

INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
AUDITED BALANCE SHEET AS AT 31st MARCH 2016

	Notes	31-Mar-16	31-Mar-15
Equity and Liabilities			
Shareholders' funds	3	10,000,000.00	10,000,000.00
Share Capital	4	139,631,665.15	109,987,295.91
Reserves and surplus		<u>149,631,665.15</u>	<u>119,987,295.91</u>
Non-current liabilities			
Long-term provisions	5	5,107,639.00	4,489,095.00
Other Non current liabilities	6	15,977,885.60	21,254,384.00
		<u>21,085,524.60</u>	<u>25,743,479.00</u>
Current Liabilities			
Trade payable	6	111,870,071.01	172,911,977.57
Other current liabilities	7	283,218,451.88	280,504,077.75
Short-term provisions	5	36,745,187.00	38,399,880.00
		<u>431,833,709.89</u>	<u>491,815,935.31</u>
		<u>602,550,899.64</u>	<u>637,546,710.22</u>
TOTAL			
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	8	1,901,818.97	2,003,579.17
Deferred tax assets (net)	9	1,714,662.00	1,413,155.00
Long-term loans and advance	10	106,000.00	509,000.00
Other Non Current Assets	12.1	17,299,003.89	24,471,594.00
		<u>21,021,484.86</u>	<u>28,397,328.17</u>
Current assets			
Inventories	11	4,307,906.03	37,264,375.54
Trade receivables	12.1	339,922,756.70	332,237,051.68
Cash and bank balances	13	144,737,690.23	138,324,566.45
Short-term loans and advances	10	81,676,895.86	67,203,344.40
Other current assets	12.2	10,884,165.96	34,120,043.98
		<u>581,529,414.78</u>	<u>609,149,382.05</u>
		<u>602,550,899.64</u>	<u>637,546,710.22</u>

TOTAL Summary of significant accounting policies 1 & 2

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

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


K. K. KHANNA
 Partner
 Membership No :

Place : New Delhi
 Date : 15 OCT 2016

For and on behalf of the Board of Directors :


(AJAY AGARWAL)
 Director
 DIN: 06778079




(KAMENDRA KUMAR)
 Managing Director
 DIN: 07578257

INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
AUDITED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2016

	Notes	31-Mar-16	31-Mar-15
Revenue			
Income			
Revenue from operations	14	1,134,786,861.66	967,025,086.27
Other Income	15	11,067,093.87	10,957,183.50
Total (I)		1,145,853,955.53	977,982,269.77
Expenses			
Purchase of traded goods	16	40,136,898.69	123,669,633.72
Cost of Services, Maintenance etc.	17.1	821,349,793.65	715,227,980.99
(Increase)/ decrease in inventories of traded goods	18	33,640,357.51	(27,453,720.12)
Cost of Contract Executed at ICSIL Kuwait	17.2	164,697,048.64	72,490,582.00
Employee benefits expense	19	23,152,593.00	18,987,067.00
Other expenses	20	10,304,618.65	38,134,283.87
Total (II)		1,093,281,310.14	941,055,827.46
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		52,572,645.39	36,926,442.31
Depreciation	21	689,249.00	945,914.55
Finance costs	22	2,133,382.15	621,343.20
Profit / (loss) before exceptional items and tax		49,750,014.24	35,359,184.56
Exceptional Items			
Excess Provision written back/written off		-	-
Prior Period Expenses		-	-
Tax expenses			
Current tax		18,000,000.00	15,000,000.00
Deferred tax		(301,507.00)	(1,840,439.00)
Total Tax		17,698,493.00	13,159,561.00
Profit / (loss) for the year		32,051,521.24	22,199,623.56
Basic/Diluted Earning Per Share		320.52	222.00

Summary of significant accounting policies

1 & 2

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

As per our report of even date

For K. K. Khanna & Co.

Firm registration number : 002848N

Chartered Accountants



K. K. KHANNA
 Partner

Membership No :


Place : New Delhi

Date : **15 OCT 2016**

For and on behalf of the Board of Directors :


(AJAY AGARWAL)
 Director

DIN: 06778079


(KAMENDRA KUMAR)
 Managing Director

DIN: 07578257



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 (Rs.)	31 March 2015 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax from continuing operations	4,97,50,014.24	3,53,59,184.56
Profit before tax from discontinuing operations	-	-
Profit before tax	4,97,50,014.24	3,53,59,184.56
Non cash adjustment to reconcile profit before tax to net cash	-	3,53,889.86
Adjustment on account of Schedule II of the Companies Act, 2013	6,89,249.00	9,45,914.55
Depreciation/amortization on continuing operations	-	9,43,800.00
Fixed Assets Capital WIP	(1,76,98,493.00)	(1,31,59,561.00)
Provision for income tax	(88,20,374.35)	(92,30,394.01)
Interest income	-	-
Dividend income	2,39,20,395.90	1,52,12,833.96
Operating profit before working capital changes	-	-
Movements in working capital	(52,76,498.40)	6,77,90,478.54
Increase/(decrease) in trade payables	6,18,544.00	6,56,461.00
Increase/(decrease) in long term provisions	(16,54,693.00)	39,82,685.00
Increase/(decrease) in short term provisions	(6,10,41,906.56)	4,95,84,605.09
Increase/(decrease) in current liabilities	(5,13,114.91)	(86,58,637.56)
Decrease/(increase) in trade receivables	3,29,56,469.51	(2,74,53,720.12)
Decrease/(increase) in inventories	4,03,000.00	(2,40,11,040.00)
Decrease/(increase) in long term loans and advances	1,82,75,974.69	4,17,578.93
Decrease/(increase) in short term loans and advances	2,56,48,745.16	(2,71,30,225.99)
Decrease/(increase) in other current assets	(3,27,49,526.15)	(1,29,58,026.80)
Direct taxes paid (net of refunds)	5,87,390.24	3,74,32,992.05
Net cash flow from/(used in) operating activities (A)	-	-
B. Cash flow from investing activities	(5,87,488.80)	(4,18,389.86)
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3,03,39,081.00)	(1,55,00,498.02)
Investments in bank deposits (having original maturity of more than three months)	(3,09,26,569.80)	(1,59,18,887.88)
Net cash flow from/(used in) investing activities (B)	-	-
C. Cash flow from financing activities	88,20,374.35	92,30,394.01
Interest Income	-	-
Interest paid	(24,07,152.00)	(23,99,880.00)
Dividend	64,13,222.35	68,30,514.01
Net cash flow from/(used in) in financing activities (c)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,39,25,957.22)	2,83,44,618.18
Cash and cash equivalents at the beginning of the year	5,27,00,957.14	2,43,56,338.96
Cash and cash equivalents at the end of the year	2,87,74,999.92	5,27,00,957.14
Components of cash and cash equivalents	23,033.00	5,966.00
Cash in hand	2,87,51,966.92	5,26,94,991.14
With banks-on current account	2,87,74,999.92	5,27,00,957.14
Total cash and cash equivalents (note)	-	-

Summary of significant accounting policies 1 & 2

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


As per our report of even date


K. K. KHANNA
 Membership No : 7787
 Partner
 K. K. Khanna & Co.
 Chartered Accountants
 FRN:- 002221N

Place : New Delhi

Date : 15 OCT 2016

For and on behalf of the Board of Directors


(AJAY AGARWAL)
 Director


(KAMENDRA KUMAR)
 Managing Director
 DIN: 07578257



Notes forming part of the Financial Statements for the year ended
31st March, 2016

HEAD OFFICE

1. Corporate information

Intelligent Communications Systems India Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the trading of Hardware/ Software Items such as computer/telecom/IT equipments of reputed brands. The company caters to domestic markets. The company also supplies manpower to various organizations, and provides education through licensees under individual agreements with each one of them. The company also undertakes annual maintenance contracts of hardware items.

2. Summary of Significant Accounting policies

2.1 General

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally acceptable accounting principles in India. The financial statements have been prepared to comply in all material respects with the Accounting Standard notified under section 133 of the company Act 2013 read with Rules 7 of the companies (Accounts) rule, 2014.

2.2 Use of Estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balance of assets and liabilities and disclosure relating to the contingent liabilities as at the financial statements and reported amounts of income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2.3 System of Accounting

The company follows the accrual basis of accounting. However, course fee has been accounted for on accrual basis to the extent of amount intimated and realized by Licensees upto 31st March, 2016.

2.4 Revenue Recognition

Sales and Services

- a) Sales are accounted for on passing over of the property in the goods to the Customer.
- b) In the case of Annual Maintenance Contracts, income is recognized with reference to the period under contract.



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c) In case of Turnkey project (Domestic), income is booked on the basis of amount billed and accepted under the contract.

d) In case of manpower supply income is recognized on accrual basis.

2.5 Valuation of Stocks

Stock-in-trade is valued at lower of cost or Market Price.

2.6 Fixed Assets & Depreciation

Fixed Assets are stated at cost, less accumulated depreciation/amortization. Cost includes all expenses incurred to bring the assets to its present location and condition.

In accordance with Schedule II of the Companies Act, 2013, depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over its useful life.

2.7 Provision for Warranty / Maintenance Period Expenses

No provision for warranty/ maintenance period expenses is made. Such expenses are borne on actual basis.

2.8 Retirement Benefits

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

<u>S.N</u>	<u>Particulars</u>	<u>31/03/2016</u>	<u>31/03/2015</u>
1.	Change in Present Value of Obligations during the year		
	Present Value of obligations at the beginning of the year	23,75,420/-	20,42,049/-
	Interest Cost	1,85,283/-	1,85,826/-
	Past Service Cost	----	----
	Current Service Cost	2,41,759/-	2,20,791/-
	Benefit Paid	NIL	(4,50,000/-)
	Actuarial (Gain) / Loss on obligation	4,128/-	3,76,754/-
	Present value of obligation at the end of the period	28,06,590/-	23,75,420/-
2.	Changes in the fair Value of Plan Assets during period		
	Fair Value of Plan Assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected Return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
3.	Fair value of Plan Assets during the year		
	Fair value of Plan Assets at the beginning of period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----



	Benefits paid		----
	Fair value of plan assets at the end of year	(28,06,590/-)	----
	Funded Status	----	(23,75,420/-)
	Excess of actual over estimated return on plan assets		----
4.	Actuarial Gain/Loss recognized for the period		
	Actuarial gain/(loss) on obligations	(4,128/-)	(3,76,754/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total (gain)/ loss for the period	4,128/-	3,76,754/-
	Actuarial (gain) /loss recognized for the period	4,128/-	3,76,754/-
	Unrecognized actuarial (gains)/losses at the end of the period.	---	----
5.	Amounts to be recognized in the Balance Sheet and P & L Account		
	Present value of obligation at the end of the period	28,06,590/-	23,75,420/-
	Fair value of plan assets at the end of the period	----	----
	Funded Status	(28,06,590/-)	(23,75,420/-)
	Net (Assets) / Liability recognized in Balance Sheet	28,06,590/-	23,75,420/-
6.	Expenses recognized in the statement of Profit & Loss for the period		
	Current Service Cost	2,41,759/-	2,20,791/-
	Interest Cost	1,85,283/-	1,85,826/-
	Expected Return on Plan Assets	----	----
	Net Actuarial (gain)/loss recognized	4,128/-	3,76,754/-
	Expenses recognized in Profit & Loss	4,31,170/-	7,83,371/-
7.	Amount for the Current Period		
	Present value of obligation	28,06,590/-	23,75,420/-
	Plan Assets	----	----
	Surplus (Deficit)	(28,06,590/-)	(23,75,420/-)
	Experience adjustments on plan Liabilities (loss)/gain	17,240/-	(1,45,481/-)
	Experience adjustments on plan Assets (loss)/gain	---	----
8.	Reconciliation Statement of Expenses in the statement of Profit & Loss		
	Present value of obligation as at the end of period	28,06,590/-	23,75,420/-
	Present value of obligation at the beginning of the year	(23,75,420/-)	(20,42,049/-)
	Benefits paid	NIL	4,50,000/-
	i) Directly paid by the enterprise	----	----
	ii) Payment made out of the fund	----	----
	Actual return on plan assets	4,31,170/-	7,83,371/-
	Expenses recognized in the profit & loss		
9.	Movement in the Liability recognized in the Balance Sheet		
	Opening net liability	23,75,420/-	20,42,049/-
	Expenses as above	4,31,170/-	7,83,371/-
	Benefits paid directly by the Enterprises	NIL	(4,50,000/-)
	Contribution paid into the fund	---	----
	Closing net liability	28,06,590/-	23,75,420/-



10. **Major Categories of Plan Assets (as % of total plan Assets)**

Government of India Securities	----	----
State Government Securities	----	----
High Quality Corporate Bonds	----	----
Equity Shares of Listed Companies	----	----
Property	----	----
Special Deposit Scheme	----	----
Funds managed by Insurer	----	----
Bank Balance	----	----
Fixed Deposit	----	----
Other Assets	----	----
TOTAL	----	----

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

<u>S.N</u>	<u>Particulars</u>	<u>31/03/2016</u>	<u>31/03/2015</u>
1.	Change in Present Value of Obligations		
	Present Value of obligations at the beginning of the period	21,13,675/-	17,90,585/-
	Interest Cost	1,64,867/-	1,62,943/-
	Current Service Cost	86,747/-	88,290/-
	Benefits paid	(3,36,983/-)	(10,07,613/-)
	Actuarial (Gain) / Loss on obligation	2,72,743/-	10,79,470/-
	Present value of obligation as at the end of the period	23,01,049/-	21,13,675/-
2.	Change in fair Value of Plan Assets during the year		
	Fair Value of plan assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on Plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
3.	Fair value of Plan Assets		
	Fair value of Plan Assets at the beginning of the period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----
	Benefits paid	----	----
	Fair value of plan assets at the end of the period	----	----
	Funded / (Unfunded) Status	(23,01,049/-)	(21,13,675/-)
	Excess of actual over estimated return on plan assets	----	----
4.	Actuarial Gain/Loss recognized for the period		
	Actuarial gain/(loss) on obligations	(2,72,743/-)	(10,79,470/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total Actuarial (gain) / loss for the period	2,72,743/-	10,79,470/-
	Actuarial (gain) / loss recognized for the period	2,72,743/-	10,79,470/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----	----
5.	Amounts to be recognized in the Balance Sheet and P & L Account		
	Present value of obligation at the end of the period	23,01,049/-	21,13,675/-
	Fair value of plan assets as at the end of the period	(23,01,049/-)	(21,13,675/-)
	Funded Status	23,01,049/-	21,13,675/-
	Net (Assets) / Liability recognized in Balance Sheet		



6. Expenses recognized in Profit & Loss		
Current Service Cost		
Interest Cost	86,747/-	88,290/-
Expected Return on Plan Assets	1,64,867/-	1,62,943/-
Net Actuarial (gain)/loss recognized	----	----
Expenses recognized in Profit & Loss	2,72,743/-	10,79,470/-
	5,24,357/-	13,30,703/-
7. Amount for the Current Period		
Present value of obligation	23,01,049/-	21,13,675/-
Plan Assets		
Surplus (Deficit)	----	----
Experience adjustments on plan Liabilities (loss)/gain	(23,01,049/-)	(21,13,675/-)
Experience adjustments on plan Assets (loss)/gain	(2,56,457/-)	(8,91,999/-)
	-----	-----
8. Reconciliation Statement of Expenses of Profit & Loss		
Present value of obligation as at the end of period	23,01,049/-	21,13,675/-
Present value of obligation as at beginning of the period	(21,13,675/-)	(17,90,585/-)
Benefits paid		
i) Directly paid by the enterprise	3,36,983/-	10,07,613/-
ii) Payment made out of the fund	----	----
Actual return on plan assets	----	----
Expenses recognized in the profit & loss	5,24,357/-	13,30,703/-
9. Amount in the liability Recognized in the Balance Sheet		
Opening net liability	21,13,675/-	17,90,585/-
Expenses as above	5,24,357/-	13,30,703/-
Benefits paid directly by the enterprises	(3,36,983/-)	(10,07,613/-)
Contribution paid into the fund	---	---
Closing net liability	23,01,049/-	21,13,675/-
10. Major Categories of Plan Assets (as % of total plan Assets)		
Government of India Securities	----	----
State Government Securities	----	----
High Quality Corporate Bonds	----	----
Equity Shares of Listed Companies	----	----
Property	----	----
Special Deposit Scheme	----	----
Funds managed by Insurer	----	----
Bank Balance	----	----
Fixed Deposit	----	----
Other Assets	----	----
TOTAL	----	----

2.09 Provision for doubtful debts/advances

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

2.10 INCOME TAX

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

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



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

2.11 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.

2.12 Impairment of Assets:

As stipulated in AS-28, after due assessment, company is of the view that there is no indication of impairment of any assets and accordingly no impairment provision is called for in this case. Hence, there is no impact on profit for the year.

2.13 Contingent liability

Claims against the Company not acknowledged as debts

- a. M/s D.M. Systems (P) Ltd. V/S ICSIL, suit for recovery of Rs. 19,75,518 /-. The decision of the Court order taken on 30.07.2014, for which ICSIL further proceeded to file application in Saket Court to set aside the ex-Parte decree dated:30.07.2014
- b. Muzzaffer Majeed Dar & Anr. V/S Union of India, wherein the exact anticipated liability cannot be specifically ascertained, since the nature of the case revolves around rehabilitation of two technicians who claim to be ICSIL employees. If the matter was to be decided in their favour, the court could order ICSIL to pay them accrued salaries, as well as the relevant cost to give them appropriate employment.
- c. Jaubir S. Baliyan V/S ICSIL & Ors, wherein the petitioner has sought interest @15% per annum on Arbitral Award(dated 17.05.2012) sum of Rs. 5,29,760 /-. The petition has been filed on 13.08.2012. Additionally, the petitioner has also sought Rs. 59,946.75 /- towards a certain outstanding maintenance charges, and cost of arbitral proceedings.
- d. Mr. Mahendra Kumar V/S ICSIL, wherein the petitioner has filed suit for recovery of security money and EPF of the education project dated 14 Dec, 2009. As per the ABG court order ICSIL has to pay Rs.60,000/- along with interest @ 8% for termination of service.

Bank Guarantee

The company has given Bank Guarantees' through Allahabad Bank, Indian Bank, State Bank of India and Axis Bank worth Rs. 4,09,27,052/- 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.4,21,38,242/-



2.14 Related Party disclosures

Transactions with related parties in the normal course of business

<u>Related Parties where control exists</u>		<u>Amount of transaction</u>		<u>Nature of transaction</u>
		<u>Current Year</u>	<u>Previous Year</u>	
TCIL	Associate Company	NIL	28,630,472.00	Arbitration claims, Interest claims and other dues paid (net) adjusted upon Arbitration Award of TCIL
TCIL	Associate Company	16,46,97,048.60	72,414,950.89	Sub contractor Expenses Relating to ICSIL Kuwait
		165524672.00	72,778,845.00	Receivable from MOC on behalf of TCIL
		827623.36	3,63,894.22	Dues from TCIL (NET)
DSI IDC	Associate Company	134,725,260.00	1,52,523,790.00	Manpower, Hardware, CCTV and Services

Key Management personnel

Mr. Kamendra Kumar	(Since 14.07.2016)	Managing Director
Mr. R.S. Kaushik	(From 19.05.2014; Upto 08.07.2016)	Managing Director
Mr.G.K.Nanda	(From 04.10.2011; Upto 18.05.2014)	Managing Director

Remuneration of Managing Director 31st March. 2016

	<u>31st March, 2016</u>	<u>31st March, 2015</u>
Salaries & Allowances	15,75,085.00	1,405,719.00
House Rent Allowance	2,18,532.00	217,263.00
Medical	82,476.00	24,407.00
Gratuity & Leave Salary	2,40,498.00	226,639.00
Pension Contribution		
	<u>21,16,591.00</u>	<u>1,874,028.00</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.

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

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

2.17 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.

2.18 The Internal control system needs to be strengthened in commensurate with the size of the Company and the nature of its business. The company needs to improve controls to reconcile old customer advances with debtors and for depositing statutory liabilities in time which in



many instances, have been accounted for at year end. Due to such practices the statutory liabilities like PF and ESI at times are not paid within the prescribed time. The company has inadequate policy for indentifying and following up to write off/ write back of old debit and credit balances and there is no adequate system in place to obtain confirmations from the parties.


2.19 Service Tax

There is a service tax liability of Rs. 50,22,373/- 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.


As on 31st March, 2014 the company had old service tax demand of Rs. 15,55,807.59/- out of which a sum of Rs. 12,55,613/- was paid on 22nd May, 2015. The balance demand of Rs. 3,00,194/- is still not cleared. 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.

2.20 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.

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


(AJAY AGARWAL)
DIRECTOR
DIN: 06778079




(KAMENDRA KUMAR)
MANAGING DIRECTOR
DIN: 07578257

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

FOR K.K.KHANNA & CO.,
CHARTERED
ACCOUNTANTS
FIRM REG. NO. 002221 N

Date: 15 OCT 2016
Place: Delhi


(K.K.KHANNA)
PARTNER
MEMBERSHIP NO. 7887

Notes Annexed to Kuwait Accounts for the year ended 31st March, 2016.

I LIABILITIES

1. Contingent and other liabilities not provided for:
- Liabilities and claims in courts or under arbitration is NIL (Previous Year NIL/-)
 - Letter of credit arranged directly and through the agent outstanding as on 31st March, 2016 Rs.10,66,52,053/- (Previous Year Rs. NIL/-). There is no L/C opened with any counter – guarantee from India.
 - Guarantees issued by banks on behalf of Kuwait Branch directly and through its agent/ TCIL outstanding as on 31st March,2016 are Rs.14,65,45,021/- (Previous year Rs.13,90,26,901/-).

II BANK BALANCE

1. Maximum amount outstanding (as per Bank Statements) at any time during the year with banks other than schedule banks.

	<u>2015-2016</u> <u>INR</u>	<u>2014-2015</u> <u>INR</u>
National Bank of Kuwait	3,05,62,586/-	50,16,747/-
Gulf Bank	92,738/-	90,499/-

- III Estimated amount of contract remaining to be executed on Capital Account and not provided for are NIL as on 31st March, 2016 (Previous year NIL).

- IV 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, 2016.

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

(Amounts in INR)


	<u>2015-16</u>	<u>2014-15</u>
1. Contract revenue recognized for the year,	16,55,24,672	7,27,47,032
2. Amount of cost incurred and recognized profit in respect of work in progress	23,82,71,704	7,27,47,032
3. Amount due from customers (unbilled WIP)	76,33,415	2,80,96,758
4. Advances received from customers & outstanding as at year end.	NIL	NIL
5. Retention money outstanding as at year end.	2,30,63,830	44,65,027

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



VII IMPAIRMENT OF ASSETS

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


(AJAY AGARWAL)
DIRECTOR
DIN: 06778079



Date: 15 OCT 2016
Place: Delhi




(KAMENDRA KUMAR)
MANAGING DIRECTOR
DIN: 07578257

INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016

3. Share Capital

Authorized shares (Rs)

1,00,000 Equity shares of Rs 100/- each

31-Mar-16	31-Mar-15
10,000,000.00	10,000,000.00

Issue, subscribed and fully paid - up shares (Rs)

1,00,000 Equity shares of Rs 100/- each

31-Mar-16	31-Mar-15
10,000,000.00	10,000,000.00
10,000,000.00	10,000,000.00

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

Equity shares

	31-Mar-16 No	31-Mar-16 (Rs.)	31-Mar-15 No	31-Mar-15 (Rs.)
At the beginning of the year	100,000	10,000,000.00	100,000	10,000,000.00
Issued during the year	-	-	-	-
issued during the period- ESOP	-	-	-	-
Outstanding at the end of the year	100,000	10,000,000.00	100,000	10,000,000.00

b. Terms/rights attached to equity shares

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

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

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

	31-Mar-16 No	31-Mar-16 % holding in the class	31-Mar-15 No	31-Mar-15 % holding in the class
Equity shares of 100 each fully paid				
TELECOMMUNICATIONS CONSULTANTS INDIA LTD.	36,000	36%	36,000	36%
DELHI STATE INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.	40,000	40%	40,000	40%
ORISON INFOCOM PVT. LTD.	9,000	9%	9,000	9%
FALCON CABLE TV, USA	15,000	15%	15,000	15%



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016
4. Reserves and Surplus

	31-Mar-16	31-Mar-15
Surplus /(deficit) in the statement of profit and loss		
Balance as per last financial statements	109,987,295.91	90,541,442.21
Profit for the year	32,051,521.24	22,199,623.56
Adjustment on account of Schedule II of the Companies Act, 2013		(353,889.86)
Less : Appropriations :		
Proposed Dividend	2,000,000.00	2,000,000.00
Income Tax on Proposed Dividend	407,152.00	399,880.00
Net Surplus for the Year	29,644,369.24	19,445,853.70
Total reserves and surplus	139,631,665.15	109,987,295.91

5. Provisions
Other Long Term Provision

PROVISION FOR GRATUITY	2,806,590.00	2,375,420.00
Provision for Leave Encashment	2,301,049.00	2,113,675.00
	5107639.00	4489095.00

Short Term Provision

Proposed Equity Dividend	2,000,000	2,000,000
Provision of tax on proposed Equity dividend	822,482.00	399,880
Provision for tax on Income	33,922,705.00	36000000.00
	36745187.00	38399880.00

6. Trade Payable

	31-Mar-16	31-Mar-15
Non-current		
Trade payables -(Supplier/Service Providers)	15,977,885.60	21,254,384.00
	15,977,885.60	21,254,384.00
Current		
Trade payables -(Supplier/Service Providers)	78,086,617.01	124,813,012.34
Trade payables -Sub Contractor (ICSIL KUWAIT)	33,783,454.00	48,098,965.23
	111,870,071.01	172,911,977.57

7. Others Liabilities

Advance from customers	66,209,648.45	63,521,431.79
Duties & Taxes	50,045,985.85	79,092,818.39
Reserve and Surplus (Kuwait Branch)	64,845,785.00	26,245,673.78
Security deposit	21,769,256.00	23,035,208.40
Unclaimed Dividend	1,200,000.00	900,000.00
Expenses payable	76,931,471.58	86,109,988.19
Other Liabilities	2,216,305.00	1,598,957.20
	283,218,451.88	280,504,077.75



8. Tangible Assets	Furniture and Fixture	Office Equipment	Computer , Printer & Software	Electrical Equipment	Vehicles	Air- conditioners	Total
Gross Block							
At 31 MARCH 2015	958,124.60	648,333.34	3,774,949.94	105,681.00	1,091,630.00	425,600.00	7,004,318.88
Additions	73,062.63	-	514,426.98	-	-	-	587,489.61
Disposal/Adjustments	-	-	-	-	-	-	-
At 31 MARCH 2016	1,031,187.23	648,333.34	4,289,376.92	105,681.00	1,091,630.00	425,600.00	7,591,808.49
Depreciation							
At 31 MARCH 2015	428,736.66	420,549.86	3,271,211.09	102,976.67	673,391.21	103,875.02	5,000,740.51
Disposals/Adjustments Charge for the year	-	-	-	-	-	-	-
	94,656.09	70,768.54	386,711.93	-	84,571.46	52,540.98	689,249.00
At 31 MARCH 2016	523,392.75	491,318.40	3,657,923.02	102,976.67	757,962.67	156,416.01	5,689,989.52
Net block							
At 31 MARCH 2016	507,794.48	157,014.94	631,453.90	2,704.33	333,667.33	269,183.99	1,901,818.97
At 31 March 2015	529,387.94	227,784.28	503,738.85	2,704.33	418,238.79	321,724.98	2,003,579.17



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016
9. Deferred Tax Asset (Net)

	31-Mar-16	31-Mar-15
	(Rs.)	(Rs.)
Deffred Tax Asset/(Liability)	1,413,155.00	(427,284.00)
Variation over previous year	301,507.00	1,840,439.00
Net Deffered Tax Asset	1,714,662.00	1,413,155.00

10. Loan and Advances
Non-current
Security deposit

Unsecured, considered good		403,000.00
Cash loss due to theft considered doubtful	106,000.00	106,000.00
Loans & Advances Kuwait	-	-
Total	106,000.00	509,000.00

Current
Advances recoverable in cash or kind

Unsecured considered good	-	-
Other loans and advances		
Loans & Advances Kuwait	1,001,340.00	984,887.00
Earnest Money Deposit	159,455.00	-
Advances to Staff	578,271.00	284,284.00
Advance Income tax/TDS	79,937,829.86	65,934,173.40
Total	81,676,895.86	67,203,344.40

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

Traded goods (HO-Delhi)	3,548,297.03	37,188,654.54
Traded goods (Kuwait - Branch)	759,609.00	75,721.00
	4,307,906.03	37,264,375.54



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

Notes to Financial statements for the Period ended 31st March 2016

12. Trade Receivables and Other Assets	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
12.1 Trade receivables		
Non-current		
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured, considered good	17,299,003.89	24,471,594.00
	17,299,003.89	24,471,594.00
Current		
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured, considered good	22067674.13	72,382,993.96
	22,067,674.13	72,382,993.96
Other receivables		
Unsecured, considered good - Domestic	230258641.57	215,203,783.72
MOC ICSIL Kuwait	87596441.00	44,650,274.00
	317,855,082.57	259,854,057.72
	339,922,756.70	332,237,051.68
12.2 Other Assets		
Interest accrued on fixed deposits	3,250,750.96	6,099,006.98
Unbilled Work in Progress-(MOC ICSIL Kuwait)	7,633,415.00	28,021,037.00
	10,884,165.96	34,120,043.98
13. Cash and Bank balances		
Current		
Cash and cash equivalents		
Balance with banks:		
On current accounts	25,997,645.92	51,794,008.14
With Foreign Bank at Kuwait	2,754,321.00	900,983.00
Cash in hand	23,033.00	5,966.00
	28,774,999.92	52,700,957.14
other bank balances		
Deposit Accounts (of maturity of more than three	115962690.31	85,623,609.31
	115,962,690.31	85,623,609.31
	31-Mar-16	31-Mar-15
FDRs provided as security for bank Guarantees (included in above)	42,138,254.00	39,014,017.00
FDRs with an original maturity of more than 12 months		
FDRs with a maturity of more than 12 months from Balance Sheet date		
	144,737,690.23	138,324,566.45



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016

14. Revenue from operations

Revenue from operations
Sale of products

Traded goods

Sale of Services

Servicing
Revenue from Kuwait operations
Gain on Currency Translation (Net)

Revenue from operations

Details of products sold

Trade goods sold

Scanners
Printers
Computers & Laptops
Software
Computer peripherals
Other telecom/IT equipments

Details of Services

Income from Franchise
Income from AMC, Cabling & Services
Income from Jeevan Project
Income from Manpower Supply & Training Charges etc.
Income from Services Charges on Trade goods sold

15. Other Income

Gross Interest - Banks (Include TDS Rs.740262 ; Previous Year Rs. 576438)
Other Income
Miscellaneous

16. Purchase of traded goods

Purchases

31-Mar-16

31-Mar-15

74,513,312.79

99,741,759.01

894,748,876.87
165,524,672.00

794,504,482.26
72,747,035.00
31,810.00

1,134,786,861.66

967,025,086.27

3,114,036.25
6,687,108.03
44,961,084.43
23,823.00
8,674,037.59
11,053,223.49

1,094,541.48
4,431,641.06
51,998,000.90
17,694,404.00
5,333,050.68
19,190,120.89

74,513,312.79

99,741,759.01

40,686,418.30
36,716,454.70
-
813,994,924.06
3,351,079.81

31,158,492.63
40,194,465.90
25,601,738.00
693,865,397.81
3,684,387.92

894,748,876.87

794,504,482.26

8,820,374.35
1,156,974.00
1,089,745.52

9,230,394.01
-
1,726,789.49

11,067,093.87

10,957,183.50

40,136,898.69

123,669,633.72

40,136,898.69

123,669,633.72



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016

17.1 Cost of Services maintenance

	31-Mar-16	31-Mar-15
Licensees Franchises Expenses	35,207,363.08	26,467,262.00
AMC-Hardware and software & services	43,046,779.04	35,828,773.00
Expenses -Jeevan Project	326,505.00	23,902,770.00
Expenses against Manpower Supply, Training Charges etc.	742,769,146.53	629,029,175.99
	821,349,793.65	715,227,980.99

17.2 Cost of Contract Executed at ICSIL Kuwait

Direct Expenditure	96,023,881.00	53388787.00
Indirect Expenditure	64,015,920.00	35567225.00
Recoveries towards exp. From TCIL	4,657,247.64	(16,465,430.00)
	164,697,048.64	72,490,582.00

18. (Increase)/decrease in inventories

	31-Mar-16	31-Mar-15	31-Mar-14
Traded goods	3,548,297.03	37,188,654.54	9,734,934.42
	33,640,357.51	(27,453,720.12)	

Details of purchase of traded goods

Scanners	3,399,024.82	2,220,494.13
Printers	6,611,122.65	4,057,614.32
Computers & Laptops	17,134,725.92	76,098,411.08
Software	23,822.00	15,019,560.19
Computer peripherals	3,550,468.11	9,531,573.89
Other telecom/IT equipments	9,417,735.19	16,741,980.11
	40,136,898.69	123,669,633.72

Details of inventory

Trade goods

Scanners	45000	-
Printers	177428.58	465,410.87
Computers & Laptops	2971883	30,394,030.68
Software	181577	685,374.25
Computer peripherals	110369.75	3,079,345.54
Other telecom/IT equipments	62038.7	2,559,531.28
Franchise Material	-	4,961.92
	3,548,297.03	37,188,654.54

19. Employee Benefit Expense

Salaries and allowances	17,466,787.00	14,260,309.00
Staff Welfare	707,981.00	886,136.00
Contribution to EPF & FPF	1,805,727.00	808,897.00
Medical Reimbursement	1,045,883.00	646,503.00
Leave Salary, Pension & Other fund contribution	1,433,242.00	1,422,924.00
PF Admn. & EDLI Charges	22,103.00	108,527.00
Gratuity	595,670.00	783,371.00
Tuition Fees	75,200.00	70,400.00
	23,152,593.00	18,987,067.00



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
Notes to Financial statements for the Period ended 31st March 2016

	31-Mar-16	31-Mar-15
20. Other expenses		
Printing & Stationary	392,723.92	323,207.00
Books Periodicals	6,536.00	4,973.00
Repair Plant & Machinery	4,840.00	115,078.00
Advertisement	529,510.00	369,579.00
Repair & Maintenance Others	107,339.54	1,051,926.00
Consultancy charges/Fees	1,044,400.00	1,655,582.00
Telephone & Trunkcalls	671,095.00	1,227,093.90
Conveyance	1,149,079.00	1,032,498.00
Postage & Telegram	83,602.00	77,978.00
Repair & Maintenance of Vehicles	120,625.00	54,229.00
Travelling expenses	81,244.00	238,063.00
Statutory Auditors' Remuneration	188,500.00	100,000.00
Rates, Taxes & Fees	68,076.19	300.00
Insurance	9,734.00	24,545.00
Professional, legal & other consultancy charges	1,967,023.00	1,817,378.00
Courtesy to companys' guests	44,814.00	98,577.00
Cartage, clearing & forwarding charges	-	17,650.00
Electricity Charges	502,980.00	512,880.00
Water Charges	33,790.00	73,023.00
Honorarium	408,870.00	199,000.00
Arbitration Claims Paid upon Arbitration Award	-	10,741,000.00
Interest Claims Paid upon Arbitration Award	-	10,984,000.00
Other dues (Net) adjusted upon Arbitration Award	-	6,635,471.53
Security Services	272,917.00	498,682.00
Cenvat Credit Reversal	2,200,000.00	-
Miscellaneous expenses	416,920.00	281,570.44
	10,304,618.65	38,134,283.87
Payment to auditor		
Audit fee	100,000.00	70,000.00
Tax audit fee	30,000.00	30,000.00
Certification Charges	58,500.00	-
	188,500.00	100,000.00
21. Depreciation and amortization expense		
Depreciation of tangible assets	689,249.00	945,914.55
	689,249.00	945,914.55
22. Finance Costs		
Bank Guarantee Charges	256,071.15	357,664.20
Other Interest / Interest On statutory Dues	1,877,311.00	263,679.00
	2,133,382.15	621,343.20



INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

Notes to Financial statements for the Period ended 31st March 2016

31-Mar-16

31-Mar-15

23. Earnings per share (EPS)

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

Total operations for the year

Profit/(loss) after tax

Net profit/(loss) for calculation of basic EPS

32,051,521.24	22,199,623.56
32,051,521.24	22,199,623.56

Net profit as above

Net profit/(loss) for calculation of diluted EPS

32,051,521.24	22,199,623.56
32,051,521.24	22,199,623.56

Weighted average number of equity shares in calculating basic EPS

Weighted average number of equity shares in calculating diluted EPS

100,000	100,000
100,000	100,000

Earning per Share (In Rs.)

320.52	222.00
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INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

Notes to Financial statements for the year ended 31st March 2016

24. Related party disclosures

Name of related parties and related party relationship

Related parties where control exists	DSI IDC TCIL	NATURE OF RELATIONSHIP	AMOUNT OF	
			TRANSACTION	NATURE OF TRANSACTION
Associate company		JV	134725260	Manpower, Hardware, CCTV and Services
Associate company		JV	164697048.6	Sub contractor Exp. Relating to ICSIL Kuwait
			165524672	Receivable for MOC on behalf of TCIL
			827623.36	Dues form TCIL (NET)

Key Management Personnel

Managing Director	Mr R.S. Kaushik	UPTO 08.07.2016
Managing Director	Mr Kamendra Kumar	FROM 14.07.2016

Related parties with whom transactions have taken place during the year

Key Management Personnel

Remuneration to Managing Director

	31-Mar-16	31-Mar-15
Salaries & Allowances	1,575,085.00	1,405,719.00
House Rent Allowance	218,532.00	217,263.00
Medical	82,476.00	24,407.00
LTC Paid	-	-
Books & Periodicals	-	-
Gratuity & Leave Salary Pension Contribution	240,498.00	226,639.00
Total	2,116,591.00	1,874,028.00

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



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