



| | Note No. | 31-Mar-23 | 31-Mar-22 |
|---|-----------|------------------|------------------|
| (A) ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 (a) | 23.41 | 23.18 |
| (b) Intangible assets | 3 (b) | 14.63 | 8.99 |
| (c) Financial Assets | | | |
| - Investment | | - | - |
| - Loan and Advances | 4 | 0.10 | 0.10 |
| - Other Financial Assets | 5 | 19.66 | 19.66 |
| (d) Deferred Tax Asset (Net) | 6 | 55.55 | 50.00 |
| (e) Other Non-Current Assets | | - | - |
| | | 113.35 | 101.93 |
| (2) Current Assets | | | |
| (a) Inventories | | - | - |
| (b) Financial Assets | | | |
| - Investment | | - | - |
| - Trade Receivables | 8 | 4,194.64 | 4,835.83 |
| - Cash and cash equivalents | 9(a) | 4,722.67 | 4,869.84 |
| - Bank balances other than 9(a) above | 9(b) | 524.40 | 543.80 |
| - Loan and Advances | 4 | - | 2.32 |
| - Other Financial Assets | 5 | 63.80 | 41.74 |
| (c) Deferred Tax Asset (Net) | 6 | - | - |
| (d) Other Current Assets | 7 | 1,719.99 | 1,305.29 |
| | | 11,225.50 | 11,598.82 |
| TOTAL ASSETS | | 11,338.85 | 11,700.75 |
| (B) EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 10 | 100.00 | 100.00 |
| (b) Other Equity | 11 | 4,837.25 | 4,067.93 |
| | | 4,937.25 | 4,167.93 |
| LIABILITIES | | | |
| (1) Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| - Other Financial Liabilities | 12 | 1,353.32 | 1,478.31 |
| (b) Other Non-Current liabilities | 13 | 520.92 | 536.44 |
| (c) Provisions | 14 | 34.74 | 80.42 |
| (d) Deferred Tax Liability (Net) | | - | - |
| | | 1,908.98 | 2,095.17 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| - Trade Payables | 15 | 2,285.06 | 3,677.10 |
| - Other Financial Liabilities | 12 | 376.89 | 163.34 |
| (b) Other current liabilities | 13 | 740.04 | 880.41 |
| (c) Provisions | 14 | 140.63 | 85.75 |
| (d) Current tax liabilities | 16 | 950.00 | 631.05 |
| | | 4,492.62 | 5,437.65 |
| (A+B) TOTAL EQUITY AND LIABILITIES | | 11,338.85 | 11,700.75 |
| Significant accounting policies and notes to accounts | 1, 2 & 25 | | |

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

As per our report of even date

For Jain & Malhotra

Chartered Accountants

Firm registration number: 003610N

Vikas Garg

Partner

Membership No: 501516

UDIN: 23501516 BGTXXH3892

Place: New Delhi

Date: 22.09.2023



Arjun Dagar
Director
DIN- 02066243

Neena Mahajan
Joint General Manager (F&A)

For and on behalf of the Board of Directors:

Chukkala Ramakrishna
Managing Director
DIN - 10218597





Intelligent Communication Systems India Limited
Statement of Profit & Loss Account for the Year ended 31st March 2023
Corporate Identification Number(CIN)-U74899DL1987GOI027481

(Figures in lakhs)

| | Note No. | 31-Mar-23 | 31-Mar-22 |
|--|----------|------------------|------------------|
| I. Income | | | |
| Revenue from Operations | 17 | 17,353.71 | 16,591.69 |
| Other Income | 18 | 305.56 | 170.18 |
| Total Income (I) | | 17,659.27 | 16,761.87 |
| II. Expenses | | | |
| Purchase of stock in trade | | - | - |
| Cost of Service | 19 | 15,844.62 | 15,177.72 |
| Cost of Contract Executed at ICSIL Kuwait | | - | - |
| (Increase) / Decrease in inventories of Stock-in-Trade | | - | - |
| Employee benefits expense | 20 | 478.93 | 562.38 |
| Finance Cost | | - | - |
| Other expenses | 21 | 178.86 | 190.65 |
| CSR Expenditure | | 33.95 | - |
| Depreciation and amortization expense | 3 | 7.43 | 10.09 |
| Total Expenses (II) | | 16,543.79 | 15,940.83 |
| III. Profit/(loss) before exceptional items and tax (I-II) | | 1,115.48 | 821.04 |
| IV. Exceptional Items | | - | - |
| V. Profit/(loss) before tax (III-IV) | | 1,115.48 | 821.04 |
| VI. Tax Expense | 22 | | |
| (1) Current Tax | | 330.00 | 270.00 |
| (2) Deferred Tax | | (5.55) | (4.39) |
| VII. Profit/(Loss) for the Year (V-VI) | | 791.03 | 555.43 |
| VIII. Other Comprehensive Income | 23 | | |
| Re-measurement losses/gain on defined benefit plans | | (2.64) | 45.49 |
| Income tax relating to items that not reclassified to Profit or Loss | | 0.92 | (15.90) |
| Total Other Comprehensive Income | | (1.72) | 29.59 |
| IX. Total Comprehensive Income for the Year (VII+VIII) | | 789.31 | 585.02 |
| X. Earnings per equity share of Rs.100 each | 24 | | |
| Basic/Diluted | | 791.03 | 555.43 |
| 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 Jain & Malhotra
Chartered Accountants
Firm registration number: 003610N

Vikas Garg
Partner

Membership No: 501516

UDIN : 23501516BGTXXH3892

Place: New Delhi

Date 22.09.2023



For and on behalf of the Board of Directors:

Arun Dagar
Director
DIN- 02066243

Chukkala Ramakrishna
Managing Director
DIN - 10218597

Neena Mahajan
Joint General Manager (F&A)





Intelligent Communication Systems India Limited
Cash Flow Statement for the Year Ended 31st March 2023
Corporate Identification Number(CIN)-U74899DL1987GOI027481

(Figures in lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|--|-----------------|-----------------|
| A. Cash flow from Operating Activities | | |
| Profit Before Tax | 1,115.48 | 821.04 |
| Adjustments for : | | |
| Depreciation and Amortization Expense | 7.43 | 10.09 |
| Interest from Banks on Deposits | (210.65) | (150.69) |
| ESIC Liability written Back | - | - |
| Remeasurement of Benefit | (2.64) | 45.49 |
| Profit/ (loss) on Sale of Property, Plant and Equipment | - | 0.10 |
| | 909.62 | 726.03 |
| Changes in Working Capital | | |
| Adjustments for (Increase)/Decrease in Operating assets: | | |
| (Increase)/Decrease In Other Non Current Financial Asset | (5.55) | 1.91 |
| (Increase)/Decrease In Other Financial Assets | (22.05) | 1.89 |
| (Increase)/Decrease in Loan & Advances | 2.32 | (2.20) |
| (Increase)/Decrease in Trade Receivables | 641.19 | (20.65) |
| (Increase)/Decrease in Other Current Assets | 1.25 | (5.34) |
| Increase/(Decrease) In Borrowings | - | - |
| Increase/(Decrease) In Trade Payables | (1,392.04) | 74.21 |
| Increase/(Decrease) In Other Financial Liabilities | 88.57 | 42.04 |
| Increase/(Decrease) In Provisions | 54.88 | (3.38) |
| Increase/(Decrease) In Non Current Provisions | (44.75) | 21.07 |
| Increase/(Decrease) In Other Non-Current Liabilities | (15.52) | (42.00) |
| Increase/(Decrease) In Other Current Liabilities | (140.37) | (27.69) |
| | 77.55 | 765.87 |
| Cash Generated from Operating Activities | 77.55 | 765.87 |
| Income Taxes | (421.46) | (382.19) |
| Net Cash Generated from Operating Activities | (343.91) | 383.68 |
| B. Cash flow from Investing Activities | | |
| Capital expenditure on Property, Plant and Equipment, including Capital Advances | (13.31) | (23.84) |
| Sale proceeds of Property, Plant and Equipment | - | 0.50 |
| Interest Received | 210.65 | 150.69 |
| | 197.35 | 127.35 |
| Net Cash generated from/(used in) Investing Activities | 197.35 | 127.35 |
| C. Cash flows from Financing Activities | | |
| Dividend Paid | (20.00) | (40.00) |
| Net Cash generated from/(used in) Financing Activities | (20.00) | 40.00 |
| | | |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | (166.57) | 471.03 |
| Cash and Cash Equivalents at the beginning of the year | 5,413.64 | 4,942.61 |
| Cash and Cash Equivalents at the end of year (Refer note 9 (a) & 9 (b)) | 5,247.07 | 5,413.64 |

1) The statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.

2) Figures in brackets indicate Cash Outflow.

As per our report of even date
For Jain & Malhotra
Chartered Accountants
Firm registration number: 003610N

@VKG 22/09/2023
Vikas Garg
Partner
Membership No: 501516
UDIN : 23501516BGTXXH3892
Place: New Delhi
Date: 22/9/2023



Arun Dagar
Arun Dagar
Director
DIN- 02066243

Neena Mahajan
Neena Mahajan
Joint General Manager (F&A)

For and on behalf of the Board of Directors:

Ch. Ramakrishna
Chukkala Ramakrishna
Managing Director
DIN - 10218597



Intelligent Communication Systems India Limited
Notes to financial statements of IC SIL for the year ended 31st March 2023

Note 3: Property, plant and equipment & Intangible Assets

| Note 3: Property, plant and equipment & Intangible Assets | | | | | | | | |
|---|-----------------------|------------------|------------------------------|----------------------|----------|------------------|--------------------|--------|
| (a) Property, plant and equipment | | | | | | | | |
| Particulars | Furniture and Fixture | Office Equipment | Computer, Printer & Software | Electrical Equipment | Vehicles | Air-conditioners | Temporary Building | Total |
| | | | | | | | | |
| Opening Gross Carrying Value as on 1st April 2022 | 17.26 | 7.72 | 60.26 | 0.87 | 15.21 | 5.38 | 2.00 | 108.70 |
| | | | | | | | | |
| Depreciation as on 31st March 2022 | 11.45 | 6.89 | 55.28 | 0.75 | 5.92 | 4.41 | 0.82 | 85.52 |
| | | | | | | | | |
| Net Block as on 31st March 2022 | 5.81 | 0.83 | 4.98 | 0.12 | 9.29 | 0.97 | 1.18 | 23.18 |
| Addition During the Year | 5.67 | 0.29 | 0.72 | - | - | 0.63 | - | 7.32 |
| Deletion/Adjustments during the year | - | - | - | - | - | (0.23) | - | (0.23) |
| Gross Accumulated/Carrying Amount as on 31st March 2023 | 22.93 | 8.01 | 60.98 | 0.87 | 15.21 | 5.78 | 2.00 | 115.79 |
| | | | | | | | | |
| Depreciation | - | - | - | - | - | (0.22) | - | (0.22) |
| Addition During the Year | 1.43 | 0.12 | 2.85 | 0.03 | 2.30 | (0.46) | 0.82 | 7.08 |
| Deletion/Adjustments during the year | | | | | | | | |
| As on 31st March 2023 | 12.87 | 7.01 | 58.13 | 0.78 | 8.22 | 3.73 | 1.63 | 92.37 |
| | | | | | | | | |
| Net Block as on 31st March 2023 | 10.06 | 1.01 | 2.85 | 0.09 | 6.98 | 2.05 | 0.37 | 23.40 |
| | | | | | | | | |
| Total Accumulated Depreciation on 31st March 2023 | | | | | | | | 7.08 |
| | | | | | | | | 23.41 |

| (b) Intangible Assets | | (Figures In lakhs) | | | |
|---|---------|--------------------|---|---|-------|
| Particulars | | Intangible Assets | | | Total |
| | Website | | | | |
| Gross Carrying Amount as on 31st March 2022 | - | | | | - |
| Depreciation as on 31st March 2022 | | | | | - |
| Net Block as on 31st March 2022 | | | | | - |
| Addition During the Year | 14.98 | - | - | - | 14.98 |
| Deletion/Adjustments during the year | - | - | - | - | - |
| Gross Carrying Amount as on 31st March 2023 | 14.98 | - | - | - | 14.98 |
| Depreciation | | | | | - |
| Addition During the Year | 0.35 | - | - | - | 0.35 |
| Deletion/Adjustments during the year | | - | - | - | 0.35 |
| As on 31st March 2023 | 0.35 | - | - | - | - |
| Net Block as on 31st March 2023 | 14.63 | - | - | - | 14.63 |

| (b) Intangible assets under development | (Figures in lakhs) |
|--|--------------------|
| Gross Carrying Amount as on 31st March 2022 | 8.99 |
| Addition | 5.99 |
| Assets is Capitalised and transfer in Intangible Block of Assets | 14.98 |
| Gross Carrying Amount as on 31st March 2023 | - |
| Total Depreciation on 31st March 2023 | - |
| Net Block as on 31st March 2023 (a+b) | 0.00 |
| | 7.43 |
| | 38.04 |

*Note: Intangible assets under development has been completed as on 30th Sep, 2022, Hence same has been in captioned as Intangible Assets.



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 4: Loans and advances

| | 31-Mar-23 | 31-Mar-22 |
|---------------------------------|-------------|-------------|
| Current | | |
| Advances to Staff | - | 2.32 |
| Total | - | 2.32 |
| Non-current | 0.10 | 0.10 |
| Total loans and advances | 0.10 | 2.42 |

Note 5: Other financial assets

| | 31-Mar-23 | 31-Mar-22 |
|---|--------------|--------------|
| Current | | |
| Investment | - | - |
| Security Deposit | 0.03 | 0.04 |
| Interest accrued but not received on fixed deposit with Banks | 63.77 | 41.70 |
| Total | 63.80 | 41.74 |
| Non-current | | |
| Investment | - | - |
| Security Deposit | 19.66 | 19.66 |
| Total other financial assets | 83.46 | 61.40 |

Note:- Security Deposit included of Rs. 17.15 Lakhs Deposit with CESTAT against appeal file with the department. Also refer note "25 (E)" of notes to the accounts

Note 6: Deferred Tax Asset (Net)

| | 31-Mar-23 | 31-Mar-22 |
|-------------------------------|--------------|--------------|
| Deferred Tax Asset - Domestic | 55.55 | 50.00 |
| Total | 55.55 | 50.00 |

Note 7: Other Assets

| | 31-Mar-23 | 31-Mar-22 |
|---------------------------------|-----------------|-----------------|
| Other Current Assets | | |
| Prepaid Expenses | 2.06 | 3.27 |
| Advance to Suppliers | 2.50 | 2.55 |
| Advance income tax/TDS | 1,715.43 | 1,299.47 |
| Total | 1,719.99 | 1,305.29 |
| Other Non-current Assets | | |
| Total other assets | 1,719.99 | 1,305.29 |

Note 8 : Trade Receivable

(Figures in lakhs)

| | 31-Mar-23 | 31-Mar-22 |
|-----------------------------|-----------------|-----------------|
| Trade receivable - Domestic | 4,194.64 | 3,590.93 |
| Trade receivable - Kuwait | - | 1,244.90 |
| Total receivable | 4,194.64 | 4,835.83 |



(5)



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Break up of trade receivable

| | 31-Mar-23 | 31-Mar-22 |
|----------------------------|-----------------|-----------------|
| Secured, considered good | - | - |
| Unsecured, considered good | 4,194.64 | 4,835.83 |
| Doubtful | - | - |
| Total | 4,194.64 | 4,835.83 |

Aging as at 31 March 2023

| Particular | Outstanding for following periods from due date of payments | | | | | Total |
|---|---|--------------------|--------------|--------------|-------------------|----------------|
| | Less than 6 Months | 6 months - 1 years | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed trade receivables- considered good | 2429.36 | 19.34 | 82.16 | 30.79 | 1632.99 | 4194.64 |
| Undisputed trade receivables- considered doubtful | | | | | | |
| Disputed trade receivables- considered good | | | | | | |
| Disputed trade receivables- considered doubtful | | | | | | |
| Total | 2429.36 | 19.34 | 82.16 | 30.79 | 1632.99 | 4194.64 |

Note Trade Receivable having Debit balance of Rs. 4194.33 Lakhs net off Credit balances of Rs. 20.29 Lakhs*

Aging as at 31 March 2022

| Particular | Outstanding for following periods from due date of payments | | | | | Total |
|---|---|--------------------|--------------|--------------|-------------------|----------------|
| | Less than 6 Months | 6 months - 1 years | 1-2 Years | 2-3 years | More than 3 years | |
| Undisputed trade receivables- considered good | 2050.79 | 22.04 | 42.53 | 56.11 | 2664.36 | 4835.83 |
| Undisputed trade receivables- considered doubtful | | | | | | |
| Disputed trade receivables- considered good | | | | | | |
| Disputed trade receivables- considered doubtful | | | | | | |
| Total | 2050.79 | 22.04 | 42.53 | 56.11 | 2664.36 | 4835.83 |

Note Trade receivables (including related party balances) are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation.*

Also refer note "25 (B)" of notes to the accounts.

Note 9(a): Cash and cash equivalents

| | 31-Mar-23 | 31-Mar-22 |
|--|-----------------|-----------------|
| Cash in Hand | 0.26 | 0.21 |
| In current accounts with banks | 234.20 | 170.57 |
| With Foreign Bank at Kuwait | - | 0.81 |
| Bank deposit Accounts with Less than 3 months maturity | 1,864.62 | 2,616.35 |
| Bank deposit Accounts with more than 3 months but less than 12 months maturity | 2,623.59 | 2,081.90 |
| Total cash and cash equivalents | 4,722.67 | 4,869.84 |

Note 9(b): Other Bank Balances

| | 31-Mar-23 | 31-Mar-22 |
|---|---------------|---------------|
| Balances with Banks in unclaimed dividend accounts | 5.32 | 24.72 |
| Deposit with more than 12 months maturity | 337.21 | 224.85 |
| Balances with banks held as margin money and deposits against guarantees amounts. | 181.87 | 294.23 |
| Total cash and cash equivalents | 524.40 | 543.80 |

note balance held as margin money Rs 181.87 lakhs is against bank guarantee of Rs 782.89 lakhs (also refer note "25 (E)" of notes to the accounts*



(16)



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023
Equity Share Capital

Note 10

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

| Particulars | As at | |
|--|-----------|-----------|
| | 31-Mar-23 | 31-Mar-22 |
| 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 |

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

| Particulars | Number of Shares | % of Holding |
|---|------------------|--------------|
| Equity shares of 100 each fully paid | | |
| TELECOMMUNICATIONS CONSULTANTS INDIA LTD. | 36000 | 36% |
| DELHI STATE INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED | 40000 | 40% |
| ORISON INFOCOM PVT. LTD. | 9000 | 9% |
| FALCON CABLE TV, USA (Transfer to IEPF) | 15000 | 15% |

Promoters Details

Shares held by promoters at the end of the Year

| S.No. | Promoters Name | No. of Shares | % of Total Shares | % Change during the |
|-------|---|---------------|-------------------|---------------------|
| 1 | TELECOMMUNICATIONS CONSULTANTS INDIA LTD. | 36000 | 36% | Nil |
| 2 | DELHI STATE INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED | 40000 | 40% | Nil |



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023
Statement of changes in other equity as at 31.03.2023

Note 11 : Other Equity

Other Equity as at 31 March 2022

| | Other Equity | | | | Total equity attributable to equity holders of the company |
|---|----------------------------|-----------------|----------------------------|-------------------|--|
| | Reserve & Surplus | | | | |
| | Securities premium reserve | General Reserve | Other Comprehensive Income | Retained earnings | |
| as at 31st March 2021 | 12.48 | 892.93 | (0.52) | 2,718.49 | 3,623.39 |
| Profit for the year | - | - | 29.59 | 555.43 | 585.03 |
| Income Tax Provision Written Back | - | - | - | (100.49) | (100.49) |
| Appropriation of Dividend & tax thereon | - | - | - | - | - |
| Provision as per Actuary | - | - | - | - | - |
| Dividend including tax on dividend | - | - | - | (40.00) | (40.00) |
| Remeasurement of the net defined benefit liability/assets | - | - | - | - | - |
| as at 31st March 2022 | 12.48 | 892.93 | 29.08 | 3,133.44 | 4,067.93 |

Other Equity as at 31 March 2023

(Figures In lakhs)

| | Other Equity | | | | Total equity attributable to equity holders of the company |
|---|----------------------------|-----------------|----------------------------|-------------------|--|
| | Reserve & Surplus | | | | |
| | Securities premium reserve | General Reserve | Other Comprehensive Income | Retained earnings | |
| as at 31st March 2022 | 12.48 | 892.93 | 29.08 | 3,133.44 | 4,067.93 |
| Profit for the year | - | - | (1.72) | 791.03 | 789.32 |
| Income Tax Provision Written Back | - | - | - | - | - |
| Appropriation of Dividend & tax thereon | - | - | - | - | - |
| Provision as per Actuary | - | - | - | - | - |
| Dividend including tax on dividend | - | - | - | (20.00) | (20.00) |
| Remeasurement of the net defined benefit liability/assets | - | - | - | - | - |
| as at 31st March 2023 | 12.48 | 892.93 | 27.36 | 3,904.47 | 4,837.25 |

For Jain & Malhotra

Chartered Accountants

Firm registration number: 003610N

W.K.G. 22/09/2023
Vikas Garg
Partner
Membership No: 501516
UDIN: 23501516BGTxxH3892
Place: New Delhi
Date: 22/09/2023.



Arjun Dagar
Director
DIN- 02066243
Neena Mahajan
Joint General Manager (F&A)

For and on behalf of the Board of Directors:

Ch. Ramakrishna
Managing Director
DIN - 10218597



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 12: Other financial liabilities

| | 31-Mar-23 | 31-Mar-22 |
|--|-----------------|-----------------|
| Current | | |
| Expenses Payable | 268.77 | 44.95 |
| Security Deposit | 108.12 | 118.39 |
| Total | 376.89 | 163.34 |
| Non-current | | |
| Expenses Payable | - | - |
| Unclaimed Dividend | 132.26 | 132.26 |
| Security Deposit | 15.12 | 25.62 |
| Total | 1,205.94 | 1,320.43 |
| | 1,353.32 | 1,478.31 |
| Total other financial liabilities | 1,730.21 | 1,641.65 |

Note also refer note 25 (I) of notes to the accounts*

Note 13: Other Liabilities

| | 31-Mar-23 | 31-Mar-22 |
|--------------------------------------|-----------------|-----------------|
| Other Current Liabilities | | |
| Advance from customers | 25.88 | 11.60 |
| Duties & Taxes | 665.97 | 512.46 |
| Other Liabilities | 48.19 | 256.37 |
| Total | 740.04 | 880.41 |
| Other Non-current Liabilities | | |
| Advance from customers | 510.69 | 510.69 |
| Other Liabilities | 10.23 | 25.75 |
| Total | 520.92 | 536.44 |
| Total other liabilities | 1,260.96 | 1,416.85 |

Note also refer note 25 (E) & 25 (I) of notes to the accounts*

Note 14: Provisions

| | 31-Mar-23 | 31-Mar-22 |
|--|---------------|---------------|
| Current | | |
| Provision for gratuity | 109.93 | 59.19 |
| Provision for leave encashment | 30.70 | 26.56 |
| Total | 140.63 | 85.75 |
| Non-current | | |
| Provision for gratuity | 17.28 | 55.79 |
| Provision for leave encashment | 2.48 | 8.73 |
| Income tax relating to items that will not be reclassified to profit or loss | 14.98 | 15.90 |
| Total | 34.74 | 80.42 |
| Total Provisions | 175.37 | 166.17 |



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 15: Trade Payable

| | 31-Mar-23 | 31-Mar-22 |
|--------------------------|-----------------|-----------------|
| Trade payable - Domestic | 2,285.06 | 2,431.39 |
| Trade payable - Kuwait | - | 1,245.71 |
| Total payable | 2,285.06 | 3,677.11 |

Aging as at 31 March 2023

| Particular | Outstanding for following periods from due date of payments | | | | |
|-----------------------|---|-----------|-----------|-------------------|----------|
| | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - |
| Others | 1,217.15 | 3.56 | 24.13 | 1,040.22 | 2,285.06 |
| Disputed Dues- MSME | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - |

Aging as at 31 March 2022

| Particular | Outstanding for following periods from due date of payments | | | | |
|-----------------------|---|-----------|-----------|-------------------|----------|
| | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - |
| Others | 1,351.45 | 36.24 | 23.76 | 2,265.66 | 3,677.11 |
| Disputed Dues- MSME | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - |

Note Trade payables are subject to confirmations, reconciliation and consequential adjustments that may arise on reconciliation*

Note 16: Current tax liabilities

| | 31-Mar-23 | 31-Mar-22 |
|--------------------------------------|---------------|---------------|
| Provision for Income Tax | 950.00 | 631.05 |
| Total current tax liabilities | 950.00 | 631.05 |



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Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 17: Revenue from Operation

(Figures in lakhs)

| | 31-Mar-23 | 31-Mar-22 |
|--|------------------|------------------|
| Sale of Products | - | - |
| Sale of Services | | |
| a) Training Fees from Franchisee's under Contracts | 107.05 | 48.42 |
| b) AMC-Hardware and software & services | 0.06 | 6.64 |
| c) Manpower Outsourcing | 17,246.60 | 16,536.63 |
| Revenue from operation | 17,353.71 | 16,591.69 |

Note 18: Other Income

| | 31-Mar-23 | 31-Mar-22 |
|--------------------------------------|---------------|---------------|
| Interest Income from Banks | 210.65 | 150.69 |
| Interest Income on Income tax refund | - | 9.69 |
| Profit on Sale of Fixed Assets | - | 0.10 |
| Miscellaneous Income | 94.91 | 9.70 |
| Other Income | 305.56 | 170.18 |

Note 19: Cost of Service

| | 31-Mar-23 | 31-Mar-22 |
|--|------------------|------------------|
| Share of Training Fees from Franchisee's under Contracts | 63.71 | 39.46 |
| Manpower Outsourcing Cost | 15,780.91 | 15,138.26 |
| Total Cost of Service | 15,844.62 | 15,177.72 |

Note 20: Employee Benefit Expenses

| | 31-Mar-23 | 31-Mar-22 |
|---|---------------|---------------|
| Salaries and allowances | 371.46 | 365.01 |
| Staff Welfare | 10.63 | 9.45 |
| Contribution to EPF & FPF | 32.69 | 27.16 |
| Contribution to ESIC | 0.47 | 0.43 |
| Medical Reimbursement | 21.74 | 34.41 |
| Leave Salary, Pension & Other fund contribution | 16.43 | 45.80 |
| Gratuity | 24.88 | 79.45 |
| Tuition Fees | 0.63 | 0.67 |
| Total employee benefit expenses | 478.93 | 562.38 |

Note: also refer note 25 (A) of notes to the accounts



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 21: Other Expenses

| | 31-Mar-23 | 31-Mar-22 |
|---|---------------|---------------|
| Rent Office | 38.39 | 16.66 |
| Printing & Stationary expenses | 5.66 | 4.86 |
| Advertisement expenses | 1.95 | 1.24 |
| Telephone & Internat expenses | 3.73 | 3.58 |
| Conveyance & Travelling | 19.04 | 16.72 |
| Postage & Telegram expenses | 0.25 | 0.32 |
| Repair & Maintenance of Vehicles | 1.20 | 0.80 |
| Repair & Maintenance Others | 15.52 | 7.76 |
| Other Interest / Interest On statutory Dues | 7.19 | 35.27 |
| Insurance expenses | 0.47 | 0.60 |
| Professional, legal & other consultancy charges | 40.70 | 38.05 |
| Penalty charges by Client on Manpower Projects | 7.47 | 21.08 |
| Courtesy to companys guests | 1.55 | 1.52 |
| Electricity Charges | 8.01 | 7.10 |
| Water Charges | 1.05 | 1.24 |
| Honorarium | 2.85 | 2.47 |
| Security Services | 13.55 | 12.81 |
| Membership Fee | 0.06 | 0.06 |
| Miscellaneous expenses | 0.13 | 10.20 |
| Office Expenditure & Maintenance | 2.68 | 1.96 |
| Bank Gurantee Charges | 5.27 | 4.40 |
| Audit Fees | | |
| Statutory Audit Fee | 1.90 | 1.75 |
| Internal Audit Fee | 0.22 | 0.18 |
| Total other expenses | 178.86 | 190.65 |



Intelligent Communication Systems India Limited
Notes to financial statements of ICSIL for the year ended 31st March 2023

Note 22: Income Tax

(Figures in lakhs)

| | 31-Mar-23 | 31-Mar-22 |
|---|---------------|----------------|
| Current tax | | |
| Tax Expense for Current year | 330.00 | 270.00 |
| Tax adjustments of earlier years, settled under VSVS | | |
| Tax adjustments of earlier years, Others | | |
| | 330.00 | 270.00 |
| Deferred tax | | |
| Tax Expense for Current year | (5.55) | (4.39) |
| | (5.55) | (4.39) |
| Income tax expense recognised in the statement of profit & Loss | | |
| Other comprehensive income | | |
| Income tax relating to items that will not be reclassified to profit or loss | 0.92 | (15.90) |
| | 0.92 | (15.90) |
| Reconciliation of tax expense and the accounting profit multiplied by prevailing | | |
| Profit before tax | 1,115.48 | 821.04 |
| Income tax expense | 330.00 | 270.00 |
| Deferred tax expense / (Income) | (5.55) | (4.39) |
| | 324.45 | 265.61 |

Note 23: Other Comprehensive Income

| | 31-Mar-23 | 31-Mar-22 |
|---|---------------|--------------|
| A. (i) Re-measurement of Defined Benefit Plans | (2.64) | 45.49 |
| (ii) Income tax relating to items that not reclassified to Profit or Loss | 0.92 | (15.90) |
| B. (i) Re-measurement of Investments | - | - |
| (ii) Income tax relating to items that not reclassified to Profit or Loss | - | - |
| | (1.72) | 29.59 |

Note 24: Earning per share

| | 31-Mar-23 | 31-Mar-22 |
|--|-----------|-----------|
| a. Basic earnings per share | 791.03 | 555.43 |
| b. Diluted earnings per share | 791.03 | 555.43 |
| Earnings per share are as follows: | | |
| i. The earnings and weighted number of equity shares used in the calculation of basic earnings per share are as follows: | | |
| Profit for the year | 791.03 | 555.43 |
| Weighted average number of equity shares for the purposes of earnings per share | | |
| Equity shares | 100,000 | 100,000 |



Employee benefit plans

a. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. Employer's contribution to provident fund and employee's state insurance scheme recognised as expense in the Statement of Profit and Loss for the year are as under:

Contribution to provident fund
Contribution to employees state insurance scheme

| (Rs. in Lakhs) | |
|----------------|------------|
| Year ended | Year ended |
| 31-03-2023 | 31-03-2021 |
| 32.69 | 27.16 |
| 0.47 | 0.43 |
| 33.16 | 27.59 |

b. Defined benefit plan

(i) Gratuity

The Company has a defined benefit gratuity plan. Employee who have completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is unfunded.

In respect of the plan, the most recent valuation of the present value of defined benefit obligation were carried as at 31 March, 2021 in which the present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the project unit credit method.

The principal assumptions used for the purposes of the actuarial valuations

Discount rate (%)
Expected rate(s) of salary increase
Retirement Age (Years)
Withdrawal Rate (%) (Ages)

| Valuation as at | |
|-----------------|------------|
| 31-03-2023 | 31-03-2022 |
| 7.50% | 7.00% |
| 8.00% | 8.00% |
| 60 | 60 |
| 5% | 5% |

Current Service Cost
Net Interest Expenses
Components of defined benefit costs recognised in profit or loss

| (Rs. in Lakhs) | |
|----------------|------------|
| Year ended | Year ended |
| 31-03-2023 | 31-03-2022 |
| 9.73 | 9.54 |
| 8.34 | 4.75 |
| 18.07 | 14.29 |

Remeasurement on the net defined benefit liability

Actuarial gain/(loss) from change in demographic assumptions
Actuarial gain/(loss) from change in financial assumptions
Actuarial gain/(loss) from change in experience adjustment
Components of defined benefit costs recognised in Other
Total

| | |
|--------|-------|
| - | - |
| - | - |
| (0.79) | 41.50 |
| (0.79) | 41.50 |
| 17.28 | 55.79 |

Notes:

- i. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.
- ii. The remeasurement of the net defined liability is included in other comprehensive income.
- iii. The Gratuity scheme of the Company is unfunded.



Movement in the present value of the defined benefit obligation are as follows:

| | (Rs. In Lakhs) | |
|--|--------------------------|--------------------------|
| | Year ended 31-03-2023 | Year ended 31-03-2022 |
| Opening defined benefit obligation | 114.98 | 65.49 |
| Current service cost | 9.73 | 9.54 |
| Interest cost | 8.34 | 4.75 |
| Remeasurement (gains)/losses: | | |
| Actuarial gain/(loss) from change in financial assumptions | - | - |
| Actuarial gain/(loss) from change in experience adjustment | (0.79) | 41.50 |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Benefits paid | (5.03) | (6.30) |
| | 127.23 | 114.98 |

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(ii) Leave Encashment

| | (Rs. In Lakhs) | |
|---|--------------------------|--------------------------|
| | Year ended 31-03-2023 | Year ended 31-03-2022 |
| Current Service Cost | 1.87 | 2.14 |
| Net Interest Expenses | 2.47 | 2.60 |
| Components of defined benefit costs recognised in profit or loss | 4.34 | 4.74 |
| Remeasurement on the net defined benefit liability | | |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Actuarial gain/(loss) from change in financial assumptions | - | - |
| Actuarial gain/(loss) from change in experience adjustment | (1.85) | 3.99 |
| Components of defined benefit costs recognised in Other | (1.85) | 3.99 |
| Total | 2.48 | 8.73 |

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The Gratuity scheme of the Company is unfunded.

Movement in the present value of the defined benefit obligation are as follows:

| | (Rs. In Lakhs) | |
|--|--------------------------|--------------------------|
| | Year ended 31-03-2023 | Year ended 31-03-2022 |
| Opening defined benefit obligation | 35.29 | 37.11 |
| Current service cost | 1.87 | 2.14 |
| Interest cost | 2.47 | 2.60 |
| Remeasurement (gains)/losses: | | |
| Actuarial gain/(loss) from change in financial assumptions | - | - |
| Actuarial gain/(loss) from change in experience adjustment | (1.85) | 3.99 |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Benefits paid | (4.59) | (10.55) |
| | 33.18 | 35.29 |



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

Note 25: - Notes to Accounts

A. Employee Benefit Plans

a. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. Employer's contribution to provident fund and employee's state insurance scheme recognized as expense in the Statement of Profit and Loss for the year are as under:

(Rs. In Lakhs)

| Particulars | 31-03-2023 | 31-03-2022 |
|---|------------|------------|
| Contribution to provident fund | 32.69* | 27.16 |
| Contribution to employee's state insurance scheme | 0.47 | 0.43 |
| Total | 33.16 | 27.59 |

*Rs. 32.69 Lakhs includes Rs. 5.36 Lakhs towards release the liability for the year 2012-13 as per order passed by Employees' Provident Fund Organization, regional Office, Delhi in the matter of proceedings U/s 7A of The employees' Provident Funds and Miscellaneous Provision Act, 1952

b. Defined benefit plan

- Gratuity

The Company has a defined benefit gratuity plan. Employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is unfunded.

In respect of the plan, the most recent valuation of the present value of defined benefit obligation were carried as at 31 March, 2023 in which the present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the project unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows: (Rs. In Lakhs)

| Particulars | Valuation as at | |
|-------------------------------------|-----------------|------------|
| | 31-03-2023 | 31-03-2022 |
| Discount rate (%) | 7.50% | 7.25% |
| Expected rate(s) of salary increase | 8.00% | 8.00% |
| Retirement Age (Years) | 60 | 60 |
| Withdrawal Rate (%) (Ages) | 5% | 5% |



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

| Particulars | (Rs. In Lakhs) | |
|---|----------------|--------------|
| | 31-03-2023 | 31-03-2022 |
| Current Service Cost | 9.73 | 9.54 |
| Net Interest Expenses | 8.33 | 4.75 |
| Components of defined benefit costs recognised in profit or loss | 18.06 | 14.29 |
| Remeasurement on the net defined benefit liability | | |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Actuarial gain/(loss) from change in financial assumptions | (2.72) | (2.64) |
| Actuarial gain/(loss) from change in experience adjustment | 1.93 | 44.14 |
| Components of defined benefit costs recognised in Other Comprehensive Income | (0.79) | 41.50 |
| Total | (17.27) | 55.79 |

Note:

- (i) The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.
- (ii) The remeasurement of the net defined liability is included in other comprehensive income.
- (iii) The Gratuity scheme of the Company is unfunded.

Movement in the present value of the defined benefit obligation are as follows:

| Particulars | (Rs. In Lakhs) | |
|--|----------------|---------------|
| | 31-03-2023 | 31-03-2022 |
| Opening defined benefit obligation | 114.98 | 65.49 |
| Current service cost | 9.73 | 9.54 |
| Interest cost | 8.34 | 4.75 |
| Re measurement (gains)/losses: | | |
| Actuarial gain/(loss) from change in financial assumptions | (2.72) | (2.64) |
| Actuarial gain/(loss) from change in experience adjustment | 1.93 | 44.14 |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Benefits paid | (5.03) | (6.30) |
| | 127.23 | 114.98 |

Significant actuarial assumptions for the determination for the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



Intelligent Communication Systems India Limited (ICSIL)

Notes forming part of the Financial Statements

For the year ended 31st March, 2023

Amount considered in books of accounts during FY 2022-23:

| Particulars | (Rs. In Lakhs) | |
|---|----------------|------------|
| | 31-03-2023 | 31-03-2022 |
| Provision for Gratuity (Current Year) | 17.28 | 55.79 |
| Present value of the Obligation as per Actuary valuation Report | 127.23 | 114.98 |

During the current financial year ICSIL has accounted for gratuity expenses of Rs 24.88 Lakhs which includes amount of Rs 7.51 lakhs paid to TCIL for employees on deputation.

Leave Encashment

| Particulars | (Rs. In Lakhs) | |
|--|----------------|-------------|
| | 31-03-2023 | 31-03-2022 |
| Current Service Cost | 1.87 | 2.14 |
| Net Interest Expenses | 2.47 | 2.60 |
| Components of defined benefit costs recognised in profit or loss | 4.34 | 4.74 |
| Remeasurement on the net defined benefit liability | | |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Actuarial gain/(loss) from change in financial assumptions | (1.09) | - |
| Actuarial gain/(loss) from change in experience adjustment | (0.76) | 3.99 |
| Components of defined benefit costs recognised in Other Comprehensive Income | (1.85) | 3.99 |
| Total | 2.49 | 8.73 |

Note:

- The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.
- The remeasurement of the net defined liability is included in other comprehensive income.

Movement in the present value of the defined benefit obligation are as follows:

| Particulars | (Rs. In Lakhs) | |
|--|----------------|--------------|
| | 31-03-2023 | 31-03-2022 |
| Opening defined benefit obligation | 35.29 | 37.11 |
| Current service cost | 1.86 | 2.14 |
| Interest cost | 2.47 | 2.60 |
| Re measurement (gains)/losses: | | |
| Actuarial gain/(loss) from change in financial assumptions | (1.09) | - |
| Actuarial gain/(loss) from change in experience adjustment | (0.76) | 3.99 |
| Actuarial gain/(loss) from change in demographic assumptions | - | - |
| Benefits paid | (4.59) | (10.55) |
| | 33.18 | 35.29 |



Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

Amount considered in books of accounts during FY 2022-23:

| Particulars | (Rs. In Lakhs) | |
|---|----------------|------------|
| | 31-03-2023 | 31-03-2022 |
| Provision for Leave Encashment (Current Year) | 2.48 | 8.73 |
| Present value of the Obligation as per Actuary valuation Report | 33.18 | 35.29 |

During the current financial year ICSIL has accounted for leave encashment expenses of Rs 16.43 Lakhs which includes amount of Rs 11.83 lakhs paid to TCIL for employees on deputation.

B. Provision for doubtful debts

Provision for doubtful debts has not been made for debts which are outstanding for a period exceeding three Years of amounting Rs. 1632.99 lakhs (Previous Years 2664.36 lakhs) and as per the management representation all trade receivables are considered good and realizable at book value, although there is no material certainty, confirmation and reconciliation exist as on 31.03.2023 in respect of such outstanding.

C. 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.

D. 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 none of the fixed assets were considered impaired during the said Financial Year.

E. Contingent liability

Guarantees given by the company

The company has given Bank Guarantee's aggregating of Rs.782.89 Lakhs (Previous Years Rs. 895.26 Lakhs) as performance guarantee for safe performance of contracts it has entered into with various departments. The guarantees are Secured by the Fixed deposit of Rs.181.87 Lakhs (Previous Year Rs. 294.23 Lakhs) . However, ICSIL has given Bank Guarantees of Rs. 114.56 Lakhs and 18.65 Lakhs to the Directorate of Education and Department of Food & Supply respectively which were already expired and two FDRs value of Rs.253.36 Lakhs are pledged against these Bank Guarantees.

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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

Income Tax Demands

Income Tax department has disallowed some Business Expenses and raised demands, the same is not provided in the financials and details of demand as Given Below. ICSIL has preferred the Appeal before Commissioner of Income Tax (Appeal) against the said demand

| F.Y. | Demand in lakhs | Status of Appeal |
|---------|--------------------|--------------------------------|
| 2016-17 | 45.88 | Pending Before CIT (Appeal) |
| 2017-18 | 69.36 | Pending before ITAT, Delhi |
| 2018-19 | 388.40 | Pending before ITAT, Delhi |
| 2020-21 | 633.10 | Pending Before CIT (Appeal) |

In above said matter Income Tax department has hold the Income Tax Refund /Adjusted the tax demand against refund due.

Indirect Tax demands

- a. Service tax department has issued a demand notice of Rs.15.50 Crore (For the Financial Year 2007-08 to 2014-15) and same is not provided in the Financials. ICSIL has preferred an appeal before CESTAT against the said demand notice. ICSIL has deposited an amount of Rs 17.15 Lakhs to the respective department against the demand which has been shown under the Note No. 5 as Security deposit.
- b. The company has booked an expense of Rs. 3.54 Lakhs on account of VAT(net of VAT credit). As informed by the management the assessment has been completed and there is no outstanding demand or refund pending with the VAT department.

Others Pending Litigations

1. Jaybir Singh Balyan V/S ICSIL, ICSIL got a contract from TCIL/PGCIL for lying 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 Nikhlesh Krishan 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.

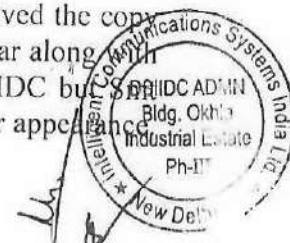
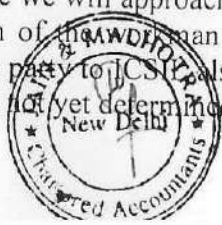


Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

2. 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 was being handled by Sh Anjum Javed and Sh Abhimanyu Garg and quantum of claim is not yet determined. And at present no date known by the Legal division as on date/ no notice. Quantum of liability is not yet determined.
3. M/S D.M. Systems Pvt. Ltd./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. Quantum of liability is not yet determined, till the order of the court.
4. 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. Quantum of liability is not yet determined, till the order of the court.
5. 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. Quantum of liability is not yet determined, till the order of the court.
6. 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 individual 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. Quantum of liability is not yet determined, till the order of the court.

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Intelligent Communication Systems India Limited (ICSIL)

Notes forming part of the Financial Statements

For the year ended 31st March, 2023

7. 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. Quantum of liability is not yet determined, till the order of the court.
8. 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. Quantum of liability is not yet determined, till the order of the court.
9. Mr. Sazid Khan who was employed on 29.12.2009 and terminated from service on 28.10.2014, has filed case in the Court regarding their non extension of service and their salary, bouns, ESI & EPF. He was found involved in the fake typing test. The action was taken and committee was formed for investing the facts. The disciplinary action was taken against him as per the approval given by the competent authority. Hence he had filed the case for job and compensations for the period till case decided.
10. Ms. Anju & Ors Vs Union of India, case is in the Hon'ble High Court of Delhi. The case is filed by supervisors those were working in aganwadri in DWCD on contractual basis through ICSIL for terminations of their duties/jobs. Hence they had filed case for jobs and compensations for the period. Quantum of liability is not yet determined, till the order of the court.
11. Labour Department (Ashok Kumar - Labour Inspector) Vs ICSIL, case is in Patiala Court Delhi, evening court. Case is regarding inspection done under Minimum wages Act 1948 by Labour Inspector. The case is file for fine or prosecution. Quantum of liability is not yet determined, till the order of the court. Ashok Kumar Vs ICSIL, case is in Patiala Court Delhi, evening court. Case is regarding inspection done under Minimum wages Act 1948 by Labour Inspector. The case is file for fine or prosecution. Quantum of liability is not yet determined, till the order of the court.
12. M/s Corporate Infotech Pvt. Ltd. Vs ICSIL, case is in Saket Court, Delhi. Case is for the payment due in ICSIL. Case was in mediation and then moved to court. Quantum of liability is not yet determined, till the order of the court.
13. Labour Department (Sunil Kumar- Labour Inspector) Vs ICSIL, case is in Patiala Court Delhi, evening court. Case is regarding inspection done under Minimum wages Act 1948 by Labour Inspector. The case is file for fine or prosecution. Quantum of liability is not yet determined, till the order of the court. Sunil Kumar Vs ICSIL, case is in Patiala Court Delhi, evening court. Case is regarding inspection done under Minimum wages Act 1948 by Labour Inspector. The case is file for fine or prosecution. Quantum of liability is not yet determined, till the order of the court.



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

14. Sheetal Prasad Vs ICSIL & GNEC, case is in Rouse Avenue Courts Complex, Delhi. He has filed case is for termination of services and compensation. Quantum of liability is not yet determined, till the order of the court.
15. Chandra Kala Vs GNCTD & ICSIL, case is in Hon'ble High Court of Delhi. Has file the case for job and compensation. Quantum of liability is not yet determined, till the order of the court.
16. DJB Vs ICSIL, legal notice received from advocate of DJB, Varunalaya complex, Jhandewalan, New Dehli, for the payment of ERP project, for the amount paid by DJB to ICSIL along with interest till date. As case proceeds to court then as per the court order/direction the status of case will stand. Quantum of liability is not yet determined, till the order of the court.
17. Labour Inspector Vs ICSIL, case is in Patiala Court Delhi, evening court. Case is regarding inspection done under Minimum wages Act 1948 by Labour Inspector. The case is file for fine or prosecution. Quantum of liability is not yet determined, till the order of the court.
18. Julie Vs Govt. of India & Ors. In the CAT at Copernicus Marg, Case filed by Julie through her advocate Yogesh.K.Mahur. Julie DEO - SDM (East) office case at CAT, Tribunal Court, Copernicus Marg. Matter and pending in CAT Quantum of liability is not yet determined.
19. Sunita Kumar V/s GNCTD & ANR In the court of High Court, New Delhi.Sh. Shivnath Kumar Ms Sunita Kumari initially joined the duty on 20.07.2016 in the deptt of DWCD and terminated from the service wef 01.10.2017. He filed the case in High Court of Delhi, New Delhi. Quantum of liability is not yet determined, till the order of the court.
20. Vikash & Others represented by advocate Sh M D Jangra. Central Administrative Tribunal (CAT) Principal Bench, New Delhi.The case has been filed by the watch and wards deployed in the DSIIDC purely on contract basis in the CAT principal Bench, New Delhi for discontinuation of service and prayed to the Hon'ble Tribunal to grant of interim relief as well as permanent appointment Quantum of liability is not yet determined, till the order of the court.
21. The cases are filed by ex- contractual employees of the company which was appointed on contractual basis and filed cases under section 6 of Industrial Dispute Act 1947
Reena ,Seema Rani ,Niraj Kumari, Sangeeta, Mukesh , Basanti Kumari, Basanti Kumari, Rekha, Meenakshi, Sangeeta , Manjula , Sonia , Tamanna Rani , Khamoshi , Deepa Devi , Neelam Tiwari, Rashmi , Bhupeshwari , Deepika , Relha Ran, Subhadra, Ruchika, Priyanka, Jyoti , Suman Devi , Mamta Singh , Anjuu Mishra , Anjuu Mishra, Sunita Kumari , Archna, Pooja, Rehka , Bhawana Narula ,V/s DWCD and Quantum of liability is not yet determined.



Intelligent Communication Systems India Limited (ICSIL)

Notes forming part of the Financial Statements

For the year ended 31st March, 2023

22. Minimum Wages Act 1948, complaint by Ms. Anju Gupta, Inspector Vs ICSIL In the Karkardooma Court, Delhi. Metropolitan Magistrate, Evening Court. The case is filed on the bases of complaint under Minimum Wages Act 1948, by Ms. Anju Gupta, Inspector in Labour department, under Enforcement Drive for implementation of Minimum Wages. The case is filed on the bases of complaint under Minimum Wages Act 1948, by Ms. Anju Gupta, Inspector in Labour department, under Enforcement Drive for implementation of Minimum Wages. There is one charge on ICSIL, which is that the Accused (ICSIL) failed to produce Annual Return in Form III for the year 2017 (Rule 21[A]).
23. Jagdish Dahiya Vs Lalit Kumar, Jagdish peon in DWCD Case in Tis Hazari Court, Judge Hemani Malhotra, Motor Accident Claims Tribunal. Jagdish Dahiya Vs Lalit Kumar, Case Reg. No. 653/17, FIR No. 325/16, PS Mundka in the court of Ms Hemani Malhotra Judge, Motor Accident Claim Tribunal (West District) 02 Room No. 139 Tis Hazari Court, Delhi. The case is of Motor Accident, Sh. Jagdish Dahiya S/O Sh. Dhan Raj working as peon in DWCD. The case is about the claim in the Motor accident, in which Sh. Jagdish Dahiya is the Pititioner.
24. The Notice of Motion was served by petitioners for case "Ms Anju & Ors VS Union of India & Ors" Case in Hon'ble High Court of Delhi. The case matter is of Aganwari Works in DWCD where these workers were deployed through ICSIL on contractual basis as Aganwari Superwiswers. The case is pending in Hon'ble High Court Delhi.
25. Labour Inspector Vs ICSIL, ICSIL Summon of Accused person in summon case. Cases is under Minimum Wages Act U/S 22(A) Case at Patiala House Court. Details of case awaited from court
26. Delhi Jal Board (DJB) Vs ICSIL, ICSIL Summon for settlement of issues for the past project Case at Saket Court, Senior Civil Judge cum RC (Rent Controller), South East, Saket Court
27. Vipin Sharma & Anr. Vs Department of Food & Supply (Respondent 1) & ICSIL (Respondent 2) Writ Petition is filed in Hon'ble High Court of Delhi. The case is regarding maintenance of status quo of job as Department of Food & Supply has disengaged 81 Data Entry Operators and they have filed case for employment again. ICSIL has filed the Reply and order is awaited.
28. Chetan Yadav & Ors. Vs DSIIDC & ICSIL Writ Petition is filed in Hon'ble High Court of Delhi. The case is regarding - Same work same pay by the Junior Engineers deployed in DSIIDC through ICSIL on contractual basis. Case in Hon'ble High Court of Delhi. ICSIL has filed the Reply and order is awaited.
29. Labour Inspector Vs ICSIL Summon to Accused Person in summon to Accused person in summon case. Cases is under Minimum Wages Act U/S 22(A) Case at Karkardooma Court, Delhi. Evening Court, Metropolitan Magistrate
30. Chetan Yadav & Ors. Vs DSIIDC & ICSIL Notice from Rouse Avenue Court, New Delhi Advocate Sh. Shivnath Kumar & Associate for appearance with AR, ICSIL Notice from Rouse Avenue Court, New Delhi, from (ADSJ) Additional District & Session Judge under Industrial dispute, Tribunal Case in Rouse Avenue Court, New Delhi



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

31. The cases are filed by ex- contractual employees of the company which was appointed on contractual basis as MTS the case is regarding discontinuation of services as MTS as the contract between the Department and ICSIL is over. The Petitioner has filed case for his job and other benefit in Rouse Avenue Court, New Delhi in case of Prahlad Sharma, Rakesh Kumar , Manish Verma, Jitender Kumar Chawla, Anand Kumar, Sunil Sharma , Poonam Yadav, Mahesh Tiwari , Yadav Kumar, Rajeev Kumar , Mumtaz Zakir, Gaurav Kumar, Nitender Singh, Kavita Kumari, Aarti, Monu , Dharampal V/s Dr. Baba Saheb Ambedkar Medical College and Hospital (Respondent 1) and ICSIL (Respondent 2) and Quantum of liability is not yet determined, till the order of the court.
32. M/s Corporate Infotech Pvt Ltd Vs ICSIL." Saket Court CSDJ/962/2019. Case file by M/s Corporated Infotech Pvt. Ltd Vs ICSIL for nonpayment of their due amount of Rs. 15,34,325/- plus interest from ICSIL. Financial implications will be as per the Court Order. Or any other directions by the Court The matter is subjudice.
33. Delhi Jal Board (DJB) Vs ICSIL Hon,ble High Court Delhi DIA/2827/D/09-20. Arbitration in Hon,ble High Court Delhi were new case proceedings to be for claim filling by the DJB for the payment of ERP project as work / project left incomplete due to ESPL being party to CBI case, of amount paid by DJB to ICSIL along with the interest payment till date. Financial implication will be as the Arbitration Order. New case proceedings to be start with new case number.
34. Satish Kumar & 3 Ors and Delhi Prashashan Vikas Vibhag Industrial Employees, Union Vs Department of Labour and ICSIL. At Dy Labour Commissioner office Jeevan Deep Build. Proceedings are going on written reply is submitted. The case complaint is regarding regularization of Services and Equal Wages for equal work. ICSIL contract with department is over. Proceedings going and from Commissioner office the matter will be forwarded to district court as per order order pending.
35. Delhi Jal Board (DJB) Vs ICSIL Saket Court CS SCJ/76/2020 O.5; R.1, 5. Proceedings Saket Court/Arbitrations/ reverted back to court For settlement of issues for the past project payment and work not completed by ICSIL for amount Rs. 23977635/- Plus 10% interest Financial implications will be as per the Court Order. Or any other directions by the Court. The matter is subjudice.
36. Delhi Jal Board (DJB) Vs ICSIL Hon,ble High Court Delhi DIAC/5711/12-22. Arbitration in Hon,ble High Court Delhi in starting stage for the payment of ERP project as work / project left incomplete due to ESPL being party to CBI case, of amount paid by DJB to ICSIL along with the interest payment till date. Financial implication will be as the Arbitration Order.
37. Veer Singh Vs Divisional Commissioner (Revenue dept) & ICSIL Rouse Avenue Court C No. ID/269/2022/3342:L/42011/236/2022-IR(DU). Case is regarding, STAY/ Status Quo, from the Court for not to end the contract/agreement of work order by Revenue Dept. on 28/02/2023 between Revenue Dept. and ICSIL as than contractual outsourced employees deployment will finish as per the terms by department of Revenue. Any financial implication Or any liability of workmen can be defined only after the Court Order/directions by Court. The matter is subjudice.



Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

38. Labour Inspector Vs ICSIL Karkardooma Court CC No. 61/2019. Proceedings for explanation of non compliance of MW Act. The case is regarding minimum wages Act, inspection done in the department of contractual basis employees deployed through ICSIL for non compliance of proper documents. Financial implications will be as per the Court Order. Or any other directions by the Court. The matter is subjudice.
39. Case filed by 31 Anganwadi workers for post of Anganwadi Supervisor.

F. Related Party disclosures

Accordance with the requirement of the IND AS 24 "Related Party Discloser" issued by The Institute of Chartered Accountants of India the following discloser has been made.

| <u>Related Parties</u> <u>where control exits</u> | | <u>Amount of transaction</u> | | <u>Nature of transaction</u> |
|--|-------------------|-------------------------------------|-----------------------------|--|
| | | <u>Current Year</u> | <u>Previous Year</u> | |
| TCIL-ITC | Associate Company | 4.97 Lakhs | 2.29 Lakhs | Expenses for royalty TCIL (TCIL-ITC project) to TCIL. |
| TCIL-ITC | Associate Company | 11.83 Lakhs | 28.21 Lakhs | Expenses for leave encashment payment to TCIL. |
| TCIL-ITC | Associate Company | 7.52 Lakhs | 12.16 Lakhs | Expenses for gratuity payment to TCIL. |
| DSI IDC | Associate Company | 3466.29 Lakhs | 2,714.74 Lakhs | Revenue for manpower supply services to DSI IDC. |
| DSI IDC | Associate Company | NIL | 35.00 Lakhs | Advance from DSI IDC against manpower supply services. |
| DSI IDC | Associate Company | 43.82 Lakhs | 13.64 Lakhs | Expenses for rent for office premises to DSI IDC. |

Outstanding balances receivables/ (payables) from related party are as follow:

| <u>Related Parties where</u> <u>control exits</u> | | <u>Outstanding Amount</u> | | <u>Nature of transaction</u> |
|--|-------------------|----------------------------------|-----------------------------|---|
| | | <u>Current Year</u> | <u>Previous Year</u> | |
| TCIL | Associate Company | 61.41 Lakhs | 72.46 Lakhs | Receivables under Kuwait project. |
| TCIL-ITC | Associate Company | (29.25) Lakhs | (13.25) Lakhs | Expenses for royalty TCIL (TCIL-ITC Project) & leave encashment and gratuity payment to TCIL. |
| DSI IDC | Associate Company | 338.46 Lakhs | 314.86 Lakhs | Revenue for manpower supply services to DSI IDC. |
| DSI IDC | Associate Company | NIL | (207.20) Lakhs | Expenses for rent for office premises to DSI IDC.(Note-1) |
| DSI IDC | Associate Company | (187.43) Lakhs | (221.83) Lakhs | Advance from DSI IDC against manpower supply services. |



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

Note-1 During the year disputed rent account has been settled with DSIDC, at the time of settlement DSIDC has allowed waiver off Rs.92.31 on account of Interest on late payment of rent. The same has been booked as Income under Note-18 of the financial statement.

Related parties as identified by the management and relied upon by the Auditors.

G. Key Management personnel

Sh. Sanjay Kumar - Managing Director.

Remuneration of Managing Directors 31st March 2023

| Name | Relation | 31 st March, 2023 | 31 st March, 2022 |
|------------------|-------------------|------------------------------|------------------------------|
| Sh. Sanjay Kumar | Managing Director | 37.17 Lakhs | 25.12 Lakhs |
| Sh. V.K. Sinha | Managing Director | - | 11.09 Lakhs |

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.

H. Current & Non-Current Balances of Advance from Customers, Security Deposit from Others, Security for Performance, trade payables, Wages Payable, Earnest Money Deposits, claim recoverable are pending for confirmation and reconciliation-and confirmation as on 31.03.2023.

I. 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. Detail of CSR expenses as follows:

| Particulars | 2022-23 | 2021-22 |
|---|-------------|-------------|
| Opening unspent | 16.62 Lakhs | Nil |
| Amount required to be spent during the year | 17.33 Lakhs | 16.62 Lakhs |
| Amount spent during the year | 33.95 | Nil |
| Balance | Nil | 16.62 Lakhs |



Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

J.. Dividend

During the Financial Year 2022-23 the ICSIL has paid Rs 20 lakhs as a dividend i.e of Rs. 20 each Equity in respect of financial year 2021-22.

K.. Basic & Diluted Earnings per share

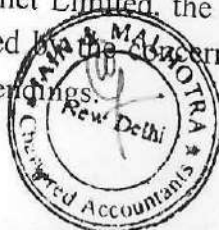
In compliance with IndAS-33 "Earning per share" issued by the institute of Chartered Accountants of India, the elements considered for computation of Earnings Per Share (Basic & Diluted) are as under:

| Particulars | 2022-23 | 2021-22 |
|--|------------|------------|
| Numerator | | |
| Profit after tax | Rs. 791.03 | Rs. 555.43 |
| | Lakhs | Lakhs |
| Denominator | | |
| Weighted Average number of Equity Shares used for computing Earnings Per Share (Basic & Diluted) | 1,00,000 | 1,00,000 |
| Earnings Per Share (Basic & Diluted) (Rupees) | Rs. 791.03 | Rs. 555.43 |
| Face Value Per Share (Rupees) | 100 | 100 |

L. Jeevan Project assigned by the DOIT to ICSIL which have already been completed in the earlier years. Sundry creditors of Rs. 95.03 Lakhs against sundry debtors of Rs. 44.38 lakhs is appearing in the financial statements. As per the management representation the necessary adjustments in the financial statements is pending due to non-receiving of closure report from DOIT.

M. As per section 12 of The Contract Labour (Regulation and Abolition) Act , Every contractor who has employed twenty or more workers on any day of the month has to obtain a license for engaging contract labour working for any establishment. As per the management, ICSIL has requested to the labour department to issue a single license for all work contracts instead of one to one license for each contract just to avoid the non compliance of the law.

N. During the FY 2021-22 ICSIL has paid a sum of Rs. 2.50 Lakhs to Samtech Infonet Ltd towards advance against job done to the Department of Industries. As per PO to M/s Samtech Infronet Limited, the company has to be submitted the compilation certificate for the same issued by the concerned department. In the absence of the compliance certificate of account still pending.



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

O. Lessees have to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In case of ICSIL, companies office is located in the premises of its associate company (DSI IDC). The rent agreement between DSI IDC and ICSIL is not exist as on balance sheet date. As company is also paying rent for the building to DSI IDC since last several years. Since the rent agreement between DSI IDC and ICSIL has not existed as on balance sheet date, it is not possible to comment whether the rental covers under Ind AS 116 "leases"

P. During the year ICSIL has received aggregate amount of Rs 1.41 Lakhs which is still unidentified from whom it received till the Balance Sheet date and the same is shown under the head of Securities received from Departments and Franchisees. Further, in the following Bank account the bank balances have been carried on the book figures as these accounts are non-operative. Management has confirmed that the closure proceed under process for the following bank account.

| Particulars | Amounts (Rs) |
|--|-----------------|
| ALLAHABAD BANK -TCIL ITD DIV. (A/C - 401250) | 5,828 |
| PUNJAB & SIND BANK-CHENNAI A/c No. 1870 | 17,730 |
| UNITED BANK OF INDIA (A/C -844) | 7,080 |
| Total Amounts | 30,638 |

Q. ICSIL entered into a MOU with TCIL for executing a project in Kuwait and the same was signed on 4th March 2013. As per the said MOU, ICSIL has only 0.5% share of profit in the Kuwait Project. The unaudited financial statements of Kuwait Project are consolidated in ICSIL's financial statements. During the financial year, NIL amount of turnover has been undertaken. In the view of the management, there is no requirement of Audit of the Branch Accounts for the F.Y. 2022-23

R. No amount due to vendors registered under MSME Act 2006, during the financial year 2022-23.



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

S. Ratio Analysis and its elements

| SN | Ratios | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 | % Change |
|----|---------------------------------|---|---|-----------|-----------|----------|
| A | Current ratio | Total Current Assets | Total Current Liabilities | 2.50 | 2.12 | 17.69 |
| B | Debt-Equity Ration | Total Debt= Borrowings + Lease Liabilities | Shareholder's Equity | - | - | - |
| C | Debt-Service Coverage Ratio | Earning Available for Debt Service= Net profit after Tax + Non Cash Operating Expenses. | Debt Service= Interest & lease Payments + Principal Payments | - | - | - |
| D | Return On Equity Ratio | Net profit after Tax | Average shareholder's Equity | 791.03% | 555.43% | 42.42 |
| E | Inventory Turnover ration | Cost of Goods Sold | Average Inventory | - | - | - |
| F | Trade Receivable Turnover ratio | Net Credit Sales= Gross Credit Sale - Sales Returns | Average Trade Receivable | 3.84 | 3.43 | 11.95 |
| G | Trade Payable Turnover ratio | Net Credit Purchase= Gross Credit Purchase - Purchase Returns | Average Trade Payable | 5.32 | 4.17 | 27.54 |
| H | Net Capital Turnover ratio | Net Sales = Total Sale - Sales Return | Working capital = Current assets - Current Liabilities | 2.58 | 2.69 | -4.29 |
| I | Net profit Ratio | Net Profit after tax | Net sales = Total Sales - Sales returns | 4.56% | 3.35% | 36.16 |
| J | Return On capital employed | Earning before Interest & Taxes | Capital Employed = Tangible Net Worth + Total Debts + Deferred Tax liabilities. | 22.59% | 19.70% | 14.69 |
| K | Return On Investment | Income Generated from Invested Funds | Average Invested Funds | - | - | - |

Point B, C is not calculated as ICSIL has no borrowings

Point E is not applicable to the company

Point K is not calculated as ICSIL has no investment



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

T. Additional Regulatory Information

1. Title deeds of Immovable Property not held in name of the Company: The Company do not have any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988. The Company do not have any immovable property except temporary structure which was constructed during the FY 2022-23.

2. There is no revaluation done in Property, Plant or Equipment which is required to be disclosed.

3. Loans or Advances:- Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 (a) repayable on demand or
 (b) without specifying any terms or period of repayment

| Type of Borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | Nil | Nil |
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Related Parties | Nil | Nil |
| Total | Nil | Nil |

4. Capital-Work-in Progress (CWIP): There is no CWIP during the year, hence disclosure is not provided.

5. Intangible assets under development:- During the current financial year, Company's web site which was under development, has been capitalized on 30st September 2022 and depreciation has been charged accordingly.

6. Details of Benami Property held: No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

7. Borrowings:- The company has no borrowings from banks or financial institutions on the basis of security of current assets. Thus, disclosure of quarterly returns and statements of current assets filing by the company with the bank does not arise.



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

8. Willful Defaulter: The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

9. Relationship with Struck off Companies : The company does not have transactions or balances outstanding with companies struck off u/s 248 of the Companies Act 2013 or u/s 560 of Companies Act, 1956.

10. Registration of charges or satisfaction with Registrar of Companies: The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.

11. Compliance with number of layers of companies: The company does not have any flow of investments for more than two layers of investment companies as per section 2 (87) (d) & section 186 of the Companies act, 2013.

12. Compliance with approved Scheme(s) of Arrangement: There are no Scheme of Arrangements been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, *hence the disclosure is not provided.*

13. Utilization of Borrowed funds and share premium:

- i. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) **with the understanding** (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) **OR** provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries, *hence this disclosure is not provided.*
- ii. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) **with the understanding** (whether recorded in writing or otherwise) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, *hence this disclosure is not provided.*

14. Undisclosed Income: The company has no transactions which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as search or survey or any other relevant provisions of the Income tax Act, 1961).



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Intelligent Communication Systems India Limited (ICSIL)
Notes forming part of the Financial Statements
For the year ended 31st March, 2023

- 15. Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in crypto currency or virtual currency during the financial year, hence this disclosure is not provided.

As per our report of even date

For Jain & Malhotra

Chartered Accountants

Firm registration number: 003610N

For and on behalf of the Board of Directors:



Vikas Garg

Partner

Membership No. 501516

UDIN : 23501516BGTXXH3892

Place : New Delhi

Date : 22/09/2023.

(Arun Dagar)

Director

DIN -02066243

(Chukkala Ramakrishna)

Managing Director

DIN - 10218597

Neena Mahajan

Joint General Manager(F&A)





JAIN & MALHOTRA
CHARTERED ACCOUNTANTS

117, INDRAPRAKASH BUILDING,
BARAKHAMBA ROAD, NEW DELHI - 110001
Phone : 011 - 43504858, 23357494
Email : jain.malhotra@gmail.com
Web : www.jainandmalhotra.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

Report on the Standalone Ind AS financial statements

Opinion

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements along with Notes to Accounts and the matters specified in this Audit Report give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and Accounting Principles Generally Accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (financial performance including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind-AS financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered



BRANCH OFFICES :

42-B, HANUMAN LANE, CONNAUGHT PLACE, NEW DELHI - 110001
G-19, KUMAR TOWER, 15 COMMUNITY CENTER, WAZIRPUR INDUSTRIAL AREA, NEW DELHI - 110052
B-10, CHANDLER ROAD, ANAND VIHAR, NEW DELHI - 110029

Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind-AS financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind-AS financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and

We do not provide a separate opinion on these matters.

The Balance Confirmations and reconciliation from trade receivables, trade payables, Security Deposits received, Earnest money deposits, wages payable and claim recoverable are pending. These balance are including Non-Current balances also which are lying in the books of accounts since long. Provision for doubtful debts has not been made for debts which are outstanding for a period exceeding three Years of amounting to Rs. 1632.99 lakhs (Previous Years 2664.36 lakhs) and as per the management representation all trade receivables are considered good and realizable at book value, although there is no material certainty, confirmation and reconciliation exist as on 31.03.2023 in respect of such outstanding.

Information Other than the Standalone Ind-AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind-AS financial statements and our auditor's report thereon.



Our opinion on the standalone Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management & those charged with Governance for the financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone Ind-AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the Ind-AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind-AS financial statements, including the disclosures, and whether the Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/information of Kuwait branch of the company, included in standalone financial statements of the company. Our opinion in so far as it relates to the amounts and disclosures included in respect of the said branch is based solely on the report of the branch auditor.





Report on Other Legal and Regulatory Requirements

1. We are enclosing our report in Annexure 'A' on the directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'B' a statement on the matters specified in paragraph 3 and 4 of the order.
3. As required by Section 143 (3) of the Act, based on our audit report that:
 - (a) We have sought and 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 it appears from our examination of those books;
 - (c) The reports on the accounts of the branch offices of the company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) The Balance Sheet, the statement of Profit and Loss (including other comprehensive income), the Cash Flow statement and the statement of Changes in equity dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rule, 2015 as amended.
 - (f) We are informed that in terms of Notification No. G.S.R. 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of section 164(2) of the Act, in respect of disqualification of directors, are not applicable to the company;
 - (g) We are enclosing herewith a report in Annexure 'C' for our opinion on adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls.



- (h) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
With respect to the matter included in the Auditor's report under section 197(16):

We are informed that in term of notification No. G.S.R. 463(E) dated June 05, 2015, the government companies are exempt from the provisions of section 197 of the Act. Accordingly, we are not required to report whether remuneration paid by the company to its directors is in accordance with provisions of this section.

For JAIN & MALHOTRA
Chartered Accountants
Firm Registration no. 003610N

Vikas Garg
Partner
M.No. 501516



Place: New Delhi
Dated: 22.09.2023
UDIN: 23501516B6TXH3892

Annexure –A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of Annual Accounts of Intelligent Communication Systems India Limited (Standalone) for the year 2022-23 issued by the Comptroller and auditor General of India under section 143(5) of the Companies Act, 2013.

| S.No. | Directions | Our Report |
|-------|---|--|
| 1. | Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated | The accounting software used by the company is "Tally ERP 9". Accounts staff has been given a right to data entry in Tally ERP 9. The right of alteration, modification and deletion is lying with HOD finance only. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company's inability to repay the loan? If yes, the financial impact may be stated. | NIL |
| 3. | Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | NIL |

For JAIN & MALHOTRA
Chartered Accountants
Firm Registration no. 003610N

Vikas Garg
Partner

M. No. 501516

Place: New Delhi

Dated: 22.09.2023

UDIN: 23501516BGTXXH3892



ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of Fixed Assets:

- a) The company is maintaining Fixed Assets records, which do not showing full particulars like identification numbers and situation of fixed assets.
- b) The company has a regular program of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this program, fixed assets were verified during the year. As informed to us, no material discrepancy was noticed on such verification.
- c) The company does not own any immovable properties except temporary structure.
- d) Company has not re valued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) No proceedings have been initiated during the year or are pending against the company as at 31st march, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as Amended in 2016) and rules made there under.

- 2.
- a) The company does not have any inventory and hence reporting under clause 3 (ii) (a) of the order is not applicable.
 - b) The company has not been sanctioned any working capital limits, at any point of time during the year , from any bank or financial institutions on the basis of security of the current assets and hence reporting under clause 3(ii)(b) of the order is not applicable .

3. According to the information and explanations given to us:

- a) The company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the company.
- b) The company has not granted any loans, made investments excepting for providing guarantees through Indian Bank worth Rs. 782.89 Lakhs as performance guarantees for safe performance of contract entered into with various departments. The guarantees are covered by mortgaging FDRs of Rs.181.87 Lakhs.

4. As per management, provisions of sections 185 and 186 of the Companies Act have been complied in respect of loans, investments, guarantees, and security.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Further, no order has been passed by Company Law Board, National Company Law Tribunal or RBI or any other court or tribunal.
6. In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (I) of section 148 of the Companies Act;
7. a) As per the information and explanations given to us, at times the company is not depositing undisputed statutory dues in case of provident fund and employees' state insurance dues to appropriate authorities within prescribed time.

Details of outstanding undisputed liabilities as on 31 March 2023 are as follow:

| SN | Particulars | Outstanding Amount |
|-------|---------------------------------|--------------------|
| 1 | ESI Liability | 23.72 Lakhs |
| 2 | ESI Interest & Damages Payables | 10.22 Lakhs |
| 3 | EPF Liability | 12.22 Lakhs |
| Total | | 46.16 Lakhs |



b) As per the information and explanations given to us, there are following dues of Income Tax/GST which have not been deposited on account of appeals being filed:

| Name of Department | Nature of Dues | Demand Amount | Period for which related | Forum |
|---|---|------------------|------------------------------|-------------------|
| GST Department (Service Tax Department) | Related to Exempted Services | Rs. 1,550 Lakhs | A.Y. 2013-14 to A.Y. 2015-16 | CESTAT |
| Income Tax Department | Disallowance of ESIC and EPF | Rs. 45.88 Lakhs | A.Y. 2017-18 | Income Tax Appeal |
| Income Tax Department | Disallowance of ESIC and EPF | Rs. 69.36 Lakhs | A.Y. 2018-19 | Income Tax Appeal |
| Income Tax Department | Disallowance of ESIC and EPF | Rs. 388.40 Lakhs | A.Y. 2019-20 | Income Tax Appeal |
| Income Tax Department | Disallowance of ESIC EPF and Contingent Liabilities | Rs. 633.10 Lakhs | A.Y. 2021-22 | Income Tax Appeal |

8. As per management, there is no transactions which has not been recorded in the books of account those have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. As per the information & explanation given to us, company has not borrowed money as loans and borrowings from any Lender during the current financial year. Therefore, the provisions of clause 3(ix) of Order are not applicable to the company.
10. Based on our Audit Procedures and according to the information & explanations given to us,
- a) During the financial year 2022-23, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further the company has not taken any term loan during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the company.
- b) During the financial year 2022-23, the company has not made any preferential allotment or private placement of shares or fully or partly convertible

debentures. Therefore, the provisions of clause 3(x) (b) of Order are not applicable to the company.

11. With respect to the clause 3(xi) of the order, we report that based upon the audit procedures performed and information and explanations given by the management, no fraud by the company or on the company has been noticed or reported during the course of our audit for the year ended 31.03.2023.
12. According to the information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
13. According to the information and explanations given to us and on the basis of our examination of the records of the company, transactions entered into by the company with related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013 Except ICSIL has entered into transaction(s) with its associate company namely DSIIDC, for an amount of Rs 34.66 crores which is more than 16% of total revenue from operation of the company. Further, ICSIL is charging 10% markup on manpower supply from other customer(s)/ client(s) which are government agencies. However, ICSIL has charged 4.75% markup on manpower supply to DSIIDC, which is an associate company, as a special case.
14. As per information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business and the reports of the Internal Auditors for the period under audit were considered during statutory audit by us.
15. According to the information and explanations given to us and based on the audit procedures performed by us, we report that the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of section 192 of Companies Act are not applicable to the company.
16. The company is not a finance company and is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company.

17. As per information and explanation given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
18. As per information and explanation given to us, there has not been any resignation of the statutory auditors during the year.
19. As per information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. As per information and explanation given to us, there is no amount unspent for any ongoing projects under sub sections (5) of section 135 of the Companies act. The company has spend CSR expenditure of Rs. 33.95 lakhs(Including previous year unspent Rs.16.62 lakhs) during the financial year 2022-23.
21. During the financial year no audit has been carried on by the Kuwait Branch and the financials of Kuwait branch consolidated by the ICSIL was unaudited, hence there was no qualification and adverse remarks in respect of CARO report of Kuwait Financials by its auditor.

For JAIN & MALHOTRA
Chartered Accountants
Firm Registration no. 003610N

Vikas Garg
Partner
M. No. 501516



Place: New Delhi
Dated: 22.09.2023

UDIN: 23501516BGTXXH3892

ANNEXURE- C TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report in 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 31st March 2023 in conjunction with our audit of the standalone Ind AS 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, 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 31st March 2023, 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.

Emphasis of matter:

1. During the financial year 2022-23, ICSIL has not created Provision for doubtful debts on Trade Receivables amounting to Rs. 1632.99 lakhs (Previous Years 2664.36 lakhs). The said Trade Receivables are outstanding for a period exceeding three years. No confirmations and reconciliations as on 31.03.2023 are available with ICSIL in respect of such outstanding.
2. Under the provisions of section 12 of The Contract Labour (Regulation and Abolition) Act, 1970, a contractor who has employed twenty or more workers on any day of a month is required to obtain a license for engaging contract labour. Further, as per the provisions of section 23 of the said Act, any person who violates any clause of this Act or any rules made under this Act will be punishable with custody for a term which is more than three months, or with the penalty which is more than one thousand rupees, or with both. ICSIL has deployed twenty or more workers to client(s)/customer(s)/ department(s) from which, the said licence to be obtained/renewed.
3. Client(s)/ Customer(s) enters into agreement with ICSIL for manpower recruitment. As per the said agreements, ICSIL is liable to pay penalty to the client(s)/ customer(s) for delay in deployment/ non-deployment of manpower. Owing to such clause, ICSIL has paid an amount of Rs. 7.47 lakh (Previous Year: Rs 21.08 lakh), by way of penalty for non-deployment / delay deployment of manpower during this financial year.
4. Lessees have to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In case of ICSIL, companies office is located in the premises of its associate company (DSI IDC). The rent agreement between DSI IDC and ICSIL is not exist as on balance sheet date. As company is also paying rent for the building to DSI IDC since last several

in the premises of its associate company (DSI IDC). The rent agreement between DSI IDC and ICSIL is not exist as on balance sheet date. As company is also paying rent for the building to DSI IDC since last several years. Since the rent agreement between DSI IDC and ICSIL has not existed as on balance sheet date, it is not possible to comment whether the rental covers under Ind AS 116 "leases".

5. There is no controlling over the working of the Franchisees. ICSIL relies on the amount remitted by the Franchisees. As we observed that in most of the cases franchisees has not remitted the fees on regular basis. ICSIL franchisees issue invoice/Fee receipts under the name of ICSIL as these franchisees are merely agents of ICSIL. Such invoices issued are not in accordance with the provisions of GST Act. According to the nature of business activities of the ICSIL the basic document is agreement between ICSIL & customer. In the number of cases franchise agreement with the franchisees have already been expired and no fresh agreements are on the record.
6. During the FY 2022-23, ICSIL has entered into transaction(s) with its associate company namely DSI IDC, for an amount of Rs 34.66 crores which is more than 16% of total revenue from operation of the company. Further, ICSIL is charging 10% mark-up on manpower supply from other customer(s)/ client(s) which are government agencies. However, ICSIL has charged 4.75% mark-up on manpower supply to DSI IDC, which is an associate company, as a special case.

For JAIN & MALHOTRA
Chartered Accountants
Firm Registration no. 003610N

Vikas Garg
Partner
Mo.No.501516



Place: New Delhi
Dated: 22.09.2023
UDIN: 23501516BGTXXH3892