Telecommunications Projects(Kuwait)		Unallocated		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1 A. Segment Revenue														
External Turnover	12,903.85	9,105.22	588.03	432.72	58.64	209.79	3.77	85.13	1,276.46	4,786.92	-	-	14,830.75	14,619.78
Inter segment Turnover	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	12,903.85	9,105.22	588.03	432.72	58.64	209.79	3.77	85.13	1,276.46	4,786.92	-	-	14,830.75	14,619.78
2 B. Segment Results-EBDT	445.75	275.07	73.77	60.38	2.79	9.99	3.23	18.58	6.38	23.94	-	-	531.92	387.96
Add: Interest Income	-	-	-	-	-	-	-	-	-	-	146.78	102.34	146.78	102.34
Less: Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Other Income/(Expenses)	-	-	-	-	-	-	-	-	-	-	(49.39)	58.86	(49.39)	58.86
Profit Before Tax (PBT)	445.75	275.07	73.77	60.38	2.79	9.99	3.23	18.58	6.38	23.94	97.39	161.20	629.31	549.16
Current Tax	-	-	-	-	-	-	-	-	-	-	250.00	200.00	250.00	200.00
Deferred Tax	-	-	-	-	-	-	-	-	-	-	13.26	(18.93)	13.26	(18.93)
Net Profit After Tax	445.75	275.07	73.77	60.38	2.79	9.99	3.23	18.58	6.38	23.94	(165.87)	(19.87)	366.04	368.09
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	0.98	(2.15)	0.98	(2.15)
Total Comprehensive income net of Tax	445.75	275.07	73.77	60.38	2.79	9.99	3.23	18.58	6.38	23.94	(164.89)	(22.02)	367.02	365.94
3 Other Information														
Segment Assets	2,714.93	1,874.14	32.50	37.30	118.97	27.15	711.73	974.75	1,865.97	3,046.92	4,265.30	3,766.33	9,709.40	9,726.59
Segment Liabilities	1,515.25	919.28	42.86	38.88	111.26	25.39	599.11	805.87	1,786.11	3,001.81	3,428.86	3,076.44	7,483.45	7,867.67
Capital Expenditure	1.50	11.64	-	-	-	-	-	-	-	-	-	-	1.50	11.64
Depreciation	5.54	7.19	-	-	-	-	-	-	-	-	-	-	5.54	7.19



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

Notes Annexed to Kuwait Accounts for the year ended 31st March, 2018 incorporated.

I LIABILITIES

Contingent and other liabilities not provided for:

- a) Liabilities and claims in courts or under arbitration is NIL (Previous Year "NIL")
- b) Letter of credit outstanding as on 31st March 2018 is Rs. Nil (Previous Year Rs. "NIL").
- c) Guarantees issued by banks on behalf of Kuwait Branch outstanding as on 31st March 2018 is Rs. "NIL" (Previous year Rs."NIL").

II Estimated amount of contract remaining to be executed on Capital Account and not provided for are NIL as on 31st March, 2018 (Previous year NIL).

III 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, 2018.

IV Disclosure as per Ind AS-11 on " Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India with regards to Turnkey Contracts entered:

(Amounts in INR)		
Particulars	2017-18	2016-17
1. Contract revenue recognized for the year.	12,76,45,792	47,86,91,862
2. Amount of cost incurred and recognized profit in respect of work in progress	84,46,09,358	71,69,63,566
3. Amount due from customers (unbilled WIP)	41,80,987	31,47,710
4. Advances received from customers & outstanding as at year end.	NIL	NIL
5. Retention money outstanding as at year end.	8,40,42,837	71,187,924

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

VI In countries abroad where company has not yet been registered, transaction including purchase of assets in connection with the contracts have been carried out in the name of



Agent / JV Companies. The book value of Fixed Assets in the name of Agent / JV companies amount of Rs.21,56,904/- (Previous Year Rs. 24,54,221/-).

VII Previous year figures have been realigned/regroup whenever necessary except where such exercise is not feasible.

As per our report of even date

For K. K. Khanna & Co.

Firm registration number: 002221N

Chartered Accountants

For and on behalf of the Board of Directors:



(K. K. KHANNA)

Partner

Membership No. : 007887



(Devendra Kumar Gupta)

Director

DIN - 08064713

(Vinod Kumar Sinha)

Managing Director

DIN - 07964872

Place : New Delhi

Date : 14th September 2018



Equity Share Capital

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

SOCE - 1

Particulars	As at	
	31/Mar/18	31/Mar/17
Authorized		
Equity shares, 100 par value		
100000 equity shares	100	100
Issue, subscribed and fully paid - up		
Equity shares, 100 par value		
100000 equity shares	100	100
	100	100



Statement of changes in equity as at 31.03.2017

SOCE - 2

Equity

Equity	Equity Share Capital	Other Equity				Total equity attributable to equity holders of the company
		Reserve & Surplus			Other Items of Other comprehensive income	
		Securities premium reserve	General Reserve	Retained earnings		
As at 1st April 2016	100.00	12.48	892.93	536.45	(17.33)	1,524.53
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
Remeasurement of the net defined benefit liability/assets	-	-	-	-	(2.15)	(2.15)
Effect of deferment of security deposit	-	-	-	0.39	-	0.39
As at 31st March 2017	100.00	12.48	892.93	872.99	(19.48)	1,858.92

Statement of changes in equity as at 31.03.2018

Equity

Equity	Other Equity					(Figures in lakhs)
	Equity Share Capital	Reserve & Surplus			Other Items of Other comprehensive Income	Total equity attributable to equity holders of the company
		Securities premium reserve	General Reserve	Retained earnings		
As at 31st March 2017	100.00	12.48	892.93	872.99	(19.48)	1,858.92
Profit for the year	-	-	-	366.04	-	366.04
Appropriation of Dividend & tax thereon	-	-	-	24.07	-	24.07
Provision as per Actuary	-	-	-	-	-	-
Dividend including tax on dividend	-	-	-	(24.07)	-	(24.07)
Remeasurement of the net defined benefit liability/assets	-	-	-	-	0.98	0.98
As at 31st March 2018	100.00	12.48	892.93	1,239.03	(18.50)	2,225.95

Note : A Dividend of Rs 20 per share has been paid in Year 2017-18 pertaining to FY 2015-17.

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

For and on behalf of the Board of Directors:

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

Devendra Kumar Gupta
(Devendra Kumar Gupta)
Director
DIN - 08064713

(Vinod Kumar Sinha)
Managing director
DIN - 07964872

Place: New Delhi
Date: 14th September 2018



Note 3: Property, plant and equipment

	Furniture and Fixture	Office Equipment	Computer, Printer & Software	Electrical Equipment	Vehicles	Air- conditioners	Total
Gross Carrying Amount as on 31st March 2017	11.48	6.71	45.31	1.34	12.92	4.63	82.39
Depreciation 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
Addition Disposal/Adjustments	0.16	0.18	1.15	-	-	-	1.50
Gross Carrying Amount as on 31st March 2018	11.65	6.89	46.46	1.34	12.92	4.63	83.89
Depreciation Disposal/Adjustments Charges for the year	1.11	0.49	1.76	0.03	1.70	0.46	5.54
As on 31st March 2018	7.39	6.11	42.06	1.08	5.59	2.48	64.72
Net Block as on 31st March 2018	4.26	0.78	4.40	0.26	7.33	2.15	19.17

(Figures in lakhs)



Note 4: Financial assets

4(a) Trade Receivable

	(Figures in lakhs)	
	31/Mar/18	31/Mar/17
Trade receivable - Domestic	3,520.56	2,863.30
Trade receivable - Kuwait	1,697.58	2,906.87
Total receivable	5,218.14	5,770.17
Current portion	5,173.71	5,725.74
Non-current portion	44.43	44.43

Break up of trade receivable

	31/Mar/18	31/Mar/17
Secured, considered good	-	-
Unsecured, considered good	5,218.14	5,770.17
Doubtful	-	-
Total	5,218.14	5,770.17

4(b) Other financial assets

	31/Mar/18	31/Mar/17
Current		
Security Deposit	18.53	1.38
Interest accrued but not due on fixed deposit	36.25	43.99
Total	54.78	45.36
Non-current		
Security Deposit	-	-
Interest accrued but not due on fixed deposit	-	-
Total	-	-
Total other financial assets	54.78	45.36

Note 5: Other assets

	31/Mar/18	31/Mar/17
Current		
Unbilled Work in Progress- (MOC ICSIL Kuwait)	41.81	31.48
Prepaid Expenses	0.79	-
Total	42.60	31.48
Non-current		
Unbilled Work in Progress- (MOC ICSIL Kuwait)	-	-
Prepaid Expenses	-	-
Total	-	-
Total other assets	42.60	31.48

Note 6: Loans and advances

	31/Mar/18	31/Mar/17
Current		
Loans & Advances Kuwait	43.97	13.02
Advances to Staff	3.14	4.68
Total	47.12	17.70
Non-current		
Loans & Advances Kuwait	-	-
Advances to Staff	-	-
Total	-	-
Total loans and advances	47.12	17.70

Note 7: Current tax assets (Net)

	31/Mar/18	31/Mar/17
Advance income tax/TDS	1,037.19	954.81
Total current tax assets (Net)	1,037.19	954.81

Note 8: Cash and cash equivalents

	31/Mar/18	31/Mar/17
Cash in Hand	0.17	0.03
In current accounts with banks	485.85	279.53
With Foreign Bank at Kuwait	71.96	68.40
Bank deposit Accounts with less than 3 months maturity	-	931.70
Total cash and cash equivalents	557.98	1,279.65
Balances with Banks in unclaimed dividend accounts	19.80	12.00
Deposit with more than 12 months maturity	-	-
Balances with banks held as margin money and deposits against guarantees amounts	34.50	114.46

Note 9: Other Bank Balances

	31/Mar/18	31/Mar/17
Other Balances	2,698.95	1,541.00
Bank deposit Accounts with more than 3 months but less than 12 months maturity	-	-
Total Other Bank Balances	2,698.95	1,541.00



Note 10: Inventories

(Figures in lakhs)

	31/Mar/18	31/Mar/17
Traded goods	10.65	27.15
Total inventories	10.65	27.15

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

	31/Mar/18	31/Mar/17
Trade payable - Domestic	753.23	870.14
Trade payable - Kuwait	1,786.11	3,001.81
Total payable	2,539.34	3,871.95
Current portion	2,272.13	3,604.74
Non-current portion	267.21	267.21

11(b) Other financial liabilities

	31/Mar/18	31/Mar/17
Current		
Expenses Payable	1,515.26	1,168.35
Unclaimed Dividend	19.80	12.00
Security Deposit	1,235.99	933.96
Total	2,771.05	2,114.31
Non-current		
Expenses Payable	-	-
Unclaimed Dividend	-	-
Total	-	-
Total other financial liabilities	2,771.05	2,114.31

Note 12: Other liabilities

	31/Mar/18	31/Mar/17
Current		
Advance from customers	539.97	596.99
Taxes Payables	863.53	543.76
Other Liabilities	97.52	64.59
Total	1,501.03	1,205.34
Non-current		
Advance from customers	-	-
Taxes Payables	-	-
Other Liabilities	-	-
Total	-	-
Total other liabilities	1,501.03	1,205.34

Note 13: Provisions

	31/Mar/18	31/Mar/17
Current		
Provision for gratuity	5.05	1.84
Provision for leave encashment	0.36	1.38
Provision Other (Employees Benefits)	34.78	-
Total	40.19	3.21
Non-current		
Provision for gratuity	35.55	33.72
Provision for leave encashment	26.29	24.91
Provision Other (Employees Benefits)	-	-
Total	61.84	58.63
Total Provisions	102.03	61.84

Note 14: Current tax liabilities

	31/Mar/18	31/Mar/17
Provision for Income Tax	570.00	500.00
Proposed Equity Dividend	-	-
Total current tax liabilities	570.00	500.00



Note 15: Revenue from Operation

(Figures in lakhs)

	31/Mar/18	31/Mar/17
I. Sale of Products	58.64	209.79
II. Sale of Services		
a) Training Fees from Franchisee's under Contracts	588.03	432.72
b) AMC-Hardware and software & services	3.77	85.13
c) Manpower Outsourcing	12,903.85	9,105.22
III. Revenue from Kuwait operations	1,276.46	4,786.92
Revenue from operation	14,830.75	14,619.78

Note 16: Other Income

	31/Mar/18	31/Mar/17
Interest Income	146.78	102.34
Miscellaneous	25.88	39.89
Interest Income on deferment of security deposit	-	18.99
Other Income	172.66	161.21

Note 17 : Purchase of Traded Goods

	31/Mar/18	31/Mar/17
Printers & Scanners	4.88	26.96
Computers & Laptops	47.82	106.26
Software & Computer peripherals	-	31.40
Other telecom/IT equipments	1.36	2.01
Total Purchase of Trade Goods	54.06	166.62

Note 18: Cost of Service

	31/Mar/18	31/Mar/17
Share of Training Fees from Franchisee's under Contracts	514.26	372.34
AMC-Hardware and software & services	0.54	66.55
Manpower Outsourcing Cost	11,871.82	8,408.81
Total Cost of Service	12,386.62	8,847.70

Note 19: Cost of contract executed at ICSIL Kuwait

	31/Mar/18	31/Mar/17
Cost of Contract	1,270.08	4,762.99
Total Cost of Contract	1,270.08	4,762.99



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

	31/Mar/18	31/Mar/17
Opening Stock		
Stock-in-Trade	21.17	35.48
(A)	21.17	35.48
Closing Stock		
Stock-in-Trade	-	21.17
(B)	-	21.17
Net (Increase) / Decrease in Stocks (A-B)	21.17	14.31

Note 21: Employee Benefit Expenses

	31/Mar/18	31/Mar/17
Salaries and allowances	319.21	215.53
Staff Welfare	9.76	10.47
Contribution to EPF & FPF	9.04	17.00
Medical Reimbursement	8.73	4.39
Leave Salary, Pension & Other fund contribution	31.31	10.47
PF Admn. & EDLI Charges	-	-
Gratuity	5.63	4.67
Tuition Fees	0.96	0.67
Total employee benefit expenses	384.64	263.20

Note 22: Finance Cost

	31/Mar/18	31/Mar/17
Bank Gurantee Charges	2.44	3.63
Other Interest / Interest On statutory Dues	10.72	47.17
Finance cost on amortization of Security Deposit	-	19.38
Total finance cost	13.16	70.18

Note 23: Other Expenses

	31/Mar/18	31/Mar/17
Rent Office	80.77	-
Printing & Stationary	2.46	2.89
Books Periodicals	0.70	0.28
Advertisement	1.38	1.92
Consultancy charges/Fees	1.46	3.15
Telephone & Trunkcalls	4.84	4.95
Conveyance	14.58	10.95
Postage & Telegram	0.75	0.84
Repair & Maintenance of Vehicles	1.27	2.37
Repair Plant & Machinery	-	0.14
Repair & Maintenance Others	1.44	4.37
Travelling expenses	0.33	0.21
Statutory Auditors' Remuneration	1.40	1.40
Rates, Taxes & Fees	0.33	1.54
Insurance	2.02	3.24
Professional, legal & other consultancy charges	20.07	17.60
Courtesy to companys' guests	0.45	0.62
Electricity Charges	6.75	5.80
Water Charges	0.80	1.12
Honorarium	1.85	4.70
Security Services	6.82	4.40
SEMINAR & TRAINING	0.16	-
Cenvat Credit Reversal	0.43	10.35
Excess income tax TDS written off	75.27	-
Miscellaneous expenses	3.42	16.81
Total other expenses	229.75	99.64



**Annexure to notes forming part of the Financial Statements for the
Year ended 31st March, 2018**

Financial instruments – Fair values measurement

Financial instruments by category (All amounts are in Rupees in Lakhs, unless otherwise stated)

	31-Mar-18			31-Mar-17		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans & Advances		-	47.12	-	-	17.70
Cash and Cash Equivalents		-	557.98	-	-	1279.65
Other Bank Balances		-	2698.95	-	-	1541.00
Trade receivables		-	5218.14	-	-	5770.17
Other financial Assets			54.78	-	-	45.36
Total		-	8576.97	-	-	8653.87
Financial liabilities						
Trade payables		-	2539.34	-	-	3871.95
Other financial liabilities		-	2771.05	-	-	2114.31
Total		-	5310.40	-	-	5986.26

Fair value measurement

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2018	Fair value measurement using				
	Level 1	Level 2	Level 3	Total	Total
Financial assets:					
Loan & Advances	-	-	47.12	47.12	47.12
Trade receivables	-	-	5218.14	5218.14	5218.14
Cash and Cash Equivalents	-	-	557.98	557.98	557.98
Other Bank Balances	-	-	2698.95	2698.95	2698.95
Other financial Assets			54.78	54.78	54.78



	-	-	8576.97	8576.97	8576.97
Financial liabilities:					
Trade payables	-	-	2539.34	2539.34	2539.34
Other Financial Liabilities	-	-	2771.05	2771.05	2771.05
	-	-	5310.40	5310.40	5310.40

Financial assets and liabilities measured at fair value

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2017	Fair value measurement using				
	Level 1	Level 2	Level 3	Total	Total
Financial assets:					
Loan & Advances			17.70	17.70	17.70
Trade receivables	-	-	5770.17	5770.17	5770.17
Cash and Cash Equivalents	-	-	1279.65	1279.65	1279.65
Other Bank Balances	-	-	1541.00	1541.00	1541.00
Other financial Assets			45.36	45.36	45.36
	-	-	8653.87	8653.87	8653.87
Financial liabilities:					
Trade payables	-	-	3871.95	3,871.95	3,871.95
Other Financial Liabilities	-	-	2114.31	2,114.31	2,114.31
	-	-	5986.26	5986.26	5986.26

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There have been no transfers in either direction for the years ended 31st March 2018 and 31st March 2017.



Fair value

	31-Mar-18	31-Mar-17
Financial assets		
Advances & Loan	47.12	17.70
Trade receivables	5,218.14	5,770.17
Cash and Cash Equivalents	557.98	1,279.65
Other Bank Balances	2,698.95	1,541.00
Other financial Assets	54.78	45.36
Financial liabilities		
Trade payables	2,539.34	3,871.95
Other Financial Liabilities	2,771.05	2,114.31

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



गोपनीय



क्रमांक..... रिपोर्ट-पीएसयू लेखा/एफ-175/आईसीएसआईएल/2017-18/

17 No-574

No.

कार्यालय

महानिदेशक लेखापरीक्षा, डाक व दूरसंचार

शाम नाथ मार्ग, (समीप पुराना सचिवालय), दिल्ली-110054

OFFICE OF THE

DIRECTOR GENERAL OF AUDIT, POST & TELECOMMUNICATIONS

SHAM NATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

दिनांक..... 05/12/18.....

Date

सेवा मे

प्रबंध निदेशक

इंटेलिजेंट कम्युनिकेशन सिस्टम्स इंडिया लिमिटेड

नई दिल्ली -110020

विषय: इंटेलिजेंट कम्युनिकेशन सिस्टम्स इंडिया लिमिटेड (आई.सी.एस.आई.एल) के 31 मार्च 2018 को समाप्त खातों पर कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के तहत भारत के नियंत्रक और महालेखा परीक्षक की टिप्पणियां।

महोदय,

इंटेलिजेंट कम्युनिकेशन सिस्टम्स इंडिया लिमिटेड (आई.सी.एस.आई.एल) के 31 मार्च 2018 को समाप्त खातों पर कंपनी अधिनियम, 2013 की धारा 143 (6) (बी) के तहत 'शून्य टिप्पणियां' प्रमाण पत्र इस पत्र के साथ संलग्न हैं।

कृपया पावती भेजे।

संलग्न: ऊपरोक्त अनुसार

भवदीय,

शोभना

(शोभना मूर्ति)

व.ले.प.अधि.

(पीएसयू A/Cs)

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF M/s INELLIGENT COMMUNICATION SYSTEMS INDIA
LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of M/s **INELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED, NEW DELHI** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 September 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of M/s **INELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED, NEW DELHI** for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

Place:- *Delhi*
Date:- *05/12/18*

Sangita Choure
(Sangita Choure)
Director General of Audit
(Post & Telecommunication)