

**30<sup>TH</sup> ANNUAL GENERAL MEETING**  
**OF**  
**INTELLIGENT COMMUNICATION SYSTEMS**  
**INDIA LIMITED**

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# Intelligent Communication Systems India Ltd. (ICSIL)

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



Corporate Identity Number (CIN)-U74899DL1987GOI027481

## NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of Intelligent Communication Systems India Limited will be held on Wednesday the 27<sup>th</sup> December, 2017 at 03:00 P.M. at the Regd. Office of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) at N-36, Bombay Life Building, Connaught Circus, New Delhi-110001 to transact the following business:-

### ORDINARY BUSINESS:-

1. To receive and adopt the Audited Financial Statements consisting of Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Arun Mishra who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare a dividend.
4. To fix remuneration of Auditors for the financial year 2017-18 and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2017-18.”

### SPECIAL BUSINESS:-

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

“RESOLVED THAT Sh. Mohanjeet Singh, who was appointed as an Additional Director w.e.f. 06.09.2017 and shall hold office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company”.

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

“RESOLVED THAT Shri Vinod Kumar Sinha, (DIN 07964872) who was appointed as an Additional Director w.e.f. 12.10.2017 and shall hold office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company”.

*Sinha*  
04/12/2017

## **7. CHANGE IN OBJECTS OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as a Special Resolution:-

**“RESOLVED THAT** pursuant to Section 13 of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and any Rules framed thereunder and other applicable provisions, if any, Main Objects **Clause A** of Memorandum of Association of ICSIL be and is hereby amended by addition of the following sub clauses after sub clause 6:-

“To carry on the business of providing all kinds/categories of manpower including technical/non-technical/administrative/financial/skilled/unskilled etc required by Government and Private Organizations.

To carry out services of consultancy and execution of projects for all kinds of digital payment solutions and other related services.

To carry out services of consultancy and turn key projects in the field of telecom, IT and new & renewable energy.”

**“RESOLVED FURTHER THAT** the Managing Director be and is hereby authorized to do all acts, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

## **8. ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION AS PER THE REQUIREMENT OF COMPANIES ACT, 2013**

As per the provisions of Section 13 of Companies Act, 2013 and Rules 32 of The Companies (Incorporation) Rules, 2014, the MOA of the company is to be redrafted as per the new Companies Act and filed with the Registrar of Companies at the time the company proposes to amend the same.

Also, the existing Memorandum of Association (“MOA”) were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA contain references to specific sections of the Companies Act, 1956 and some of which are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing MOA of the Company require alteration or deletions at several places.

After perusal, the board approved the new set of Memorandum of Association as per the requirement of Companies Act, 2013 by passing the following resolutions:

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft clauses contained in the Memorandum of Association submitted to this meeting be and are hereby approved and adopted in substitution including proposal as mentioned above at item no. 7, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect.”

**“RESOLVED FURTHER THAT** Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

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

*Sinha*  
04/12/2017  
**(Vinod Kumar Sinha)  
Managing Director  
(DIN No. 07964872)**

Date: December 04, 2017  
Place: New Delhi

To

- 1. All Members of the Company
- 2. All Directors of the Company
- 3. Statutory Auditors

**Notes:**

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

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

**ITEM NO. 5 APPOINTMENT OF Dr. MOHANJEET SINGH**

Board of Directors of the Company at 136<sup>th</sup> Board Meeting dated 06.09.2017 appointed Sh. Mohanjeet Singh as Chairman and an Additional Director as a Nominee of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) to hold office till the Annual General Meeting of the Company.

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

Save and except Sh. Mohanjeet Singh, none of the other Directors or their relatives are, in any way, concerned or interested in this resolution.

**ITEM NO. 6. APPOINTMENT OF SH. VINOD KUMAR SINHA**

Board of Directors of the Company in their 137th Meeting held on 11.10.2017 appointed Shri. Vinod Kumar Sinha, as Managing Director and an Additional Director as a Nominee of Telecommunications Consultants India Limited to hold office till the Annual General Meeting of the Company.

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

Save and except Shri Vinod Kumar Sinha, none of the other Directors or their relatives is, in any way, concerned or interested in the resolution.

**ITEM NO. 7 CHANGE IN OBJECTS OF THE COMPANY**

ICSIL is proposing to carry on new business of Manpower, to carry out services of consultancy and execution of projects for all kind of digital payment solutions and to carry out services of consultancy and turn key projects in the fields of telecom, IT and new &

*Sinha*  
04/12/2017

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renewable energy. Your Company has requisite expertise to undertake projects in these fields. However, these activities are not included in Objects Clause of Memorandum of Association, which is hindering participation of ICSIL in projects. Therefore, amendment in Objects Clause of Memorandum of Association is required. As per Section 13 of the Companies Act, 2013 for carrying out this amendment in Memorandum of Association, consent of Shareholders by passing a Special Resolution is required.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the passing of this Special Resolution. The relevant documents are available for inspection by the members during working hours in the registered office of the Company.

The Directors recommend the aforesaid resolution for approval by Members as a Special Resolution.

**ITEM NO. 8 ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION AND AS PER THE REQUIREMENT OF COMPANIES ACT, 2013**

The Company was incorporated on 01.04.1987 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013.

The existing Memorandum of Association ("MOA") were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA contain references to specific sections of the Companies Act, 1956 and some of which are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing MOA of the Company require alteration or deletions at several places.

Further, as per the provisions of Section 13 of Companies Act, 2013 and Rules 32 of The Companies (Incorporation) Rules, 2014, the MOA of the company is to be redrafted as per the new Companies Act and filed with the Registrar of Companies at the time the company proposes to amend the same.

Accordingly, it is considered expedient to wholly replace the existing MOA by adopting them afresh.

The new set of draft MOA are based on the Companies Act, 2013.

The proposed new draft MOA submitted / tabled to this Annual General Meeting / for perusal of the shareholders.

It may also be noted that proposed clause in the Item no. 7 have been incorporated in the aforementioned new draft MoA.

In order to authorize the Board for taking further action, it is necessary to pass the above **Special Resolutions** for the adoption of new set of Memorandum as set out in the notice. The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for adoption of new set of Memorandum of Association as per the

*Dinika*  
04/12/2017

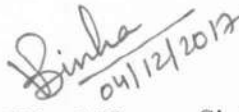
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requirement of Companies Act, 2013 and accordingly the Board of Directors recommends the Item No. 7 as Special Resolutions for approval of the Members.

The proposed **new draft of MOA** is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. up to and including the date of Annual General Meeting.

None of the Promoters, Directors, Key Managerial Personnel of the Company and their relatives thereof is anyway concerned or interested in the proposed resolutions except to the extent of their holding of Equity Shares in the Company.

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

  
04/12/2017  
**(Vinod Kumar Sinha)**  
**Managing Director**  
**(DIN No. 07964872)**



**Form No. MGT-11**

**Proxy form**

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

**CIN** : U74899DL1987GOI027481

**Name of the Company** : INTELLIGENT COMMUNICATION SYSTEMS INDIA LTD.

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

**Name of the member(s)** :

**Registered address** :

**E-mail Id** :

**Folio No./Client Id** :

**DP ID** :

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

- 1. Name:
- Address:
- E-mail ID:

Signatures: ....., or failing him.....

- 2. Name:
- Address:
- E-mail ID:

Signatures: ....., or failing him.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the company, to be held on 27<sup>th</sup> December, 2017, at 03 :00 p.m.and at any adjournment thereof in respect of such resolutions as are indicated below:

**RESOLUTION NO. 1**

To consider and discuss and adopt the Financial Statements consisting of Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date.

**RESOLUTION NO.2**

To appoint a Director in place of Shri Arun Mishra who retires by rotation and being eligible, offers himself for re-appointment.

**RESOLUTION NO.3**

To declare a dividend

**RESOLUTION NO.4**

To fix the remuneration of Auditors

**Special Resolutions :**

**RESOLUTION NO. 5**

Appointment of Sh. Mohanjeet Singh

**RESOLUTION NO. 06**

Appointment of Sh. Vinod Kumar Sinha

**RESOLUTION No. 7**

Change in Objects of the Company

**RESOLUTION No. 8**

Adoption of new set of Memorandum of Association and as per the Requirement of Companies Act, 2013

Signed this      day of December, 2017

Signatures of shareholder.....

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

Affix Revenue Stamp

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

**ATTENDANCE SLIP**

**30<sup>th</sup> Annual General Meeting of Intelligent Communication Systems India Ltd. to be held on Wednesday the 27<sup>th</sup> December, 2017 at .00 P.M.**

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

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 30th Annual General Meeting of the Company on Wednesday the 27<sup>th</sup> December, 2017 at 03.00 P.M. at the Regd. Office of Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) At N-36, Bombay Life Building, Connaught Circus, New Delhi-110001

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's  
Signature

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

**INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**  
**DIRECTORS' REPORT TO THE SHAREHOLDERS**  
**30<sup>TH</sup> ANNUAL GENERAL MEETING**

**DEAR SHAREHOLDERS,**

Your Directors have immense pleasure in placing the 30<sup>th</sup> Annual Report of Intelligent Communication Systems India Limited along with the audited financial accounts for the period ended 31<sup>st</sup> March 2017.

**OPERATING RESULTS**

The Company's performance in financial terms has been better than previous years. The revenue from operations excluding other income for this year is Rs.14619.77 Lakhs compared to Rs.11347.87 Lakhs for the previous year. The overall financial performance of ICSIL for the financial year 2016-17 together with the comparative figures of the previous year is mentioned as under: -

S. NO.	PARTICULARS	2016-17	2015-16
		AMOUNT IN RS. LAKHS	
01.	Sales & Service	14619.77	11347.87
02.	EBITDA before depreciation and Financial Charges & provision for tax	625.36	547.36
03.	Profit after tax	372.91	321.80

**DIVIDEND**

Subject to the approval of the Members at the Annual General Meeting, the Board of Directors of your company recommends payment of Dividend of 20% of the Paid up share capital for Financial Year 2016-17.

**PROJECTS**

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

NCT of Delhi. Similarly, ICSIL also undertakes projects for various departments, autonomous bodies, PSU under Central Govt., other State Govt. and abroad.

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

1. **Outsourcing of Manpower:**

Being an Empanelled Agency of Govt. of NCT of Delhi and reliable source for providing competent manpower, ICSIL has been providing manpower in the caliber of Data Entry Operators, IT Assistants, Multi-Tasking Staff (MTS), Account Assistants, Chartered Accountants (CA), Clerks, Supervisors, Statistical Assistants, Social Welfare Officers, Patient Welfare Officers, Stenographers, Assistant Programmers, Programmers, System Analysts, System Administrator, Database Administrator, Nursing Orderly, Peons, and Drivers etc. to the various Government Departments, autonomous bodies etc. Already over 5500 personnel are deployed in various departments of Govt. of Delhi, Central Govt. and other agencies in Delhi and outside Delhi including ISRO, Bangalore.

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

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

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

3. **Networking:**

ICSIL has been carrying out networking projects for its clients such as IIIT, DTT, and Department of Food etc. Activities involve are Network Planning, Design, supply, Implementation, Operation and Optimization, Campus switching and Routing running voice and Data, Structure cabling Wireless LAN Solutions, VPN and Network Security Solutions, IP Telephony, Configuring Gateway with WAN links over Frame-relay/ Analog and Digital leased circuits/ ISDN PRI/BRI /dial-up/ Broadband, Media conversation technologies such as UTP to Fiber (single mode/multimode), Third party Content Management and load balancing solutions, LAN infrastructure Audit and Analysis, WAN Traffic Audit, Analysis, Monitoring of Enterprise Network support.

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

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

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

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

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

ICSIL offers a variety of training programs. It will not be out of place to

for the welfare of dependent wives of soldiers of Border Security Force. ICSIL can also get customized simulation training software module developed for live applications through its partners.

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

6. **Software Development:**

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

7. **Digitization of documents:**

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

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

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

9. **GPS based Vehicle Tracking System**

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

10. **Project in Kuwait**

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

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

## FUTURE PLANS

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

## CAPITAL

The authorized as well as paid up share capital of the Company continued to be Rs. 1Crore during the year 2016-17.

## MANPOWER

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

## DIRECTORS

During the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017, 6 meetings of the Board of Directors were held on the following dates: 129<sup>th</sup> (30.06.2016), 130<sup>th</sup> (11.07.2016), 131<sup>th</sup> (14.07.2016), 132<sup>nd</sup> (15.10.2016), 133<sup>rd</sup> (07.12.2016) and 134<sup>th</sup> (22.02.2017).

The Board of Directors of the company as on 31.03.2017 were:

- |                       |                     |
|-----------------------|---------------------|
| 1. Sh.K.R Meena       | -Chairperson        |
| 2. Sh. Kamendra Kumar | - Managing Director |
| 3. Sh. Rajiv Gupta    | - Director          |
| 4. Sh. A.K. Jain      | - Director          |
| 5. Sh.Ajay Aggarwal   | - Director          |
| 6. Sh. Arun Mishra    | - Director          |

During the year, Shri. K.R Meena was appointed as the Chairman w.e.f. 28.09.2016 in place of Shri. Sanjeev Ahuja, earlier Chairperson..

Shri Kamendra Kumar (DIN07578257), was appointed as the Managing Director, in place of Shri Ripu Sudan Kaushik w.e.f. 14.07.2016



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

129 <sup>th</sup>	30.06.2016	Shri Arun Mishra
130 <sup>th</sup>	11.07.2016	Shri Arun Mishra
131 <sup>st</sup>	14.07.2016	Shri Arun Mishra

The last AGM of ICSIL was held on 29.12.2016 and the following Directors attended the same -

- |                        |   |                   |
|------------------------|---|-------------------|
| 1. Shri K. R Meena     | - | Chairman          |
| 2. Shri Kamendra Kumar | - | Managing Director |
| 3. Shri Ajay Aggarwal  | - | Director          |
| 4. Shri Arun Mishra    | - | Director          |
| 5. Shri Rajiv Gupta    | - | Director          |
| 6. Shri A.K. Jain      | - | Director          |

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- 1) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
- 2) That appropriate accounting policies and practices have been applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2017 and of the Profits of the Company for the year ended on that date.
- 3) That proper care has been taken for the maintenance of accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Annual Accounts have been prepared on a "going concern" basis.
- 5) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## FIXED DEPOSITS

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

## CORPORATE GOVERNANCE

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

## INTERNAL CONTROL SYSTEM

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

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

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company as no employee in the Company was drawing more than INR 5,00,000/- per month or INR 60,00,000/- per annum or in excess of that drawn by the Chairman-cum-Managing Director or Whole-Time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

**RISK MANAGEMENT**

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

**AUDITORS' REPORT**

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

**RELATED PARTY TRANSACTIONS**

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

**EXTRACTS OF ANNUAL RETURN**

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

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

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

During the financial year 2016-17, the Company has not received any complaint on sexual harassment.

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

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

**UNSECURED LOAN**

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

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

In terms of the notification dated 05.06.2015 issued by Ministry of Corporate Affairs, the company has been exempted from the above provision and hence the disclosure is no longer required. However, awaiting exemption no exercise in this regard has been done during the year 2016-17.

## AUDITORS

The Comptroller & Auditor General of India has appointed M/s K.K. Khanna & Co., Chartered Accountants, New Delhi as Statutory Auditor of the Company for auditing the accounts of the Company for the financial year 2016-17. Directors would like to record their sincere thanks for the commendable services rendered by them.

## ACKNOWLEDGEMENT

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

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

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

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

## POSTING OF INFORMATION ON THE WEB SITE OF THE COMPANY

Annual results of ICSIL, tenders and career opportunities are posted on Company's web site: [www.icsil.in](http://www.icsil.in)

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF  
INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED**

  
**(KAMENDRA KUMAR)**  
Managing Director  
(DIN No. 07578257)

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

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

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

NAME OF RELATED PARTY:- TCIL					
NATURE OF RELATIONSHIP :- JOINT VENTURE					
					AMT. IN INR
NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES
NIL					

NAME OF RELATED PARTY:- DSIIDC					
NATURE OF RELATIONSHIP :- JOINT VENTURE					
					AMT. IN INR
NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES
NIL					

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

THE DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS AT ARM'S LENGTH BASIS FOR THE YEAR ENDED MARCH 31, 2017 ARE AS FOLLOWS:

NAME OF RELATED PARTY :- TCIL					
NATURE OF RELATIONSHIP :- JOINT VENTURE					
					AMT IN INR
NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES

SUB CONTRACTOR EXP. RELATING TO ICSIL KUWAIT	3 YEARS FOLLOWED BY 1 YEAR WARRANTY.	SETTING UP TELECOM NETWORK	47,62,98,403/-		NIL
DUES FROM TCIL (NET)			23,93,459/-		NIL
TOTAL			47,86,91,862/-		NIL

NAME OF RELATED PARTY :- DSIIDC  
 NATURE OF RELATIONSHIP :- JOINT VENTURE

NATURE OF CONTRACT	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT	AMT. IN INR	
				DATE(S) OF APPROVAL BY THE BOARD	AMOUNT PAID AS ADVANCES
MANPOWER	CONTINUOUS SINCE LAST 5 YEARS	SUPPLY OF MANPOWER	14,49,04,755/-		NIL
TOTAL			14,49,04,755/-		NIL

FOR AND ON BEHALF OF THE BOARD

DATE:  
PLACE: NEW DELHI

MANAGING DIRECTOR



FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017

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

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U74899DL1987GOI027481
2	Registration Date	01/04/1987
3	Name of the Company	M/s INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED
4	Category/Sub-category of the Company	Business Services Government Company
5	Address of the Registered office & contact details	DSIIDC ADMINISTRATIVE BLOCK, 1ST FLOOR, OKHLA INDL AREA, PHASE-3 OKHLA IND ESTATE -(ABOVE POST OFFICE)-110020
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company	
1	Income from Hardware and Software product sold	4651	5	
2	Income from Manpower Supply & Training Charges etc	7830	95	

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Telecommunication Consultants India Ltd (TCIL), a govt of India enterprise, under ministry of communications & IT, TCIL BHAWAN GREATER KAILASH-I NEW DELHI Delhi INDIA 110048	U74999DL1978GOI008911	Associate	36	
2	Delhi State Industrial and Infrastructure Development Corporation (DSIIDC), an undertaking of Delhi government, A/3-4, STATE EMPORIUM BLDG BAWA KHARAK SINGH MARG N DELHI Delhi INDIA 110001	U74899DL1971SGC005636	Associate	40	

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	NA		-	0.00%	NA		-	0.00%	0.00%
b) Centra. Govt.			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		85,000	85,000	85.00%		85,000	85,000	85.00%	0.00%

e) Banks / FI		-	0.00%				0.00%	0.00%
f) Any other		-	0.00%				85.00%	0.00%
<b>Sub Total (A) (1)</b>		85,000	85,000	85.00%		85,000	85,000	85.00%
<b>(2) Foreign</b>								
a) NRI Individuals		-	0.00%				0.00%	0.00%
b) Other Individuals		-	0.00%				0.00%	0.00%
c) Bodies Corp.		15,000	15,000	15.00%		15,000	15,000	15.00%
d) Any other		-	0.00%				0.00%	0.00%
<b>Sub Total (A) (2)</b>		15,000	15,000	15.00%		15,000	15,000	15.00%
<b>TOTAL (A)</b>		100,000	100,000	100.00%		100,000	100,000	100.00%
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds		-	0.00%				0.00%	0.00%
b) Banks / FI		-	0.00%				0.00%	0.00%
c) Central Govt		-	0.00%				0.00%	0.00%
d) State Govt(s)		-	0.00%				0.00%	0.00%
e) Venture Capital Funds		-	0.00%				0.00%	0.00%
f) Insurance Companies		-	0.00%				0.00%	0.00%
g) FIs		-	0.00%				0.00%	0.00%
h) Foreign Venture Capital Funds		-	0.00%				0.00%	0.00%
i) Others (specify)		-	0.00%				0.00%	0.00%
<b>Sub-total (B)(1):-</b>		-	0.00%			-	0.00%	0.00%
<b>2. Non-Institutions</b>								
a) Bodies Corp								
i) Indian		-	0.00%				0.00%	0.00%
ii) Overseas		-	0.00%				0.00%	0.00%
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs 1 lakh		-	0.00%				0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		-	0.00%				0.00%	0.00%
c) Others (specify)								
Non Resident Indians		-	0.00%				0.00%	0.00%
Overseas Corporate Bodies		-	0.00%				0.00%	0.00%
Foreign Nationals		-	0.00%				0.00%	0.00%
Clearing Members		-	0.00%				0.00%	0.00%
Trusts		-	0.00%				0.00%	0.00%
Foreign Bodies - D R		-	0.00%				0.00%	0.00%
<b>Sub-total (B)(2):-</b>		-	0.00%			-	0.00%	0.00%
<b>Total Public (B)</b>		-	0.00%			-	0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		-	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>		100,000	100,000	100.00%		100,000	100,000	100.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in shareholding during
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		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	the year
1	Telecommunication Consultants India Ltd.	36,000	0%	0	36,000	0.04%	0.00%	0.00%
2	Delhi State Industrial And Infrastructure Development Corporation.	40,000	0%	0	40,000	0.04%	0.00%	0.00%
3	M/S Falcon Cable Usa	15,000	0%	0	15,000	0.02%	0.00%	0.00%
4	M/S Orison Infocom (P) Ltd	9,000	0%	0	9,000	0.01%	0.00%	0.00%

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

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

There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2017

(iv) Shareholding Pattern of top ten Shareholders

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

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

There is no shareholder other than Directors and Promoters.

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MR. K R. Meena, (Chairman)						
	At the beginning of the year			9	0.009%	9	0.009%
	Changes during the year			No		No	
	At the end of the year			9	0.009%	9	0.009%
2	MR. Ajay Aggarwal (Director)						
	At the beginning of the year			8	0.008%	8	0.008%
	Changes during the year			No		No	
	At the end of the year			8	0.008%	8	0.008%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due			NIL	
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction			NIL	
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
ii) Principal Amount				
iii) Interest due but not paid				
iiii) Interest accrued but not due			NIL	
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Mr R.S. Kaushik upto 13.07.2016	WTD	
	Designation	Mr. Kamendra Kumar w.e.f 14.07.2016		(Rs/Lac)
		Managing Director	N/A	
1	Gross salary			2,419,685.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2,392,313.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	27,572.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	-	-	2,419,685.00
	Ceiling as per the Act			

### B. Remuneration to other Directors

SN	Particulars of Remuneration	Name of Directors		Total Amount
				(Rs/Lac)
1	Independent Directors	NIL		
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	<b>Total (1)</b>	-	-	-
2	Other Non-Executive Directors	NIL		
	Fee for attending board committee			-
	Commission			-
	Others, please specify			-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-

Total Managerial Remuneration	NIL	2,419,885.00
Overall Ceiling as per the Act		

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name			
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961		NIL		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-
2	Stock Option		NIL		-
3	Sweat Equity		NIL		-
4	Commission		NIL		-
	- as % of profit		NIL		-
	- others, specify		NIL		-
5	Others, please specify		NIL		-
	Total		NIL		-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Addendum to directors' report for the year 2016-17 in respect of Reply of the Management on the observations made by Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 and on the Opinion of Auditor's Report on the accounts of Intelligent Communication Systems India Limited for the year ended 31st March 2017.**

i) Reply of the Management on the observations made by Comptroller and Auditor General of India u/s 143(6) (b) of the Companies Act, 2013 on the accounts of Intelligent Communication Systems India Limited for the year ended 31st March 2017.

S. No	CAG Comment	Management Reply
1	<p><b>The Internal Control System was weak as</b></p> <p><b>i.</b> Debtor amounting to Rs. 10.22 crore were found non-verifiable due to non matching of corresponding underlying records;</p> <p><b>ii.</b> Expenses Payable included non-verifiable amount of Rs. 1.46 crore for which the parties were not identifiable;</p> <p><b>iii.</b> Advances from customer includes a non-verifiable amount of Rs. 1.23 crore for which the parties were not identifiable;</p>	<p><b>Para wise reply of detailed observation is as under:-</b></p> <p><b>i.</b> The Debtors Rs. 10.22 Crores related to previous year and against these Debtors corresponding advance of Rs. 4.02 Crore has been received from the customers. In this case, the management has considered all these debtors as good and recoverable.</p> <p><b>ii.</b> The expenses payable of Rs.1.46 Crores pertains to different heads of Salary/wages related to financial year 2010-11 to 2014-15. The management has considered these expenses payable as good and payable as and when will be claimed by claimant.</p> <p><b>iii.</b> The Advance from customer of Rs 1.23 crores are pertaining to FY 2010-11 to 2013-14. The Management has considered these advances good.</p>

*Dink*

	<p>iv. Confirmation from Debtors/Trade Receivables were not obtained, recovery from debtors/trade receivables was not pursued and reconciliation/settlement of accounts of trade payables.</p>	<p>iv. As per ICSIL company Policy, all the Debtors/Trade receivables are subject to confirmation. The management has taken view that all the Debtors/Trade Receivable is recoverable and considered good.</p> <p>In order to strengthen Internal Control system, the management is taking following steps immediately:-</p> <ol style="list-style-type: none"> <li>1) Purchase, Installation and commissioning ERP system.</li> <li>2) Recruiting adequate semi qualified/qualified Accounting Professionals regular staff to streamline and strengthen the Internal Control System and to ensure compliance of statutory and other local Law.</li> <li>3) To strengthening existing infrastructure like record keeping, networking including hardware/software installation and maintenance, proper sitting arrangement etc.</li> </ol>
<p>2.</p>	<p>The Financial Statements did not conform to provisions of Indian Accounting Standards (IND AS) as.</p> <p>i. Reconciliation Statement for arriving at the Opening</p>	<p>The para wise reply of this comment is given as under:-</p> <p>i. Reconciliation Statement for arriving at the Opening Balances and explanation thereof for the</p>

*Diya*

	<p>Balances and explanation as to how the transition from previous GAAP to IND AS affects the reported Balance sheet financial performance and cash flows not furnished as required by IND AS 101;</p> <p>ii. Operating Segment Reporting was not disclosed as required under IND AS 108 and</p> <p>iii. Disclosures of Fair Value Measurements as required in IND AS 113 were not furnished.</p>	<p>transition from previous GAAP to IND AS affecting the reported Balance sheet financial performance and cash flows is enclosed herewith as required by IND AS 101;</p> <p>ii. Operating Segment Reporting is enclosed herewith as required under IND AS 108 and</p> <p>iii. Disclosures of Fair Value Measurements is enclosed herewith as required in IND AS 113</p>
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(ii) Reply of the Management on the Opinion of Auditor's Report on the accounts of Intelligent Communication Systems India Limited for the year ended 31st March 2017.

Sr No	Statutory Auditor's Opinion On Internal Control System	Management Reply
01	<p>There is no policy to follow up the recovery of outstanding, as a result of which there are accounts which are outstanding for a period exceeding even three years in case of Sundry Debtors, Advances to parties and deposits with parties.</p>	<p>Management is of the opinion that most of the debtors appearing in books of accounts are related to Govt. Deptt./Clients. There may be delay in realization of dues from the concern Govt. Deptt./Clients due to their own procedural issues. However, all the dues are good and realizable.</p> <p>The necessary steps are being taken to formulate standard policy for timely realization of dues including follow up</p>

*Handwritten signature*

		with the clients.
02	Similarly, there are no controls to properly adjust the amounts due to parties as a result of which there are Sundry Creditors, Advances from Customers and Security deposits which are noticed to be two years old and even more. This includes expenses payable also.	The Management is of the opinion that most of the advances received from the client have been adjusted based on invoice wise details received from the clients related to Payment & Receipts. In those case where details has not been received or made available by the clients, necessary steps are being taken including to issue letter to the concern departments and approaching personally for providing details or adjustment of these advances.
03	Payments received from Pay & Account Office against bills more so when pre-receipts are issued are not timely adjusted resulting into carrying forward of balances in the books even though the payments have been received and credited in Bank.	Management is of the opinion that the payments received from clients have been adjusted against debtors/trade receivables except in few cases where company has not received Invoice-wise details from clients. The system will be further strengthened to follow up with the clients to avoid such type of observations.
04	No journal register is maintained and only few vouchers were shown which were not narrative enough to convey complete meaning	Management is of the opinion that Journal register is maintained in Tally Accounting systems with all details and particulars to reduce paper work. However, steps are being taken to give more narrations and details in our Tally Accounting System and maintaining Journal Voucher register/folder from F.Y. 2017-18 onwards.
05	The Company did not have an appropriate internal control system for billing of Hardware resulting in incorrect billing and incorrect charge of Service Tax and VAT in the bills. Besides, both Manpower supply bills and Hardware supply bills are booked in the same account of the party. Since, on receipt of payment bill-wise adjustment is not done, therefore date-wise,	The management has noted this opinion and necessary steps are being taken to streamline and further strengthening systems.

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	bill-wise details of outstanding cannot be conveniently prepared. Also because of this reason, outstanding for payments cannot be followed up.	
06	The company does not maintain Bills/Sales and purchase registers. It also does not maintain dispatch register.	Sales/Purchase register is maintained in Tally Accounting systems to reduce paper work. However steps are being taken to maintain a separate Bills/Sales and purchase registers along with dispatch register.
07	Invoices are prepared and checked by the same person. Before invoice is dispatched, it should be cross checked and signed both by the preparer and checker and be duly entered in Dispatch register.	Due to shortage of Account Staff in company it was not possible to cross check each transactions of invoice. However the opinion of statutory auditor has been noted for dual checking of Invoices from now onwards for the financial year 2017-18.
08	The company is not maintaining any register for recording issuance of receipt books to various TCIL-IT centers; as a result, it was difficult to verify the number of receipts Received from centers and accounted for in the books. Moreover, the receipts received from the centers have not been duly filled up and do not indicate the name and seal of centre. This shows the check and cross check controls over the centers related transactions are not in place	Though the record has been maintained to issue of receipts book in Excel register, this point has been noted and necessary steps are being taken to maintain manual register for recording issuance of receipt books to various TCIL-IT centers and verify the number of receipts now onward.
09	It was noticed that all petty cash expenses relates to routine expenditure like repairs and maintenance, stamp duty, printing and stationery, etc., but all these are booked under a single head namely "Miscellaneous expenses". Expense of repetitive nature be booked under a separate head and not clubbed under Miscellaneous expenses.	The expenditures have been booked in books of accounts based on nature of expenditure incurred. In some cases where it is not possible to identify the nature of expenditures, the same have been booked to misc expenditures. Now onwards efforts will made to properly identify nature of such expenditures and booking in respective accounting heads or creating new account head if required.

*Dink*

10	No proper internal control over the outsourcing of manpower was found in place as no separate master register is maintained to keep records of the number of employees employed and important particulars about them.	Though all the details of outsourced manpower are available in respective files with all relevant supporting documents, a separate master register is started to maintain to keep the records of no. of Employees outsourced/employed including other details.
11	Internal Control for recruitment of Human Resource was not found in place resulting in having no control standards for police verification, academic verification and medical verification before recruiting the manpower.	This point has been noted and necessary steps are being taken to stream line and control including verifications before recruitments of manpower.
12	It was noticed that the object clause of MOA of the company restricts the company to outsource only skilled manpower. However no controls over the implementation of the same were found as the company was outsourcing unskilled manpower to various government departments beyond the scope of its object.	This has already approved by BOD, ICSIL and BOD, TCIL. In ensuing AGM, this will be put up for approval by shareholders.
13	To have controls over the overall financials of the company, it should have a budget estimate duly approved by the competent authority. But the company is failing to do so and having no controls over the financials.	This has been noted for compliance.

**For Intelligent Communication Systems India Limited**

**Date: New Delhi**  
**Place: 27/12/2017**

  
**V.K Sinha**  
**(Managing Director)**  
**DIN: 07964872**

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on Financial Statements**

We have audited the Ind AS financial statements of "INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED", which comprise of Balance Sheet as at 31<sup>st</sup> March 2017, and its statement of profit and loss (including other comprehensive income) and the Cash Flow Statement and the statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as Ind AS financial Statements).

### **Management's Responsibility on Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and Order u/s 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Opinion

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

- (a) In the case of the balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss (including other comprehensive income), of the **profit** for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- (d) The Statement of change in Equity

### Other Matter

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by Section 143(3) of the Act, we report that:



- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of change in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (f) Keeping in view the inadequacy of Internal Financial Control systems, company needs to strengthen this so as to make it commensurate with the size of Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements; Refer note no. 7 of Ind AS financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holding as well as dealing in specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to note 16 of Ind As financial Statements.

## 2. Report on the direction's issued by CAG under section 143(5)

Report on the matter's as specified in Annexure 1 as directed by CAG under section 143(5) of the Companies Act, 2013.

- i) The Company does not own neither freehold nor leasehold property. Therefore, the question of having title deeds in respect of leasehold or freehold property do not arise. However, the office premises of Company have been provided by DSIIDC – the parent company, free of rent.
- ii) There has been no case of waiver/ write off of bad debts/ loans/ interest etc. During the FY – 2016-17.
- iii) Proper records are maintained for inventories lying with third parties & that no assets were received as gift from government or other authorities during the FY 2016-17.



3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order to extent available.

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



Place: New Delhi  
Date: 06<sup>th</sup> September

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**

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

- (i)
- (a) As for records of fixed assets, company is maintaining records in soft format which do not show certain prescribed particulars like identification numbers and situation of fixed assets. The records are not maintained in hard copy/physical form;
  - (b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments expecting for providing guarantees through Allahabad Bank, Indian Bank, State Bank of India and Axis Bank worth Rs. 2,17,23,128 /- as performance guarantee for safe performance of contracts or has entered with various Deptt., the guarantees are covered by mortgaging of FDRs of Rs. 1,14,46,000 /-
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

- (vi) The Central Government has not prescribed for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) At times the Company is not depositing undisputed statutory dues including provident fund, employees' state insurance dues to the appropriate authorities within prescribed time.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not issued any debentures and does not have any borrowings from the financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any cash or non cash confirm transactions with its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. The Company does not have an associate company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



Place: New Delhi

Date: 06<sup>th</sup> September, 2017

**Intelligent Communication Systems India Limited**  
**BALANCE SHEET AS AT 31st MARCH 2017**

(Figures in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	3	23.21	19.02	20.04
(b) Financial Assets	4			
- Trade Receivable	4(a)	44.43	172.99	244.72
- Other Financial Assets	4(b)	-	-	4.03
Deferred Tax Asset (Net)		36.07	17.15	14.13
(c) Other Non-Current Assets	5	-	1.06	1.06
		<b>103.71</b>	<b>210.21</b>	<b>283.97</b>
<b>(2) Current Assets</b>				
(a) Inventories	10	27.15	43.08	371.89
(b) Financial Assets	4			
- Trade Receivables	4(a)	5,725.74	3,399.23	3,322.37
- Cash and cash equivalents	8	2,820.64	1,447.38	1,383.25
- Loan	6	17.70	15.80	12.69
- Other Financial Assets	4(b)	45.36	34.10	60.99
(c) Current Tax Assets (Net)	7	954.81	799.38	659.34
(d) Other Current Assets	5	31.48	76.33	280.97
		<b>9,622.88</b>	<b>5,815.29</b>	<b>6,091.49</b>
<b>TOTAL ASSETS</b>		<b>9,726.59</b>	<b>6,025.51</b>	<b>6,375.47</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	SOCE 1	100.00	100.00	100.00
(b) Other Equity	SOCE	1,758.92	1,424.54	1,123.87
		<b>1,858.92</b>	<b>1,524.54</b>	<b>1,223.87</b>
<b>LIABILITIES</b>				
<b>(1) Non-current Liabilities</b>				
(a) Financial Liabilities	11			
- Trade Payable	11(a)	267.21	159.78	212.54
- Other Financial Liabilities	11(b)	933.96	190.69	183.17
(b) Provisions	13	58.63	47.80	42.00
(c) Deferred Income		114.23	27.00	47.18
		<b>1,374.02</b>	<b>425.27</b>	<b>484.90</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities	11			
- Trade Payables	11(a)	3,604.74	1,767.16	1,991.58
- Other Financial Liabilities	11(b)	1,180.35	781.31	870.10
(b) Other current liabilities	12	1,205.34	1,184.72	1,442.13
(c) Provisions	13	3.21	3.28	2.89
(d) Current tax liabilities	14	500.00	339.23	360.00
		<b>6,493.64</b>	<b>4,075.70</b>	<b>4,666.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,726.59</b>	<b>6,025.51</b>	<b>6,375.47</b>
Significant accounting policies and notes to accounts				
	1, 2			

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

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

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



  
(AJAY AGARWAL)  
Director  
DIN - 06778079

For and on behalf of the Board of Directors:

  
(KAMENDRA KUMAR)  
Managing director  
DIN - 07578257

Place: New Delhi  
Date: 06th September, 2017





**Intelligent Communication Systems India Limited**  
**Statement of Profit & Loss Account for the Year ended 31st March 2017**

(Figures In lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
<b>I. Income</b>			
Revenue from Operations	15	14,619.78	11,347.87
Other Income	16	161.21	129.54
<b>Total Income (I)</b>		<b>14,780.99</b>	<b>11,477.41</b>
<b>II. Expenses</b>			
Purchase of stock in trade	17	166.62	401.37
Cost of Services , Maintenance etc.	18	8,847.70	8,213.50
Cost of Contract Executed at ICSIL Kuwait	19	4,762.99	1,646.97
(Increase) / Decrease in inventories of Stock-in-Trade	20	14.31	336.40
Employee benefits expense	21	263.20	228.76
Finance Cost	22	70.18	38.92
Other expenses	23	99.64	103.05
Depreciation and amortization expense	3	7.19	6.89
<b>Total Expenses (II)</b>		<b>14,231.83</b>	<b>10,975.86</b>
<b>III. Profit/(loss) before exceptional items and tax (I-II)</b>		<b>549.16</b>	<b>501.55</b>
<b>IV. Exceptional Items</b>		-	-
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>549.16</b>	<b>501.55</b>
<b>VI. Tax Expense</b>			
(1) Current Tax		200.00	180.00
(2) Deferred Tax		(18.93)	(3.02)
<b>VII. Profit/(Loss) for the Year (V-VI)</b>		<b>368.09</b>	<b>324.57</b>
<b>VIII. Other Comprehensive Income</b>			
Re-measurement losses on defined benefit plans	E	(2.15)	(2.77)
<b>Total Other Comprehensive Income</b>		<b>(2.15)</b>	<b>(2.77)</b>
<b>IX. Total Comprehensive Income for the Year (VII+VIII)</b>		<b>365.94</b>	<b>321.80</b>
<b>X. Earnings per equity share of Rs.100 each</b>			
Basic/Diluted		365.94	321.80
Significant accounting policies and notes to accounts	1, 2		

The accompanying notes are an integral part of the financial statements

E As per Ind AS, remeasurement gain / loss on Defined Benefit Plans (Leave Encashment & Gratuity) is to be reported under 'Other Comprehensive Income' (net of Deferred Tax thereon), instead of P&L statement.

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

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

Place: New Delhi  
 Date: 06th September, 2017

For and on behalf of the Board of Directors:

*Agarwal*

(AJAY AGARWAL)  
 Director  
 DIN - 06778079

(KAMENDRA KUMAR)  
 Managing director  
 DIN - 07578257



**Intelligent Communication Systems India Limited**  
**Cash Flow Statement for the Year Ended 31st March 2017**

(Figures In lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax from continuing operations	547.41	497.50
Profit before tax from discontinuing operations	-	-
Profit before tax	<b>547.41</b>	<b>497.50</b>
Loss/(Profit) on sale of fixed assets	(0.29)	-
Depreciation/amortization on continuing operations	7.19	6.89
Provision for income tax	(200.00)	(176.98)
Interest income	(102.34)	(88.20)
Dividend income	-	-
Operating profit before working capital changes	<b>251.97</b>	<b>239.20</b>
<b>Movements in working capital</b>		
Increase/(decrease) in trade payables	107.43	(52.76)
Increase/(decrease) in long term provisions	2.24	6.19
Increase/(decrease) in short term provisions	161.42	(16.55)
Increase/(decrease) in current liabilities	204.79	(610.42)
Decrease/(increase) in trade receivables	(2,197.95)	(5.13)
Decrease/(increase) in inventories	15.93	329.56
Decrease/(increase) in long term loans and advances	1.06	4.03
Decrease/(increase) in short term loans and advances	(138.19)	182.76
Decrease/(increase) in other current assets	2,916.32	256.49
Direct taxes paid (net of refunds)	(18.93)	(327.50)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,306.09</b>	<b>5.87</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(11.64)	(5.87)
Proceeds from sale of fixed assets	0.55	-
Investments in bank deposits (having original maturity of	(1,313.06)	(303.39)
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,324.15)</b>	<b>(309.27)</b>
<b>C. Cash flow from financing activities</b>		
Interest Income	102.34	88.20
Dividend	(24.07)	(24.07)
<b>Net cash flow from/(used in) in financing activities (c )</b>	<b>78.27</b>	<b>64.13</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	60.20	(239.26)
Cash and cash equivalents at the beginning of the year	287.75	527.01
<b>Cash and cash equivalents at the end of the year</b>	<b>347.95</b>	<b>287.75</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.03	0.23
With banks-on current account	347.92	287.52
<b>Total cash and cash equivalents</b>	<b>347.95</b>	<b>287.75</b>

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

As per our report of even date  
 For K.K. Khanna & Co.  
 Firm registration number: 002221N  
 Chartered Accountants  
  
 (K.K. KHANNA)  
 Partner  
 Membership No: 007887



For and on behalf of the Board of Directors

  
 (AJAY AGARWAL)  
 Director  
 DIN - 06778079

  
 (KAMENDRA KUMAR)  
 Managing Director  
 DIN - 07578257

Place: New Delhi  
 Date: 06th September, 2017



**Intelligent Communication Systems India Limited (ICSIL)**  
**Schedule forming part of the Financial Statements for the year ended March 31, 2017**

**Note 1:- SIGNIFICANT ACCOUNTING POLICIES**

**1. GENERAL**

**Overview of Company**

Intelligent Communications Systems India Limited is a company, incorporated under the provisions of the Companies Act, 1956 having registered office at Administrative Building, 1<sup>st</sup> floor, above post office, Okhla Industrial Estate, Phase III.

The company is engaged in the trading, Installation and commissioning of Hardware/ Software Items such as computer/telecom/IT equipment of reputed brands. The company caters in domestic markets. The company also supplies manpower to various government organizations/departments, and also provides education through licensees under individual agreements with different Franchise centres. The company also undertakes annual maintenance contracts of hardware items.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

**Compliance with INDIAN ACCOUNTING STANDARDS (Ind AS)**

These financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

The Financial Statements are prepared under the historical cost convention unless otherwise stated. For comparative, previous year figures have been restated and reclassified in the financial statements.

For all periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements including the preparation of the opening Ind AS.

Balance sheet as at 1<sup>st</sup> April, 2015 being the date of transaction to Ind AS, all assets and liabilities has been reclassified as current and non-current as per the company's normal business operating cycle.

**Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value; and
- Defined benefit plans—plan assets measured at fair value.



(c) **Use of Estimates**

The preparation of the financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a non-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Recoverable amount of Trade and other receivables.
- Provisions.
- Tax Calculation

(d) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

- An asset is treated as current when it is:
  - Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realized within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
  - It is expected to be settled in normal operating cycle
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. **The Company has identified twelve months as its operating cycle.**



### 3. RECOGNITION OF INCOME/ EXPENDITURE

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured by taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### (a) Consultancy Contracts

- On completion of respective activity, where the Contract envisages activity wise completion.
- 80% of the contract value on submission of report and balance 20% on its acceptance.
- For incomplete activities, the project expenditure is adjusted on pro-data basis through work-in-progress.

#### (b) Service Contracts

In the case of service contracts, revenue is recognised on the basis of actual period of services rendered up to the end of year by correlating expenditure incurred there against.

#### (c) Trade Income

Trade income is accounted for on the basis of sales bills raised.

#### (d) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. **Provisions are not recognized for future operating losses.**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

### 4. INVENTORIES AND STOCK-IN-TRADE

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

### 5. DEPRECIATION ON FIXED ASSETS

#### *Depreciation on Property, plant and equipment*

The Company has elected to continue with the carrying value for all of its Tangible Assets as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Costs that are directly related to acquisition of



asset are capitalized until the assets are ready to be put to use.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/part have a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate. **(IndAS16)**

#### ***Depreciation on fixed assets***

- Depreciation on fixed assets is provided on straight line method based on the useful life as specified in Schedule II of Companies Act 2013
- Capital items valuing less than Rs 5000/- each are fully depreciated in the year of acquisition

## **6. TAXATION**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to recover from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred Income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred income tax assets and liabilities is recognized as income and expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

## **7. LIQUIDATED DAMAGES / CLAIMS**

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



## 8. RETIREMENT BENEFITS

### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### *Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Actuarial valuation is taken and used to measure the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### *Employment obligations*

The Company operates the scheme of defined benefit plans and defined contribution plans such.

### *Gratuity:*

Liability for payment of gratuity towards the employees of Intelligent Communication Systems Indian Limited is provided in accounts on the basis of Actuarial Valuation report. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability (asset) are recognized in other comprehensive Income.

### *Leave Encashment:*

For Leave Encashment of employees on retirement, liabilities in this respect are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

### *Provident Fund:*

Eligible employees of Intelligent Communication Systems India Limited receive benefits from a provident fund, which is a defined benefit plan. Both, eligible employee and company make monthly contributions to the provident fund.

## 9. LIABILITIES / CONTINGENT LIABILITIES

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



## 10. PREPAID EXPENSES.

Prepaid expenses upto Rs 25000/- are treated as expenditure of the current year and charged to the natural heads of account.

## 11. IMPAIRMENT

The company is of the view that there is no indication of impairment of any financial and non financial assets and accordingly no impairment provision is called for in this case. Hence, there is no impact on profit for the year.

## 12. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### *Initial recognition and measurement:*

All financial assets and liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

### *Subsequent measurement:-*

#### **Financial instruments at amortized cost-**

The financial instrument is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI)**

A financial asset is classified as FVTPL if it is classified as held for trading or is designated as such on initial recognition. In other cases, Company decides to classify the each financial instrument either as at FVOCI or FVTPL at initial recognition.

#### *Financial asset Held-to-maturity financial assets*

If Company, has positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and trade and other receivables.





### ***Cash and Cash equivalents***

Cash and cash equivalents comprise cash balances (Cash in hand, bank balances) and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of the short-term commitments.

### ***Trade receivables***

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### ***Financial liabilities***

Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss or fair value through other comprehensive income) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

## **13. CASH FLOW STATEMENT**

Cash flow statement are reported using indirect method, whereby, profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The Cash flows from operating, investing and financing activities of the company are segregated.



**Intelligent Communication Systems India Limited (ICSIL)**  
Schedules forming part of the Financial Statements for the year ended 31st March, 2017

**Note 2:- NOTES TO ACCOUNTS**

**A. Retirement Benefits**

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

S.No	<u>Particulars</u>	<u>31/03/2017</u>	<u>31/03/2016</u>
<b>1.</b>	<b>Change in Present Value of Obligations during the year</b>		
	Present Value of obligations at the beginning of the year	28,06,590/-	23,75,420/-
	Interest Cost	2,10,494/-	1,85,283/-
	Past Service Cost	----	----
	Current Service Cost	2,56,557/-	2,41,759/-
	Benefit Paid	NIL	NIL
	Actuarial (Gain) / Loss on obligation	2,81,561/-	4,128/-
	Present value of obligation at the end of the period	35,55,202/-	28,06,590/-
<b>2.</b>	<b>Changes in the fair Value of Plan Assets during period</b>		
	Fair Value of Plan Assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected Return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
<b>3.</b>	<b>Fair value of Plan Assets during the year</b>		
	Fair value of Plan Assets at the beginning of period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----
	Benefits paid	----	----
	Fair value of plan assets at the end of year	(35,55,202/-)	----
	Funded Status	----	(28,06,590/-)
	Excess of actual over estimated return on plan assets	----	----
<b>4.</b>	<b>Actuarial Gain/Loss recognized for the period</b>		
	Actuarial gain/(loss) on obligations	(2,81,561/-)	(4,128/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total (gain)/ loss for the period	2,81,561/-	4,128/-
	Actuarial (gain) /loss recognized for the period	2,81,561/-	4,128/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----	----



<b>5. Amounts to be recognized in the Balance Sheet and P &amp; L Account</b>		
Present value of obligation at the end of the period	35,55,202/-	28,06,590/-
Fair value of plan assets at the end of the period	----	----
Funded Status	(35,55,202/-)	(28,06,590/-)
Net (Assets) / Liability recognized in Balance Sheet	35,55,202/-	28,06,590/-
<b>6. Expenses recognized in the statement of Profit &amp; Loss for the period</b>		
Current Service Cost	2,56,557/-	2,41,759/-
Interest Cost	2,10,494/-	1,85,283/-
Expected Return on Plan Assets	----	----
Expenses recognized in Profit & Loss	467051/-	427042/-
<b>Other comprehensive (income) / expense (Remeasurement)</b>		
Actuarial (gain)/loss – obligation	2,81,561/-	4128/-
<b>7. Amount for the Current Period</b>		
Present value of obligation	35,55,202/-	28,06,590/-
Plan Assets	----	----
Surplus (Deficit)	(35,55,202/-)	(28,06,590/-)
Experience adjustments on plan Liabilities (loss)/gain	2,23,852/-	17,240/-
Experience adjustments on plan Assets (loss)/gain	---	---
<b>8. Reconciliation Statement of Expenses in the statement of Profit &amp; Loss</b>		
Present value of obligation as at the end of period	35,55,202/-	28,06,590/-
Present value of obligation at the beginning of the year	(28,06,590/-)	(23,75,420/-)
Benefits paid:		
i) Directly paid by the enterprise	NIL	NIL/-
ii) Payment made out of the fund	----	----
Actual return on plan assets	----	----
Actuarial (gain)/loss	281561/-	4,128/-
Expenses recognized in the profit & loss	4,67,051/-	4,27,042/-
<b>9. Movement in the Liability recognized in the Balance Sheet</b>		
Opening net liability	28,06,590/-	23,75,420/-
Expenses as above	7,48,612/-	4,31,170/-
Benefits paid directly by the Enterprises	NIL	NIL
Contribution paid into the fund	---	---
Closing net liability	35,55,202/-	28,06,590/-
<b>10. Major Categories of Plan Assets (as % of total plan Assets)</b>		
Government of India Securities	----	----
State Government Securities	----	----
High Quality Corporate Bonds	----	----
Equity Shares of Listed Companies	----	----
Property	----	----
Special Deposit Scheme	----	----
Funds managed by Insurer	----	----
Bank Balance	----	----
Fixed Deposit	----	----
Other Assets	----	----
TOTAL	----	----



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

S.No	Particulars	31/03/2017	31/03/2016
<b>1.</b>	<b>Change in Present Value of Obligations</b>		
	Present Value of obligations at the beginning of the period	23,01,049/-	21,13,675/-
	Interest Cost	1,72,579/-	1,64,867/-
	Current Service Cost	2,21,598/-	86,747/-
	Benefits paid	NIL	(3,36,983/-)
	Actuarial (Gain) / Loss on obligation	(66,258/-)	2,72,743/-
	Present value of obligation as at the end of the period	26,28,968/-	23,01,049/-
<b>2.</b>	<b>Change in fair Value of Plan Assets during the year</b>		
	Fair Value of plan assets at the beginning of the period	----	----
	Acquisition Adjustments	----	----
	Expected return on Plan Assets	----	----
	Contributions	----	----
	Benefits paid	----	----
	Actuarial Gain/(loss) on Plan Assets	----	----
	Fair Value of plan Assets at the end of the period	----	----
<b>3.</b>	<b>Fair value of Plan Assets</b>		
	Fair value of Plan Assets at the beginning of the period	----	----
	Actual Return on Plan Assets	----	----
	Contribution	----	----
	Benefits paid	----	----
	Fair value of plan assets at the end of the period	----	----
	Funded / (Unfunded) Status	(26,28,968/-)	(23,01,049/-)
	Excess of actual over estimated return on plan assets	----	----
<b>4.</b>	<b>Actuarial Gain/Loss recognized for the period</b>		
	Actuarial gain/(loss) on obligations	66,258/-	(2,72,743/-)
	Actuarial gain/(loss) for the year on Plan Assets	----	----
	Total Actuarial (gain) / loss for the period	(66,258/-)	2,72,743/-
	Actuarial (gain) / loss recognized for the period	(66,258/-)	2,72,743/-
	Unrecognized actuarial (gains)/losses at the end of the period.	----	----
<b>5.</b>	<b>Amounts to be recognized in the Balance Sheet and P &amp; L Account</b>		
	Present value of obligation at the end of the period	26,28,968/-	21,13,675/-
	Fair value of plan assets as at the end of the period	(26,28,968/-)	(23,01,049/-)
	Funded Status	26,28,968/-	23,01,049/-
	Net (Assets) / Liability recognized in Balance Sheet		
<b>6.</b>	<b>Expenses recognized in Profit &amp; Loss</b>		
	Current Service Cost	2,21,598/-	86,747/-
	Interest Cost	1,72,579/-	1,64,867/-
	Expected Return on Plan Assets	----	----
	Expenses recognized in Profit & Loss	3,94,177/-	2,51,614/-
	<b>Other comprehensive (income) / expenses (Remeasurement)</b>		
	Actuarial (gain)/loss - obligation	(66,258/-)	2,72,743/-
<b>7.</b>	<b>Amount for the Current Period</b>		
	Present value of obligation	26,28,968/-	23,01,049/-



Plan Assets	----	----
Surplus (Deficit)	(26,28,968/-)	(23,01,049/-)
Experience adjustments on plan Liabilities (loss)/gain	1,09,634/-	(2,56,457/-)
Experience adjustments on plan Assets (loss)/gain	-----	-----
<b>8. Reconciliation Statement of Expenses of Profit &amp; Loss</b>		
Present value of obligation as at the end of period	26,28,968/-	23,01,049/-
Present value of obligation as at beginning of the period	(23,01,049/-)	(21,13,675/-)
Benefits paid		
i) Directly paid by the enterprise	NIL	3,36,983/-
ii) Payment made out of the fund	----	----
Actual return on plan assets	----	----
Actuarial (gain)/loss	(66,258/-)	2,72,743/-
Expenses recognized in the profit & loss	3,,94,177/-	2,51,614/-
<b>9. Amount in the liability Recognized in the Balance Sheet</b>		
Opening net liability	23,01,049/-	21,13,675/-
Expenses as above	3,27,919/-	5,24,357/-
Benefits paid directly by the enterprises	NIL	(3,36,983/-)
Contribution paid into the fund	---	---
Closing net liability	26,28,968/-	23,01,049/-
<b>10. Major Categories of Plan Assets (as % of total plan Assets)</b>		
Government of India Securities	----	----
State Government Securities	----	----
High Quality Corporate Bonds	----	----
Equity Shares of Listed Companies	----	----
Property	----	----
Special Deposit Scheme	----	----
Funds managed by Insurer	----	----
Bank Balance	----	----
Fixed Deposit	----	----
Other Assets	----	----
<b>TOTAL</b>	----	----

#### C. Provision for doubtful debts/advances

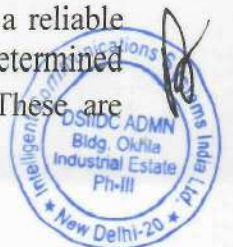
No provisions for doubtful debts are made even for debts which are outstanding for a period exceeding even three years.

#### D. Income Tax

Provisions have been made for the current Income Tax as per the provisions of Tax laws prevailing in India and abroad and are based on the decision of the Appellate Authorities. The assessment of the company u/s 143(3) of Income Tax Act, 1961 has been completed up to AY 2014-15. However, no provision is considered necessary in respect of issues, which are subject matter of appeals, filed with Appellate Authorities (either by the company or by the revenue department).

#### E. Provision

Provisions are recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is discounted to its present value and is determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimate.



## F. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As of March 31, 2017 none of the fixed assets were considered impaired. Hence, there is no impact on profit for the year.

## G. Contingent liability

### Claims against the Company not acknowledged as debts

- a. M/s D.M. Systems (P) Ltd. V/S ICSIL, suit for recovery of Rs. 19,75,518 /-. The decision of the Court order taken on 30.07.2014, for which ICSIL further proceeded to file application in Saket Court to set aside the ex-Parte decree dated: 30.07.2014. The captioned matter was listed before the LD ADJ on 04 Feb 2017. On the said date the witness of the plaintiff/DM was substantially cross examined by us and for his further cross examination, matter has been listed on 03 May 2017.
- b. Muzaffer Majeed Dar & Anr. V/S Union of India, wherein the exact anticipated liability cannot be specifically ascertained, since the nature of the case revolves around rehabilitation of two technicians who claim to be ICSIL employees. If the matter was to be decided in their favour, the court could order ICSIL to pay them accrued salaries, as well as the relevant cost to give them appropriate employment. Initially the case was handled by Sh Anjum Javed and now Sh Abhimanyu Garg.
- c. Jaubir S. Baliyan V/S ICSIL & Ors, wherein the petitioner has sought interest @15% per annum on Arbitral Award(dated 17.05.2012) sum of Rs. 5,29,760 /-. The petition has been filed on 13.08.2012. Additionally, the petitioner has also sought Rs. 59,946.75 /- towards a certain outstanding maintenance charges, and cost of arbitral proceedings. The case was handled by Sh Ratan K Singh, Advocate. At present the case is being handled by Sh Abhimanyu Garg, Advocate.
- d. Mr. Mahendra Kumar V/S ICSIL, wherein the petitioner has filed suit for recovery of security money and EPF of the education project dated 14 Dec, 2009. As per the ABG court order ICSIL has to pay Rs.60,000/- along with interest @ 8% for termination of service. The case has been appealed in High Court. Sh. Ratan Singh Advocate is looking after the case. The captioned matter was listed before the Hon'ble High Court on 21 March. And issued notice to respondent and also called for records of the lower court. The next date of hearing has been fixed on 23 May 2017.
- e. Sh. Bhagat Singh V/S DSIIDC/ICSIL, Sh. Bhagat Singh was working in DSIIDC through ICSIL on contract basis as a helper/attendant since 01.09.2009 to 31.08.2010 He was terminated from the service without any notice/intimation. He has filed a case for all the financial benefits in labour court. Case is fixed for management reply from DSIIDC, ICSIL. Files withdrawn and next date is on 17.07.2017.
- f. There is a service tax demand of Rs. 7,30,38,184/- not provided for in accounts. Although this is being contested with Custom, Excise and Service Tax Appellate Tribunal, New Delhi.



## H. Bank Guarantee

The company has given Bank Guarantees' through Allahabad Bank, Indian Bank, State Bank of India and Axis Bank worth Rs. 2,17,23,128/- as performance guarantee for safe performance of contracts it has entered into with various departments. The guarantees are covered by mortgaging of FDR of Rs. 1,14,46,000/-

## I. Related Party disclosures

Transactions with related parties in the normal course of business

<u>Related Parties where control exits</u>		<u>Amount of transaction</u>		<u>Nature of transaction</u>
		<u>Current Year</u>	<u>Previous Year</u>	
TCIL	Associate Company	NIL	NIL	Arbitration claims, Interest claims and other dues paid (net) adjusted upon Arbitration Award of TCIL
TCIL	Associate Company	47,62,98,403.00	16,46,97,048.60	Sub contractor Expenses Relating to ICSIL Kuwait
		47,86,91,862.00	1,65,524,672.00	Receivable from MOC on behalf of TCIL
		23,93,459.00	8,27,623.36	Dues from TCIL (NET)
DSI IDC	Associate Company	105,657,579.80	134,725,260.00	Manpower, Hardware, CCTV and Services

## J. Key Management personnel

Sh. Kamendra Kumar	(Since 14.07.2016)	Managing Director
Sh. R.S. Kaushik	(From 19.05.2014; Upto 08.07.2016)	Managing Director

## K. Remuneration of Managing Director 31<sup>st</sup> March, 2017

	<u>31<sup>st</sup> March, 2017</u>	<u>31<sup>st</sup> March, 2016</u>
Salaries & Allowances	20,25,283.00	15,75,085.00
House Rent Allowance	2,27,187.00	2,18,532.00
Medical	27,572.00	82,476.00
Gratuity & Leave Salary	1,39,843.00	2,40,498.00
Pension Contribution		
	<u>24,19,885.00</u>	<u>21,16,591.00</u>

The Managing Director is entitled to use the Car with Driver for official and private use subject to deduction of Rs, 2,000/- per month as per the guidance issued by Department of Public Enterprises/ circular issued by TCIL.



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

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

The Licensees share in the amounts received from students/trainees is shown as expenses where the total amount received by the Licensor (ICSIL) from students/trainees is shown as income in accounts.

The Internal control system needs to be strengthened in commensurate with the size of the Company and the nature of its business. The company needs to improve controls to reconcile old customers advances with debtors and for depositing statutory liabilities in time which in many instances, have been accounted for at year end. Due to such practices the statutory liabilities like PF and ESI at times are not paid within the prescribed time. The company has inadequate system/policy for indentifying and following up to write off/ write back of old debit and credit balances and there is no adequate system in place to obtain confirmations from the parties.

**Details of Specified Bank Notes held and transacted during the period November 08, 2016 to December 30, 2016 are provided below:-**

Description	Specific Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on Nov 08, 2016	-	13,277	13,277
(+) Permitted Receipts		1,65,641	1,65,641
(-) Permitted Payments	-	1,65,210	1,65,210
(-) Amount deposited in Banks	-	Nil	Nil
Closing cash in hand as on Dec 30, 2016		13,708	13,708

#### L. Service Tax

There is a service tax demand of Rs. 7,30,38,184/- not provided for in accounts. Although this is being contested with Custom, Excise and Service Tax Appellate Tribunal, New Delhi;

#### M. VAT/CST

There is a VAT/CST demand amounting to Rs.46,46,221/- and penalty of Rs.40,92,127/- which is related to FY 2010-11 to 2013-14 not provided for in the accounts. Although this is being contested with VAT authorities and also filed the requisite documents pending with VAT authorities, New Delhi.

#### N. Dividend

Company has decided to declare dividend at the end of the every financial year. The dividend declared during the last financial year 31.3.2016 amounting to Rs.20.00 Lac out of that unclaimed dividend as on 31.3.17 is Rs.12.00 Lac. The dividend for the financial year ended 31 March 2017 is yet to be declared in the board meeting.





## O. Basic & Diluted Earning per share

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

Description	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	365.94 Lacs	321.80 Lacs
Weighted Average number of Equity Shares used for computing Earnings Per Share (Basic & Diluted)	1 Lacs	1 Lacs
Earnings Per Share (Basic & Diluted) (Rupees)	Rs. 365.94 per share	Rs. 321.80 per share
Face Value Per Share (Rupees)	100	100

## P. Corporate Social Responsibility

In view of Companies (Corporate Social Responsibility Policy) Rules, 2014, the companies does not have 'Net Profits' in terms of Rule 2(f) as defined in these rules and thus the company is not liable for undertaking CSR expenditure under section 135 of the Companies Act, 2013.

During the FY 2015-16, as per information and explanation provided to us case no. 42A has been initiated by Anti Corruption Branch of CBI against Managing Director - Shri R. S. Kaushik, Ex-Managing Director - Shri G. K. Nanda and Ex-Managing Director - Shri A. K. Duggal the case was initiated on 15<sup>th</sup> December, 2015. Since the matter is pending before Anti Corruption of CBI, therefore, the outcome of the case not known and, therefore, no further comments can be made in this regard.

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

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

  
K.K. KHANNA  
Partner  
Membership No: 007887



  
(AJAY AGARWAL)  
Director

For and on behalf of the Board of Director

  
(KAMENDRA KUMAR)  
Managing Director



Place: New Delhi  
Date: 06th September, 2017

**Notes Annexed to Kuwait Accounts for the year ended 31<sup>st</sup> March, 2017.**

**A. Contingent and other liabilities not provided for:**

- a) Liabilities and claims in courts or under arbitration is NIL ( Previous Year NIL/-)
- b) Letter of credit arranged directly and through the agent outstanding as on 31<sup>st</sup> March, 2017 Rs. 29488081.58/- (Previous Year Rs. 10,66,52,053/-). There is no L/C opened with any counter – guarantee from India.
- c) Guarantees issued by banks on behalf of Kuwait Branch directly and through its agent/ TCIL outstanding as on 31<sup>st</sup> March,2017 are Rs. 14,19,91,160 /- (Previous year Rs. 14,65,45,021/-).

**B. Estimated amount of contract remaining to be executed on Capital Account and not provided for are NIL as on 31st March, 2017 (Previous year NIL).**

**C. Income Tax Assessment upto the financial year 2005-2006 has been completed by Ministry of Finance Kuwait. There are no demands outstanding as on 31<sup>st</sup> March, 2017.**

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

	(Amounts in INR)	
	2016-17	2015-16
1. Contract revenue recognized for the year,	47,86,91,862	16,55,24,672
2. Amount of cost incurred and recognized profit in respect of work in progress	71,69,63,566	23,82,71,704
3. Amount due from customers (unbilled WIP)	31,47,710	76,33,415
4. Advances received from customers & outstanding as at year end.	NIL	NIL
5. Retention money outstanding as at year end.	7,11,87,924	2,30,63,830

**E. The Transaction with related parties during the year is NIL (Previous year NIL)**

**F. IMPAIRMENT OF ASSETS**

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

**G. In accordance with Accounting Standard on “Accounting for Taxes on Income” (AS-22) issued by the Institute of Chartered Accountants of India, break-up of deferred tax assets and liabilities into major components comprise of the following:**



(Amount in INR)


	Assets 2016-17	Liabilities 2016-17	Assets 2015-16	Liabilities 2015-16
1. Depreciation	-	28,547	-	-
2. Provision for doubtful debts/Advances	-	-	-	-
3. Provision for obsolescence	-	-	-	-
4. Expenses disallowed for tax purposes allowable on actual payment	2,45,209	-	-	-
5. Others (warranty provision)	10,75,000	-	-	-
6. Total	13,20,209	28,547	-	-
7. Net deferred tax assets/(Liabilities)	12,91,662	-	-	-

As per our report of even date

For K.K. Khanna & Co.

Firm registration number: 002221N

Chartered Accountants



K.K. KHANNA

Partner

Membership No: 007887



(AJAY AGARWAL)

Director

For and on behalf of the Board of Director



(KAMENDRA KUMAR)

Managing Director

Place: New Delhi

Date: 06th September, 2017



Statement of changes in equity as at 01-4-2015

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 1st April 2014	100.00	12.48	892.93	-	-	1,005.41
Profit for the year	-	-	-	209.02	-	209.02
Dividend including tax on dividend	-	-	-	24.00	-	24.00
Remeasurement of the net defined benefit liability/assets	-	-	-	-	(14.56)	(14.56)
<b>As at 1st April 2015</b>	<b>100.00</b>	<b>12.48</b>	<b>892.93</b>	<b>233.02</b>	<b>(14.56)</b>	<b>1,223.87</b>

Statement of changes in equity as at 31.03.2016

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 1st April 2015	100.00	12.48	892.93	233.02	(14.56)	1,223.87
Profit for the year	-	-	-	324.57	-	324.57
Appropriation of Dividend & tax thereon	-	-	-	(24.07)	-	(24.07)
Dividend including tax on dividend	-	-	-	4.22	-	4.22
Remeasurement of the net defined benefit liability/assets	-	-	-	-	(2.77)	(2.77)
Effect of deferment of security deposit	-	-	-	(1.29)	-	(1.29)
<b>As at 31st March 2016</b>	<b>100.00</b>	<b>12.48</b>	<b>892.93</b>	<b>536.45</b>	<b>(17.33)</b>	<b>1,524.54</b>

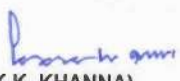
Statement of changes in equity as at 31.03.2017

Equity	(Figures In lakhs)					
	Equity Share Capital	Other Equity			Other Items of Other comprehensive income	Total equity attributable to equity holders of the company
		Reserve & Surplus				
		Securities premium reserve	General Reserve	Retained earnings		
As at 31st March 2016	100.00	12.48	892.93	536.45	(17.33)	1,524.54
Profit for the year	-	-	-	368.09	-	368.09
Appropriation of Dividend & tax thereon	-	-	-	(24.07)	-	(24.07)
Provision as per Actuary	-	-	-	(8.52)	-	(8.52)
Dividend including tax on dividend	-	-	-	0.65	-	0.65
Effect of deferment of security deposit	-	-	-	0.39	(2.15)	(1.76)
<b>As at 31st March 2017</b>	<b>100.00</b>	<b>12.48</b>	<b>892.93</b>	<b>872.99</b>	<b>(19.48)</b>	<b>1,858.92</b>

For K.K. Khanna & Co.

Firm registration number: 002221N

Chartered Accountants

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



For and on behalf of the Board of Directors:

  
(AJAY AGARWAL)  
Director  
DIN - 06778079

  
(KAMENDRA KUMAR)  
Managing director  
DIN - 07578257

Place: New Delhi

Date: 06th September, 2017



**Intelligent Communication Systems India Limited**  
**Equity Share Capital**

SOCE - 1

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

As at

Particulars	31/Mar/17	31/Mar/16	01/Apr/15
<b>Authorized</b>			
Equity shares, 100 par value			
100000 equity shares	<u>100</u>	<u>100</u>	<u>100</u>
<b>Issue, subscribed and fully paid - up</b>			
Equity shares, 100 par value			
100000 equity shares	100	100	100
	100	100	100



**The carrying value of financial instruments by categories as of 1st april 2015 as follows:**

(Figures in lakhs)

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash & cash equivalents	-	-	1,383.25	1,383.25
Trade receivables	-	-	3,567.09	3,567.09
Loans & Advances	-	-	12.69	12.69
Other financial assets	-	-	65.02	65.02
<b>Total</b>	-	-	<b>5,028.04</b>	<b>5,028.04</b>
<b>Financial liabilities</b>				
Trade Payable	-	-	2,204.12	2,204.12
Other financial liabilities	-	-	1,053.27	1,053.27
<b>Total</b>	-	-	<b>3,257.40</b>	<b>3,257.40</b>

**The carrying value of financial instruments by categories as of 31st March 2016 as follows:**

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash & cash equivalents	-	-	1,447.38	1,447.38
Trade receivables	-	-	3,572.22	3,572.22
Loans & Advances	-	-	15.80	15.80
Other financial assets	-	-	34.10	34.10
<b>Total</b>	-	-	<b>5,069.49</b>	<b>5,069.49</b>
<b>Financial liabilities</b>				
Trade Payable	-	-	1,926.94	1,926.94
Other financial liabilities	-	-	972.01	972.01
<b>Total</b>	-	-	<b>2,898.94</b>	<b>2,898.94</b>

**The carrying value of financial instruments by categories as of 31st March 2017 as follows:**

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
<b>Financial Assets</b>				
Cash & cash equivalents	-	-	2,820.64	2,820.64
Trade receivables	-	-	5,770.17	5,770.17
Loans & Advances	-	-	17.70	17.70
Other financial assets	-	-	45.36	45.36
<b>Total</b>	-	-	<b>8,653.87</b>	<b>8,653.87</b>
<b>Financial liabilities</b>				
Trade Payable	-	-	3,871.95	3,871.95
Other financial liabilities	-	-	2,114.31	2,114.31
<b>Total</b>	-	-	<b>5,986.26</b>	<b>5,986.26</b>



**Note 3: Property, plant and equipment**

(Figures in lakhs)

	Furniture and Fixture	Office Equipment	Computer, Printer & Software	Electrical Equipment	Vehicles	Air-conditioners	Total
Gross Carrying Amount	9.58	6.48	37.75	1.06	10.92	4.26	70.04
Accumulated Depreciation	4.29	4.21	32.71	1.03	6.73	1.04	50.01
<b>Deemed cost as at 1st April 2015</b>	<b>5.29</b>	<b>2.28</b>	<b>5.04</b>	<b>0.03</b>	<b>4.18</b>	<b>3.22</b>	<b>20.04</b>
Addition	0.73	-	5.14	-	-	-	5.87
Disposal/Adjustments	-	-	-	-	-	-	-
<b>Gross Carrying Amount as on 31st March 2016</b>	<b>10.31</b>	<b>6.48</b>	<b>42.89</b>	<b>1.06</b>	<b>10.92</b>	<b>4.26</b>	<b>75.92</b>
<b>Depreciation</b>							
Disposal/Adjustments	-	-	-	-	-	-	-
Charges for the year	0.95	0.71	3.87	-	0.85	0.53	6.89
<b>As on 31st March 2016</b>	<b>5.23</b>	<b>4.91</b>	<b>36.58</b>	<b>1.03</b>	<b>7.58</b>	<b>1.56</b>	<b>56.90</b>
<b>Net Block</b>							
<b>As on 31st March 2016</b>	<b>5.08</b>	<b>1.57</b>	<b>6.31</b>	<b>0.03</b>	<b>3.34</b>	<b>2.69</b>	<b>19.02</b>
Addition	1.17	0.22	2.41	0.28	7.17	0.38	11.64
Disposal/Adjustments	-	-	-	-	5.17	-	-
<b>Gross Carrying Amount as on 31st March 2017</b>	<b>11.48</b>	<b>6.71</b>	<b>45.31</b>	<b>1.34</b>	<b>12.92</b>	<b>4.63</b>	<b>82.39</b>
<b>Depreciation</b>							
Disposal/Adjustments	-	-	-	-	4.91	-	4.91
Charges for the year	1.05	0.71	3.72	0.02	1.22	0.46	7.19
<b>As on 31st March 2017</b>	<b>6.28</b>	<b>5.63</b>	<b>40.30</b>	<b>1.05</b>	<b>3.90</b>	<b>2.02</b>	<b>59.18</b>
<b>Net Block</b>							
<b>As on 31st March 2017</b>	<b>5.20</b>	<b>1.08</b>	<b>5.01</b>	<b>0.28</b>	<b>9.03</b>	<b>2.61</b>	<b>23.21</b>



**Note 4: Financial assets**

**4(a) Trade Receivable**

(Figures in lakhs)

	31/Mar/17	31/Mar/16	01/Apr/15
Trade receivable - Domestic	2863.30	2696.25	3120.58
Trade receivable - Kuwait	2906.87	875.96	446.50
<b>Total receivable</b>	<b>5770.17</b>	<b>3572.22</b>	<b>3567.09</b>
Current portion	5725.74	3399.23	3322.37
Non-current portion	44.43	172.99	244.72

**Break up of trade receivable**

	31/Mar/17	31/Mar/16	01/Apr/15
Secured, considered good	-	-	-
Unsecured, considered good	5,770.17	3572.22	3,567.09
Doubtful	-	-	-
<b>Total</b>	<b>5,770.17</b>	<b>3,572.22</b>	<b>3,567.09</b>

**4(b) Other financial assets**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Security Deposit	1.38	-	1.59	-	-	4.03
Interest accrued on fixed deposit	43.99	-	32.51	-	60.99	-
<b>Total other financial assets</b>	<b>45.36</b>	<b>-</b>	<b>34.10</b>	<b>-</b>	<b>60.99</b>	<b>4.03</b>

**Note 5: Other assets**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Cash loss due to theft considered doubtful	-	-	-	1.06	-	1.06
Unbilled Work in Progress-( MOC ICSIL Kuwait)	31.48	-	76.33	-	280.97	-
<b>Total other assets</b>	<b>31.48</b>	<b>-</b>	<b>76.33</b>	<b>1.06</b>	<b>280.97</b>	<b>1.06</b>

**Note 6: Loans and advances**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Loans & Advances Kuwait	13.02	-	10.01	-	9.85	-
Advances to Staff	4.68	-	5.78	-	2.84	-
<b>Total loans and advances</b>	<b>17.70</b>	<b>-</b>	<b>15.80</b>	<b>-</b>	<b>12.69</b>	<b>-</b>

**Note 7: Current tax assets (Net)**

	31/Mar/17	31/Mar/16	01/Apr/15
Advance income tax/TDS	954.81	799.38	659.34
<b>Total current tax assets (Net)</b>	<b>954.81</b>	<b>799.38</b>	<b>659.34</b>

**Note 8: Cash and cash equivalents**

	31/Mar/17	31/Mar/16	01/Apr/15
Cash in Hand	0.03	0.23	0.06
In current accounts with banks	279.53	259.98	517.94
With Foreign Bank at Kuwait	68.40	27.54	9.01
Bank deposit Accounts with more than 3 months maturity	1,541.00	1107.68	856.24
Bank deposit Accounts with less than 3 months maturity	931.70	51.95	-
<b>Total cash and cash equivalents</b>	<b>2,820.64</b>	<b>1,447.38</b>	<b>1,383.25</b>





**Note 10: Inventories**

(Figures in lakhs)

	31/Mar/17	31/Mar/16	01/Apr/15
Traded goods	27.15	43.08	371.89
<b>Total inventories</b>	<b>27.15</b>	<b>43.08</b>	<b>371.89</b>

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

	31/Mar/17	31/Mar/16	01/Apr/15
Trade payable - Domestic	870.14	940.65	1,460.67
Trade payable - Kuwait	3,001.81	986.29	743.45
<b>Total payable</b>	<b>3871.95</b>	<b>1926.94</b>	<b>2204.12</b>
Current portion	3604.74	1767.16	1991.58
Non-current portion	267.21	159.78	212.54

**11(b) Other financial liabilities**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Expenses Payable	1,168.35	-	769.31	-	861.10	-
Unclaimed Dividend	12.00	-	12.00	-	9.00	-
Security Deposit	-	933.96	-	190.69	-	183.17
<b>Total other financial liabilities</b>	<b>1,180.35</b>	<b>933.96</b>	<b>781.31</b>	<b>190.69</b>	<b>870.10</b>	<b>183.17</b>

**Note 12: Other liabilities**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance from customers	596.99	-	662.10	-	635.21	-
Taxes Payables	543.76	-	500.46	-	790.93	-
Other Liabilities	64.59	-	22.16	-	15.99	-
<b>Total other liabilities</b>	<b>1,205.34</b>	<b>-</b>	<b>1,184.72</b>	<b>-</b>	<b>1,442.13</b>	<b>-</b>

**Note 13: Provisions**

	31/Mar/17		31/Mar/16		01/Apr/15	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for gratuity	1.84	33.72	1.58	26.49	1.31	22.44
Provision for leave encashment	1.38	24.91	1.71	21.31	1.58	19.56
<b>Total Provisions</b>	<b>3.21</b>	<b>58.63</b>	<b>3.28</b>	<b>47.80</b>	<b>2.89</b>	<b>42.00</b>

**Note 14: Current tax liabilities**

	31/Mar/17	31/Mar/16	01/Apr/15
Provision for Income Tax	500.00	339.23	360.00
<b>Total current tax liabilities</b>	<b>500.00</b>	<b>339.23</b>	<b>360.00</b>



**Note 15: Revenue from Operation**

(Figures In lakhs)

	31/Mar/17	31/Mar/16
Sale of Products	198.46	745.13
Sale of Services	9,634.40	8,947.49
Revenue from Kuwait operations	4,786.92	1,655.25
<b>Revenue from operation</b>	<b>14,619.78</b>	<b>11,347.87</b>

**Note 16: Other Income**

	31/Mar/17	31/Mar/16
Interest Income	102.34	88.20
Other Income	-	11.57
Miscellaneous	39.89	10.90
Interest Income on deferment of security deposit	18.99	18.87
<b>Other Income</b>	<b>161.21</b>	<b>129.54</b>

**Note 17 : Purchase of Traded Goods**

	31/Mar/17	31/Mar/16
Scanners	17.99	33.99
Printers	8.96	66.11
Computers & Laptops	106.26	171.35
Software	22.71	0.24
Computer peripherals	8.68	35.50
Other telecom/IT equipments	2.01	94.18
<b>Total Purchase of Trade Goods</b>	<b>166.62</b>	<b>401.37</b>

**Note 18: Cost of Service Maintenance**

	31/Mar/17	31/Mar/16
Licensees Franchises Expenses	372.34	352.07
AMC-Hardware and software & services	66.55	430.47
Expenses -Jeevan Project	-	3.27
Expenses against Manpower Supply, Training Charges etc.	8,408.81	7,427.69
<b>Total cost of service maintenance</b>	<b>8,847.70</b>	<b>8,213.50</b>

**Note 19: Cost of contract executed at ICSIL Kuwait**

	31/Mar/17	31/Mar/16
Cost of Contract	4,708.75	1,600.40
Due / (Recoveries) towards exp. to / from TCIL	54.24	46.57
<b>Total Cost of Contract</b>	<b>4,762.99</b>	<b>1,646.97</b>

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

(Figures In lakhs)

	31/Mar/17	31/Mar/16
Opening Stock		
Stock-in-Trade	35.48	371.89
(A)	35.48	371.89
Closing Stock		
Stock-in-Trade	21.17	35.48
(B)	21.17	35.48
<b>Net (Increase) / Decrease in Stocks (A-B)</b>	<b>14.31</b>	<b>336.40</b>



**Note 21: Employee Benefit Expenses**

	31/Mar/17	31/Mar/16
Salaries and allowances	215.53	174.67
Staff Welfare	10.47	7.08
Contribution to EPF & FPF	17.00	18.06
Medical Reimbursement	4.39	10.46
Leave Salary, Pension & Other fund contribution	10.47	11.60
PF Admn. & EDLI Charges	-	0.22
Gratuity	4.67	5.92
Tuition Fees	0.67	0.75
<b>Total employee benefit expenses</b>	<b>263.20</b>	<b>228.76</b>

**Note 22: Finance Cost**

	31/Mar/17	31/Mar/16
Bank Guarantee Charges	3.63	2.56
Other Interest / Interest On statutory Dues	47.17	18.77
Finance cost on amortization of Security Deposit	19.38	17.58
<b>Total finance cost</b>	<b>70.18</b>	<b>38.92</b>

**Note 23: Other Expenses**

	31/Mar/17	31/Mar/16
Printing & Stationary	2.89	3.93
Books Periodicals	0.28	0.07
Repair Plant & Machinery	0.14	0.05
Advertisement	1.92	5.30
Repair & Maintenance Others	4.37	1.07
Consultancy charges/Fees	3.15	10.44
Telephone & Trunkcalls	4.95	6.71
Conveyance	10.95	11.49
Postage & Telegram	0.84	0.84
Repair & Maintenance of Vehicles	2.37	1.21
Travelling expenses	0.21	0.81
Statutory Auditors' Remuneration	1.40	1.89
Rates, Taxes & Fees	1.54	0.68
Insurance	3.24	0.10
Professional, legal & other consultancy charges	17.60	19.67
Courtesy to companys' guests	0.62	0.45
Electricity Charges	5.80	5.03
Water Charges	1.12	0.34
Honorarium	4.70	4.09
Security Services	4.40	2.73
Cenvat Credit Reversal	10.35	22.00
Miscellaneous expenses	16.81	4.17
<b>Total other expenses</b>	<b>99.64</b>	<b>103.05</b>





क्रमांक.....

No.

कार्यालय

महानिदेशक लेखापरीक्षा, डाक व दूरसंचार

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

OFFICE OF THE

DIRECTOR GENERAL OF AUDIT, POST & TELECOMMUNICATIONS

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

दिनांक.....18/12/2017.....

Date

To

The Managing Director,  
Intelligent communication systems India limited  
(ICSIL),  
New Delhi

**Subject:** Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of of Intelligent Communication Systems India Limited for the year ended on 31 March 2017.

Sir,

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the annual accounts of on the accounts of Intelligent Communication Systems India Limited for the year ended on 31 March 2017 for information and necessary action.

Yours faithfully,

(P.K. Tiwari)

Director General of Audit (P&T)

Encl: As above

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/s INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED, NEW DELHI (ICSIL) FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of M/s INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED, NEW DELHI for the year ended 31 MARCH 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 6 September 2017 and Revised Report dated 4 December 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of M/s INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED, NEW DELHI for the year ended 31 MARCH 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. The Statutory Auditors' report has been revised based on my audit observations highlighted during supplementary audit as indicated in the opening paragraph of the Report. In addition, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

**GENERAL**

1. The Internal Control System was weak as
  - i. Debtors amounting to ₹ 10.22 crore were found non-verifiable due to non-matching of corresponding underlying records;
  - ii. Expenses Payable included non-verifiable amount of ₹ 1.46 crore for which the parties were not identifiable;
  - iii. Advances from customers includes a non-verifiable amount of ₹ 1.23 crore for which the parties were not identifiable;
  - iv. Confirmations from Debtors/Trade Receivables were not obtained, recovery from debtors/trade receivables was not pursued and reconciliation/settlement of accounts of trade payables.

2. The Financial Statements did not conform to provisions of Indian Accounting Standards (IND AS) as

- i. Reconciliation Statement for arriving at the Opening Balances and explanation as to how the transition from previous GAAP to IND ASs affected the reported Balance sheet, financial performance and cash flows was not furnished as required by IND AS 101;
- ii. Operating Segment Reporting was not disclosed as required under IND AS 108; and
- iii. Disclosures of Fair Value Measurements as required in IND AS 113 were not furnished.



(P.K. Tiwari)

Director General of Audit (P&T)

Place: Delhi

Date: 18-12-2017

**MEMORANDUM  
OF  
ASSOCIATION**

**OF**

**INTELLIGENT COMMUNICATIONS SYSTEMS INDIA LIMITED  
CIN U74899DL1987GOI027481**

INDEX		
Clause No.	Particulars	P. No.
I	NAME OF THE COMPANY	5
II	REGISTERED OFFICE	5
III	OBJECTS	5
	<b>A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:</b>	5
1	To carry out services of consultancy and execution of projects for telecommunications systems, etc.	5
2	To manufacture, import, buy, sell, lease and deal in Electronic and Electric Components etc.	5
3	To carry out research, develop, import, export and deal in telecommunication	5
3A	To carry out marketing, sales, after sales services, operation	5
4	To provide engineering, technical and management consultancy services for computers and communication systems	5
5	To design, develop, manufacture or otherwise procure various Security & Surveillance item like IED Jammer, Encryption Key, GSM Monitoring Equipments, AceS, VSAT etc. for supply installation, training and support to different Defense/Govt. agencies.	6
6	To carry out buying, selling, marketing of Furniture, Fixtures, Vehicles, appliances, other consumer items and installation of plant & Machinery.	6
7	To carry on the business of providing all kinds/categories of manpower including technical/non-technical etc.	
8	To carry out services of consultancy and execution of projects for all kinds of digital payment solutions and other related services.	6
9	To carry out services of consultancy and turn key projects in the field of telecom, IT and new & renewable energy.	6
	<b>B.OBJECTS / MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE - III (A) ARE :</b>	7
1	To loan on suitable terms the Company technicians, experts and others,	7
2	To purchase or otherwise acquire, lands and buildings etc	7



3	To Purchase, take on lease or in exchange ✓	7
4	To apply for and obtain any charter ✓	7
5	To establish, provide, maintain and conduct or otherwise subsidise research laboratories ✓	7
6	To apply for, attain, purchase ✓	8
7	To procure the registration ✓	8
8	To enter into partnerships ✓	8
9	To promote ✓	8
10	To invest ✓	9
11	To subscribe ✓	9
12	To invest money with or without security ✓	9
13	To purchase or otherwise acquire ✓	9
14	To lend money ✓	9
15	To mortgage ✓	9
16	To draw, make, accept negotiable or transferable instruments ✓	9
17	To open account ✓	10
18	To pay for any property or rights ✓	10
19	To pay out of the funds Preliminary Expenses ✓	10
20	To grant pensions, allowances ✓	10
21	To make donations ✓	10
22	To provide for the welfare of employees	11
23	To create any reserve fund ✓	11
24	To distribute as dividend or bonus ✓	11
25	to receive money as deposit or loan	11
26	to amalgamate with any other Company	11
27	To acquire technical information, know-how process engineering. ✓	12
28	To send out to foreign countries directors, employees ✓	12
29	To employ and pay experts, foreign or local consultants/engineers ✓	12
30	To execute and to carry out agreement of sole agency ✓	12
31	To establish and maintain agencies, branches ✓	12

32	To distribute among the members in specie any property of the Company ✓	12
33	To sell or dispose of the undertaking of the Company ✓	12
34	To act as principals, agents, contractors, trustees or otherwise ✓	12
35	To run and conduct bureau for computer services ✓	13
36	To manufacture, develop, import, all kinds of electronic, electrical and chemical products ✓	13
37	To buy, sell, manufacture, all works, plant and machinery and tools ✓	13
IV	<b>LIMITED LIABILITY</b>	13
V	<b>SHARE CAPITAL</b>	13

*V.K. Sinha*

V.K. SINHA  
 Managing Director  
 Intelligent Communication Systems India Ltd.  
 Administrative Building,  
 Okhla Industrial Estate, Phase-III  
 New Delhi-110020

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

INTELLIGENT COMMUNICATIONS SYSTEMS INDIA LIMITED  
(Incorporated under the Companies Act, 1956)

The following regulations comprised in these Memorandum of Association were adopted pursuant to members' resolution passed at the 30<sup>th</sup> Annual General Meeting of the Company held on 27.12.2017 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Memorandum of Association of the Company.

I	Name of the Company :	The name of the Company is <b>INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED.</b>
II	Registered Office :	The registered office of the Company will be situated in the Union Territory of Delhi.
III	Objects :	The objects for which the Company is established are :
	A.	<b>THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:</b>
*1.	To carry out services of consultancy and execution of projects for telecommunications systems, etc. ✓	To carry out services of consultancy and execution of projects for telecommunications systems, computer systems and any other systems integration and information technology consultancy including value added services, computer communication systems and software relating to office automation, private networks, LANS and WANS.
*2.	To manufacture, import, buy, sell, tease and deal in Electronic and Electric Components etc. ✓	To manufacture, import, buy, sell, tease and deal in Electronic and Electric Components, sub-systems and equipments and Operate Computer Communications Systems, Telecommunications systems, Office Automation and information Technology systems, LANS and WANS.
*3.	To carry out research, develop, import, export and deal in telecommunication ✓	To carry out research, develop, import, export and deal in telecommunication equipment and systems/computer hardware and software and software relating to communications and Information Technology Systems.
*3A.	To carry out marketing, sales, after sales services, operation ✓	To carry out marketing, sales, after sales services, operation and maintenance the computer equipments and systems, telecommunication equipments and systems and related softwares. ✓

*V.K. Sinha*

**V.K. SINHA**  
Managing Director  
Intelligent Communication Systems India Ltd.  
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4.	To provide engineering, technical and management consultancy services for computers and communication systems	To provide engineering, technical and management consultancy services for computers and communication systems in India and outside India including engineering, commercial and operational management of Communication Systems, market research and Personnel management, organisational structure improvement in the system of Administration, traffic forecast planning, investment planning, modernisation of existing Communication system facilities, improvement in operational and maintenance, practices towards optimum utilisation of Communication Systems.
**5	To design, develop, manufacture or otherwise procure various Security & Surveillance item	To design develop, manufacture or otherwise procure various Security & Surveillance item like IED Jammer, Encryption Key, GSM Monitoring Equipments, AceS, VSAT etc. for supply installation, training and support to different Defense/Govt. agencies.
**6	To carry out buying, selling, marketing of Furniture, Fixtures, Vehicles, appliances etc	To carry out buying, selling, marketing of Furniture, Fixtures, Vehicles, appliances, other consumer items and installation of plant & Machinery.
7	To carry on the business of providing all kinds/categories of Manpower including technical/non technical etc.	To carry on the business of providing all kinds/categories of Manpower including technical/non technical/administrative/financial/skilled/unskilled etc required by Government and Private Organizations.
8	To carry out services of consultancy and execution of projects for all kinds of digital payment solutions and other related services.	To carry out services of consultancy and execution of projects for all kinds of digital payment solutions and other related services.
9	To carry out services of consultancy and turn key projects in the field of telecom, IT and new & renewable energy.	To carry out services of consultancy and turn key projects in the field of telecom, IT and new & renewable energy.

\* Added vide Order of Company Law Board dated 06.04.96

\*\* Added vide Certificate of Registrar of Companies (MCA) dated 22.05.2008

*Sinha*  
V.K. SINHA

Managing Director  
Intelligent Communication Systems India Ltd.  
Administrative Building,  
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	B.	OBJECTS / MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE - III (A) ARE :
1	To loan on suitable terms the Company technicians, experts and others,	To loan on suitable terms the Company technicians, experts and others, to party in India and for outside India for development and operation of Computer Communication projects of all types and description, to send out to foreign countries the Company's technicians, experts, plans and drawings, plant and machinery and tools and other appliances in connection with development of Computers Communication and Office Automation Projects.
2	To purchase or otherwise acquire, lands and buildings etc	To purchase or otherwise acquire, construct, erect, laydown, maintain, enlarge, alter, work and use all lands and buildings, easements, gas and other works, machinery, plants, mills, stock, lamps, pipes, motors, fitting, meters, apparatuses, materials, and things as may be necessary, incidental or convenient in connection with the production, use, storage, regulation, measurement, supply and distribution of any of the products of the Company.
3	To Purchase, take on lease or in exchange	To purchase, take on lease or in exchange, hire, renew or otherwise acquire and hold any estates or interest and to let or sub-let in whole or in part, develop, manage and exploit any lands, buildings, machinery, easements, rights, privileges, plants, stock in trade, business concerns, options, contracts, claims, choses -in-action and any real and personal property of any kind necessary or convenient for any businesses of the Company.
4	To apply for and obtain any charter	To apply for and obtain any charter, privileges, concession, licence or authorization of any Government, State or Municipality, provisional order or licence of any authority for enabling the Company to carry on any of its objects into effect or for extending any of the powers of the Company for effecting any modifications of the constitution of the Company or for any other purpose which may seem expedient and to make representation against any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.

5	To establish, provide, maintain and conduct or otherwise subsidise research laboratories	To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific technical research and experiments and to undertake and carry on with scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigation and invention by providing, subsidising, endowing, or assisting laboratories, workshops, libraries, lectures, meetings and conferences and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on and to expend money in experiment and test and in improving or seeking to improve and giving publicity to and placing upon the market any products of the Company or distribute any patents, inventions, processes, information or rights which the Company may acquire or lease or propose to acquire.
6	To apply for, attain, purchase	To apply for, obtain, purchase or otherwise acquire and protect, prolong and renew any patents, patent rights, bravers-d- inventions, processes. trade secrets, scientific, technical or other assistance, manufacturing process, knowhow and other information, designs, patterns, copy rights, trade marks, licences, concession s and like rights or the benefit or right of use thereof, which may seem capable of being used for or in connection with any of the purposes of the Company on payment of any fee, royalty or other consideration and to use, exercise or develop the same and manufacture under or grant licences in respect thereof or sell or otherwise deal with the same.
7	To procure the registration	To procure the registration or recognition of the Company in or under the laws of any place outside India.
8	To enter into partnerships	To enter into partnerships or other arrangement or agreement with any Government or authorities, supreme, municipal or otherwise or any person or Company or any of them for sharing profits, union of interest, joint venture, reciprocal concession or co-operation and engaged in any business or transaction which the Company is authorised to carry on or capable of being carried on by the Company and to obtain from such Government, authority, person or Company any rights, privileges, charters, contracts, licences, and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
9	To promote	To promote, from and register and aid in the promotion, formation and registration of any Company or Companies, subsidiary or otherwise, for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to transfer to any such

		Company and property of the Company and to be interested in or take or otherwise acquire, hold, sell or otherwise dispose of shares, stock, debentures and other securities in or any of such Company or any other Company for-all or any of the objects mentioned in this Memorandum and to subsidise or otherwise assist any such Company and to undertake the management or other works, duties and businesses of any such Company on such terms as may be arranged.
10	To invest	To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be deemed expedient or be determined
11	To subscribe	To subscribe for, take or otherwise acquire and hold shares, stocks, debentures or other interest in or securities of any other Company or companies having objects altogether or in part similar to those of the Company
12	To invest money with or without security	To invest money with or without security and to make advances of such sum or sums of money upon or in respect of or for the purpose of raw materials, goods, machinery, stores or any other property, articles and things acquired for the purpose of the Company with or without security and upon such terms and subject to such conditions as the Company way deem expedient.
13	To purchase or otherwise acquire	To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights, assets, and liabilities of any person, firm or Company cart on any business which the Company is authorised to carry on or possession of property or rights suitable for any of the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
14	To lend money	To lend money to such persons or Companies in such manner and on such terms as may seem expedient and in particular to members of the staff, customers of and others having dealings with the Company and to guarantee the performance of contracts by any such persons or Companies provided the Company shall not carry on any banking business which may come within the purview of the Banking Regulation Act, 1949 or of the Insurance Act.
15	To mortgage	To mortgage, hypothecate and pledge all or any of the properties whether movable or immovable of any description and other valuable securities of the Company.

16	To draw, make, accept negotiable or transferable instruments	To draw, make, accept, endorse, discount, execute, issue, negotiate and assign cheques, drafts, promissory notes, bills of exchange, hunches, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
17	To open account	To open an account or accounts with any individual, firm or Company or with any banks or bankers or shroffs and to pay into and to withdraw money from such account or accounts.
18	To pay for any property or rights	To pay for any property or rights acquired by or for any services rendered to the Company either in cash or fully or partly paid up shares, with or without preferred rights in respect of dividend or repayment of capital or otherwise or by any securities which the Company has power to issue or by the grant of any rights or options or partly in one mode and partly in another and on such terms as the Company may determine.
19	To pay out of the funds Preliminary Expenses	To pay out of the funds of the Company all costs, charges and expenses of and incidental to the formation and registration of the Company and any Company promoted by the Company and the issue of the capital of the Company and any such other Company and incidental to the negotiations between the promoters preliminary to the formation of the Company and other pre-incorporation or preliminary and other expenses and all costs, charges, impositions and expenses of and incidental to acquisition, by the Company of any property or assets and incidental to the accomplishment of all or any formalities which the Company may think necessary, or proper in connection with any of the aforesaid.
20	To grant pensions, allowances	To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors) of the Company or their dependents or connections and to make payments towards insurance for any such purpose/person and to establish, join and support trusts, funds or schemes (whether contributory or non-contributory) with a view to provide pensions or allowances for any such persons or any other associations, institutions, trusts, funds, schemes, clubs and conveniences calculated to benefit any such person.
21	To make donations	To make donations to such person either in cash or any other assets as may be brought directly or indirectly conducive to any of the Company's objects or otherwise expedient and to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious, benevolent, national, public or other Institutions or objects or for any exhibition or for any public, general or other objects and to establish and support or aids in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances,



		gratuities and bonuses either by way of annual payments or lumpsum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.
22	To provide for the welfare of employees	To provide for the welfare of employees or ex-employees of The Company and the wives and families or the dependents or connections of such persons by building houses and/or contributing to the pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other assistance as the Company shall think fit.
23	To create any reserve fund	To create any reserve fund, sinking fund, insurance fund or any other special fund whether depreciation or for repairing, improving, extending or maintaining any of the properties of the. Company or for any other purpose conducive to the interest of the Company or for any other purpose.
24	To distribute as dividend or bonus	Subject to the provisions contained in Section 123 of the Companies Act, 2013 to distribute as dividend or bonus among the members or to place in reserve or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company or any moneys arising from the sale by the Company of forfeited shares.
25	to receive money as deposit or loan	Subject to the provisions of Sections 73, 179, 180 and 181 of the Act and Rules made thereunder and the directions given by the Reserve Bank of India, to receive money as deposit or loan and borrow or raise money in such manner as the Company shall think fit, in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, or lien upon all or any of the property or any assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or any obligation undertaken by the Company or and other person or Company as the case may be, provided however that the Company shall not do any banking business as defined under the Banking Regulation Act, 1949.
26	to amalgamate with any other Company	Subject to Sections 230 to 232 of the Act, to amalgamate with any other Company whose objects are similar to those of this Company whether by

		sale or purchase or otherwise.
27	To acquire technical information, know-how process engineering.	To acquire from any persons, firm or body corporate whether in India or elsewhere technical information, know-how process engineering, manufacturing and operating data, plans, relating to the business of the Company and to acquire any grant or layouts and blueprints useful for the design, erection and operation of the plant required for licence and other rights and benefits in foregoing matters and things.
28	To send out to foreign countries directors, employees	To send out to foreign countries directors, employees or any other person for investigation possibilities of any business or trade or for procuring and buying any machinery or establishing trade connections, or for promoting the interest of the Company and to pay all expenses incurred in this connection.
29	To employ and pay experts, foreign or local consultants/engineers	To employ and pay experts, foreign or local, consultants/engineers in connection with the planning and development of all business connected with the Company's operation.
30	to execute and to carry out agreement of sole agency	To execute and to carry out agreement of sole agency or other similar agreements and may appoint sub-agents or distributing agents in connection with the business of the Company.
31	To establish and maintain agencies, branches	To establish and maintain agencies, branches, places and local registers in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local Companies or partnership or as may be desirable.
32	To distribute among the members in specie any property of the Company	To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property in the event of winding up but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.
33	To sell or dispose of the undertaking of the Company	To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of the Company.
34	To act as principals, agents, contractors, trustees or	To do or any of the above things and all such other things as are incidental, or may be thought conducive, to the attainment of above

	otherwise	objects or any of them in any part of the world and either as, principals, agents, contractors, trustees or otherwise and by or otherwise and either along or in conjunction with others.
35	To run and conduct bureau for computer services	To run and conduct bureau for computer services and in particular to develop, design, programme, operate, conduct feasibility studies and also to acquire and run agency for computers, their repair, maintenance and installation.
36	To manufacture, develop, import, all kinds of electronic, electrical and chemical products	To manufacture, develop, import, export, buy, sell (on installments, hire purchase or other basis) distribute, repair, service, offer, consultant and turnkey project convert, alter, let on hire and otherwise deal in all kinds of electronic, electrical and chemical products, electronic digital products, electronic data products, software and hardware computers and electronic components and sub-assemblies, instrumentation and process control and similar articles, products, devices, and accessories, stores, spares, parts components and assemblies and all kinds of instruments, apparatus, tools, appliances and gadgets used for or in connection with any of the aforesaid.
37	To buy, sell, manufacture, all works, plant and machinery and tools	To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import and deal in all works, plant and machinery and tools, utensils, appliances, apparatus, product materials, substances articles and things capable of being used in computer communication business and deal in all products of residual and bye products thereof.
IV.	Limited Liability	The liability of the Members is limited and this liability to the amount unpaid, if any, on the shares held by them.
V.	Share Capital	The share capital of the Company is Rs. 1,00,00,000/- (Rupees one crore) divided into 1,00,000 (One Lakh) Equity shares of Rs. 100/- (Rupees One hundred) each.

*Sinha*

**V.K. SINHA**  
 Managing Director  
 Intelligent Communication Systems India Ltd.  
 Administrative Building,  
 Okhla Industrial Estate, Phase-III  
 New Delhi-110020

We the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company, set opposite to our respective names :

Sl. no.	Names and Address, Occupation, Description of each Subscribers	No. of Equity shares taken by each subscriber	Signature of Subscribers	Signature of witness with address description and occupation
1.	Yogeshwar Lal Agarwal ✓ S/o Late Shri S.L. Agarwal B-325, Chandgi Ram Block, Asian Village Complex, New Delhi-110049 Chairman & Managing Director, TCIL	7 (Seven)	Sd/- Yogeshwarlal Agarwal	Sd/- (S.C. Malik) C-198, Vivek Vihar, Delhi JGM (P&A) TCIL
2.	Avinash Chandra Narang ✓ S/o Late Shri B.D. Narang, 286, Asian Games Village, New Delhi-110049 Group General Manager, TCIL	7 (Seven)	Sd/- Avinash Chandra Narang	
3.	Shugan Chand jain ✓ S/o Shri K.C. Jain, D-28, Panchsheel Enclave, New Delhi-110017 General Manager (Computers), TCIL	6 (Six)	Sd/- Shugan Chand Jain	
4.	Narain Mulchand Gulrajani ✓ S/o Shri Mulchand H.391, Naraina Vihar, New Delhi-110028 Company Secretary, TCIL	6 (Six)	Sd/- Narain Mulchand Gulrajani	
5.	Brijeshwar Prasad ✓ S/o Shri M. Prasad 10/16, Probiya Road, Delhi-110007 Managing Director, DSIIDC	8 (Eight)	Sd/- Brijeshwar Prasad	
6.	Pachua Rohmingthanga ✓ S/o Late Shri Selthaama 14/4, Tilak Marg, New Delhi-110001 Chairman, DSIIDC	9 (Nine)	Sd/- Pachua Rohmingthanga	
7.	Kamlesh Chandra S/o Late Shri M.P. Saxena A2/127, Paschim Vihar, New Delhi-110063 Chief Manager, DSIIDC	8 (Eight)	Sd/- Kamlesh Chandra	
Total		51(Fifty One) Equity Shares		Sd/- (K.N. Sharma) Divisional Manager(DSIIDC) New Delhi

*V.K. Sinha*

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