



AWAKE ALWAYS

January 21, 2021

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited
P.J. Towers,
Dalal Street, Fort,
Mumbai 400001.

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: 531404

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: Outcome of Board Meeting

Further to our letters dated January 5, 2021 and January 11, 2021, intimating you of the Board Meeting to be held today i.e. January 21, 2021 and pursuant to Regulation 33 and Regulation 30, read with Para A of Part A of Schedule III, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the Exchange that the Board of Directors of the Company at its said meeting has, inter alia, approved the following matters:

1. Audited Financial Results of the Company, both standalone and consolidated, for the year ended March 31, 2020 (as enclosed);
2. Auditors' Report in respect of the Audited Financial Results, both standalone and consolidated, for the year ended March 31, 2020 (as enclosed);
3. Unaudited Financial Results of the Company, both standalone and consolidated, for the quarter ended June 30, 2020 (as enclosed);
4. Limited Review Reports, on standalone and consolidated Unaudited Financial Results, for the quarter ended June 30, 2020, issued by the Statutory Auditors of the Company (as enclosed); and
5. Noting resignation of Mr. Dhaval Mehta (DIN: 07501194) as Non-Executive Independent Director of the Company with effect from close of business hours on January 21, 2021.

Further, the details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given as under:

Sr. No.	Disclosure Requirement	Details
1.	Reason for Change viz. appointment, resignation, removal, death or otherwise	Resignation due to personal reasons. Mr. Dhaval Mehta was appointed as the Independent Director of the Company w.e.f. March 8, 2019. He has given his resignation from the position of the Independent Director of the Company w.e.f. January 21, 2021.
2.	Date of Appointment / Cessation (as applicable) & term of Appointment	January 21, 2021

Zicom Electronic Security Systems Ltd.

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Tel.: +91 22 6201 4290 | Fax.: +91 22 6201 4291 | www.zicom.com | Toll Free: 1-800-270-4567
CIN : L32109MH1994PLC083391



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The Company has received confirmation from Mr. Dhaval Mehta that there are no material reasons for his resignation other than those mentioned in his resignation letter dated January 21, 2021. The said confirmation received is enclosed herewith.

The Audited alongwith Audit Reports and Unaudited Financial Results alongwith Limited Review Reports are prepared in accordance with the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The said Audited and Unaudited Financial Results, standalone and consolidated, are also made available on the websites of the Company viz. www.zicom.com and of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com.

The Board Meeting concluded at 11:45 p.m. (23:45 hours).

Kindly take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **Zicom Electronic Security Systems Limited**

Kunjan Trivedi
Company Secretary

Encl: as above

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PART I : STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020						
(Rs. in Lakhs)						
	Particulars	Quarter Ended 31/03/2020 (Audited) Refer Note 4	Quarter Ended 31/12/2019 (Unaudited)	Quarter Ended 31/03/2019 (Audited) Refer Note 4	Year Ended 31/03/2020 (Audited)	Year Ended 31/03/2019 (Audited)
1	Income					
	(a) Revenue from Operations	32.58	94.84	52.45	234.72	882.99
	(b) Other Income	4.85	3.63	3.87	18.50	14.03
	Total Income	37.43	98.47	56.32	253.22	897.02
2	Expenses					
	(a) Cost of Materials consumed	---	---	---	---	---
	(b) Purchases of Stock-in-Trade	115.75	61.69	900.78	312.34	888.71
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	6.33	189.24	356.82	344.54	2,286.91
	(d) Employee Benefits Expense	75.15	61.05	72.47	238.12	339.57
	(e) Finance Costs	(6.53)	21.79	(203.54)	3.58	57.86
	(f) Depreciation and Amortisation Expense	3.53	13.85	11.92	46.22	50.72
	(g) Other Expenses	2,049.51	81.88	99.00	2,215.88	3,730.99
	Total Expenses	2,243.74	429.50	1,237.45	3,160.68	7,354.76
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(2,206.31)	(331.03)	(1,181.13)	(2,907.46)	(6,457.74)
4	Exceptional Items	---	---	(6,038.86)	(332.90)	(6,038.86)
5	Profit / (Loss) Before Tax (3+4)	(2,206.31)	(331.03)	4,857.73	(3,240.36)	(418.88)
6	Tax Expense					
	Current Tax	---	---	---	---	---
	Deferred Tax	236.32	---	(130.93)	249.25	(253.55)
	Earlier Year Tax	---	---	---	---	---
7	Profit / (Loss) for the period from continuing operations (5+6)	(2,442.63)	(331.03)	4,988.66	(3,489.61)	(165.33)
8	Profit / (Loss) from discontinuing operations	---	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---	---
10	Profit / (Loss) from discontinuing operations (after tax) (8+9)	---	---	---	---	---
11	Profit / (Loss) for the Period (after tax) (7+10)	(2,442.63)	(331.03)	4,988.66	(3,489.61)	(165.33)
12	Other Comprehensive Income (OCI)	---	---	4.75	---	1.86
13	Total Comprehensive Income (11+12)	(2,442.63)	(331.03)	4,993.41	(3,489.61)	(163.47)
14	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	4,122.41	4,122.41	4,122.41	4,122.41	4,122.41
15	Earnings Per Share (EPS) (Face Value of Rs. 10/- each):					
	(a) Basic	(59.25)	(0.80)	12.11	(8.46)	(0.40)
	(b) Diluted	(59.25)	(0.80)	12.11	(8.46)	(0.40)





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Notes:

1. The above financial results of the Company for the year ended March 31, 2020, have been reviewed by the Audit Committee on January 21, 2021 and approved by the Board at its meeting held on even date. The financial results for year ended March 31, 2020 have been subjected to statutory audit in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have expressed a Disclaimer of Opinion.
2. The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The format for above financial results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.
4. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ending March 31, 2020 and the unaudited published year-to-date figures upto December 31, 2019, being the third quarter of the financial year.
5. The Company has a single reportable business segment of "Security and Safety".
6. The Company has total outstanding Term Loan and working capital loan of Rs. 12,303 lakhs. The term loan and working capital loan has been classified as Non Performing Asset (NPA) as per Reserve Bank of India circular on assets classification. Accordingly the banks have not provided any interest on the same from the date of becoming NPA till March 31, 2020.

During the previous year 2018-19, the Company had reversed outstanding dues to Banks and Financial Institution amounting to Rs. 6,038.86 lakhs as the Company had negotiated and finalized One Time Settlement (OTS) of its dues. However the OTS settlement has not materialized due to legal challenges, but in the opinion of the management, liability as reflected in the financial statement is sufficient to meet any bank liability through new future OTS.

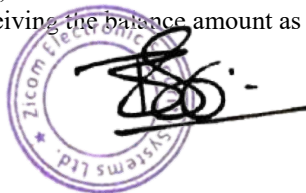
The interest expenses for current year would have been higher by Rs. 3,100 lakhs if the Company had provided the interest on accrual basis.

7. The Exceptional Item for the year amounting to Rs. 332.90 lakhs represents claim registered by Promoter Group Company towards invocation of shares owned by them and pledged with Bank as collateral security, calculated on the basis of price prevalent at date of pledge of shares. The said pledged shares were sold by the Bank for non-payment of loan facility resulting in loss to Promoter Group Company.
8. During the year under review, the Company has reversed Goodwill amounting to Rs. 909 lakhs in its books which was on account of acquisition of a then subsidiary of the Company in 2010. Although there is no much future economic benefits expected from the said Goodwill, the Company is still exploring use of Brands acquired under said Goodwill for economic benefits of the Company.

Further, the Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs. 62 lakhs.

9. The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), vide its Order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of one of its subsidiary viz. Zicom SaaS Private Limited under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). The Company has an Investment of Rs. 2,500 lakhs in the said subsidiary company. The Resolution Plan for the said subsidiary company is under preparation and the management is confident of maintaining the value of the investment.

The Company has received Rs. 2,085 lakhs from its subsidiary company, Zicom SaaS Private Limited, till 31st March, 2020 towards use of "Zicom" Brand as per agreement. The Company is hopeful of receiving the balance amount as per agreement.





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10. The Company is carrying high receivable balance of Rs. 216 lakhs. The Company has written off balances of Rs. 816 lakhs and is confident of recovering the balance.
11. The Company has written off doubtful recovery of debtors amounting to Rs. 816.37 lakhs; advance to suppliers amounting to Rs. 29.84 lakhs and deposits amounting to Rs. 47.76 lakhs. The Company has also written back advances received from customers to the extent of Rs. 72.29 lakhs, vendor balance of Rs. 9.59 lakhs and other payable Rs. 143.45 lakhs on the basis of actual payable amount.
12. Although the accumulated losses of the Company have reached to aggregate of Rs. 40,290 lakhs resulting in erosion of its Net Worth, the Company is still actively exploring for strategic / financial investor(s) with its business infrastructure and with unbroken brand reputation; hence the accounts have been prepared on going concern basis.
13. The Novel Corona Virus (COVID-19) pandemic continues to spread across the globe, including India. In the month of March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but all businesses, industries and services. Various governments have introduced a variety of measures to contain the spread of the virus. The Central and State Governments and local bodies had announced various lock down measures which have had significant impact on all the activities across the nation. The Company at the time of approving the financial statements, made a detailed assessment of the possible impact of the pandemic relating to COVID-19 on the carrying amounts of assets / liabilities particularly, investments, receivables, advances, etc. based on internal and external source of information. The Company have also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date and believes that currently there is no material impact foreseen on revenue and operating cashflow of the Company. Also, an evaluation of impact of COVID-19 on the internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon. On the basis of current assessment, the Company has concluded that the carrying value of these assets are recoverable and no uncertainty exists on meeting the financial liabilities in the foreseeable future. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Company will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial statements
14. Balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable
15. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.

For Zicom Electronic Security Systems Ltd.


Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021

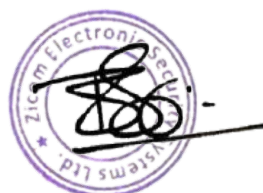


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Standalone Audited Statement of Assets and Liabilities as per Regulation 33(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020

			(Rs. in Lakhs)	
Particulars			As at 31/03/2020	As at 31/03/2019
I		ASSETS		
	1	Non-Current Assets		
	(a)	Property, Plant and Equipment	1,359.35	1,463.69
	(b)	Capital Work-in-Progress	---	---
	(c)	Investment Property	---	---
	(d)	Goodwill	---	908.64
	(e)	Other Intangible Assets	0.97	4.01
	(f)	Intangible Assets under Development	---	---
	(g)	Biological Assets other than bearer Plants	---	---
	(h)	Investments accounted for using Equity Method	---	---
	(i)	Investments in Subsidiaries, Joint Ventures and Associates	2,500.00	2,500.00
	(j)	Financial Assets		
	(i)	Investments	0.25	0.25
	(ii)	Trade Receivables	---	---
	(iii)	Loans	2.92	6.99
	(iv)	Other financial assets	---	---
	(k)	Income Tax Assets (Net)	---	---
	(l)	Other Non-Current Assets	---	---
		Total Non-Current Financial Assets	3,863.49	4,883.57
	2	Current Assets		
	(a)	Inventories	17.66	362.20
	(b)	Current Financial Asset	---	---
	(i)	Current Investments	---	---
	(ii)	Trade Receivables	215.74	1,156.55
	(iii)	Cash and Cash Equivalents	15.60	15.32
	(iv)	Bank balance other than Cash and Cash Equivalents	76.56	85.71
	(v)	Loans	75.53	122.37
	(vi)	Other Current Financial Assets	56.91	0.80
		Total Current Financial Assets	440.34	1,380.75
	(c)	Current Tax Assets (net)	---	---
	(d)	Other Current Assets	16.99	45.02
		Total Current Assets	474.98	1,787.97
		Non-Current Assets classified as held for sale	---	---
		Regulatory deferral account debit balances and related deferred tax Assets	---	---
		TOTAL ASSETS	4,338.46	6,671.54
II		EQUITY AND LIABILITIES		
		Equity		
	(a)	Equity Share Capital	4,122.41	4,122.41
	(b)	Other Equity	(19,841.83)	(16,352.21)
	(c)	Equity attributable to owners of parent	---	---
	(d)	Non-controlling interest	---	---
		Total Equity	(15,719.42)	(12,229.80)





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			(Rs. in Lakhs)	
Particulars			As at 31/03/2020	As at 31/03/2019
		Liabilities		
1		Non-Current Liabilities		
(a)		Non-current Financial Liabilities		
	(i)	Borrowings	---	---
	(ii)	Trade Payables	---	---
	(iii)	Other non-current financial liabilities	---	---
		Total Non-Current Financial Liabilities	---	---
(b)		Provisions	13.00	8.09
(c)		Deferred Tax Liabilities (net)	616.53	367.28
(d)		Deferred Government Grants	---	---
(e)		Other Non-Current Liabilities	2,074.86	---
		Total Non-Current Liabilities	2,704.39	375.37
2		Current Liabilities		
(a)		Current Financial Liabilities		
	(i)	Borrowings	12,752.69	12,669.00
	(ii)	Trade Payables	3,875.16	3,716.06
	(iii)	Other Current Financial Liabilities	---	---
		Total Current Financial Liabilities	16,627.85	16,385.06
(b)		Other Current Liabilities	681.96	2,088.27
(c)		Provisions	21.36	26.96
(d)		Current Tax Liabilities (Net)	22.32	25.68
(e)		Deferred Government Grants, current	---	---
		Total Current Liabilities	17,353.50	18,525.97
		Liabilities directly associated with assets in disposal group classified as held for sale	---	---
		Regulatory deferral account credit balances and related deferred tax liability	---	---
		Total Liabilities	20,057.88	18,901.34
		TOTAL EQUITY AND LIABILITIES	4,338.46	6,671.54

For Zicom Electronic Security Systems Ltd.


Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021



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Standalone Audited Cash Flow Statement as per Regulation 33(3)(g) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020

		(Rs. in Lakhs)	
Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019	
A. Cash Flow From Operating Activities			
Net Profit / (Loss) Before Extraordinary Items and Tax	(2,907.47)	(6,457.75)	
Adjustments For:			
Depreciation and Amortisation	46.22	50.72	
Finance Costs	3.58	3.51	
Interest Received	(3.98)	(4.63)	
Sundry Balances Written Off / (Written Back)	668.44	3,291.26	
Re-measurements of Defined Benefit Plans through OCI	---	1.86	
(Profit) / Loss On Sale / Write Off Of Fixed Assets	970.86	---	
Profit / (Loss) on Sale / Write off of Investment	(270.69)	6,038.86	
Sub-Total	1,414.43	9,381.58	
Operating Profit / (Loss) Before Working Capital Changes	(1,493.04)	2,923.83	
Changes in Working Capital:			
Adjustments for (Increase) / Decrease in Operating Assets:			
Inventories	344.54	2,286.91	
Trade Receivables	272.20	(373.43)	
Other Current Assets	26.96	788.31	
Adjustments For Increase / (Decrease) in Operating Liabilities:			
Trade Payables	159.10	73.94	
Other Current Liabilities	668.54	462.38	
Short-Term Provisions	(5.18)	4.44	
Long-Term Provisions	4.50	(3.12)	
Sub-Total	1,470.66	3,239.43	
Cash Generated from Operations	(22.38)	6,163.26	
Net Income Tax (Paid) / Refunds	(3.36)	(6.95)	
Net Cash Flow From / (Used In) Operating Activities (A)	(25.74)	6,156.31	
B. Cash Flow From Investing Activities			
Capital Expenditure on Fixed Assets	(62.21)	(3.56)	
Short-Term Loans and Advances	(9.26)	6.43	
Long-Term Loans and Advances	4.07	---	
Interest Received	3.98	4.63	
Net Cash Flow From / (Used In) Investing Activities (B)	(63.42)	7.50	
C. Cash Flow From Financing Activities			
Net Increase / (Decrease) in Working Capital Borrowings	83.69	(6,264.97)	
Finance Cost	(3.58)	(3.52)	
Net Cash Flow From / (Used In) Financing Activities (C)	80.11	(6,268.49)	
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(9.05)	(104.68)	
Cash and Cash Equivalents at the beginning of the Year	101.21	205.87	
Cash and Cash Equivalents at the end of the Year	92.16	101.19	

- The above Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standard 7 (Ind AS-7) on the Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Figures in brackets indicate Cash Outflow.

For Zicom Electronic Security Systems Ltd.


 Manoj K. Bhatnagar
 Chairman

Place: Mumbai
Date: January 21, 2021

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL RESULTS

The Board of Directors

Zicom Electronic Security Systems Limited

1 Disclaimer Opinion

We were engaged to audit the accompanying statement of year to date financial results of **Zicom Electronic Security Systems Limited** (the "Company") for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Because of the significance of the matters described in Basis of Disclaimer Opinion para below, we have not been able to obtain sufficient appropriate audit evidence pertaining to matter described in the Basis for Disclaimer of Opinion section mentioned herewith. However, we have obtained other necessary information and explanation required for the purpose of audit and the Standalone Financial Results.

- i. are prepared in accordance with the recognition and measurement principles laid down in "Indian Accounting Standard 34 - Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 and;
- ii. the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains material misstatements.

2 Basis for Disclaimer of opinion

We draw your attention to:

As per SA 510, para 9 and 10, read with SA 705 (Revised) as applicable, when an auditor is unable to obtain sufficient appropriate audit evidence, the auditor shall express an opinion (qualified opinion or a disclaimer of opinion), as appropriate, in accordance with SA 705 (Revised). Since we were unable to obtain appropriate audit evidences, we express a disclaimer of opinion.

- 1) Refer Note No. 6 of Audited Standalone Financial Results of the Company which states that the Company has not provided for interest amounting to Rs. 3,100 Lakhs for the year on its outstanding loans from Banks and Financial Institution as the management of the Company is in advanced negotiation with bankers for one time settlement (OTS) of its entire dues which is pending to be materialized. However, in the opinion of the management, liability as reflected in the financial statement is sufficient to meet proposed OTS. In the absence of extension of OTS approval letter from each Lender we are unable to ascertain the extent of liability that may arise on the Company and whether the liability as reflected in the Standalone financial statement are sufficient due to difficulty in predicting the outcome that may arise in future in estimating the potential impact on the Standalone Financial Statements. Further, since the said loans are NPA balance appearing under the Head Borrowings of the said loans amounting to Rs. 12,303 Lakhs is also unconfirmed.



- 2) Refer Note No. 9 of Standalone Financial Results of the Company regarding the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect one of the subsidiary company of the Company being Zicom SaaS Private Limited Company under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). The Company has an Investment of Rs 2500 Lakhs in the said subsidiary Company. We are unable to ascertain whether the said investment in subsidiary Company requires any diminution due to difficulty in predicting the outcome of the said IBC proceedings that may arise in future and in estimating the potential impact on the Standalone Financial Statements in the said respect.

Further the Company has also received an amount of Rs 2,085 Lakhs deposit for brand from the said subsidiary Company we are unable to ascertain due to difficulty in predicting the outcome that may arise in future and its impact on the financial statement that may arise that whether the said transaction of brand purchase would now be completed by the said subsidiary company as it is now under CRIP.

- 3) Refer Note No. 10 of Audited Standalone Financial Results of the Company regarding the Company during the year under review has not made provision for doubtful trade receivables amounting to Rs 216 Lakhs as the management is hopeful of its recovery. However, we are unable to comment whether the said balance would be recoverable in view of the fact that its pending since long time and also majority of it are disputed by the parties due to various reasons and hence we cannot comment amount on amount recoverable from the said parties.
- 4) Refer Note No. 12 Audited Standalone Financial Results of the Company which states that the Company has been incurring constant losses, the Company's accumulated losses aggregate to Rs 40,290 Lakhs resulting in complete erosion of its net worth. Further, as of that date, company's liabilities exceeded its assets. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis.
- 5) The Company during the year under review has defaulted/ delayed in the payments as well as there has been defaults/ delay in filing of returns of statutory dues comprising of Goods and Service Tax (GST) further set off taken in books are ineligible in view of non- payment to vendors as well as non filing of return, Service Tax, Central Sales Tax, Value Added Tax, Professional Tax, Provident Fund, Employee State Insurance, Labour Welfare Fund, Tax Deduction at Source. Further due to the said nonpayment and other irregularities Company has received various notices from statutory authorities having significant amount of Rs 5291 Lakhs which is shown under the head Contingent Liabilities and hence we are unable to ascertain consequential impact of the same on the audited standalone financial statement of penalties, prosecutions that may arise on the Company on account of such delay/defaults in statutory dues due to difficulty in predicting the outcome that may arise in future.



- 6) Refer Note No. 14 of Audited Standalone Financial Results of the Company which states that certain balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable.

We do not express an opinion on the accompanying Financial Statements of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence particularly to ascertain the impact on the financial statements of the Company of the final outcome of the matters described in the Basis for Disclaimer of Opinion section mentioned herewith to provide a basis for an audit opinion on these Financial Statements.

3. **Emphasis of Matter**

- 1) Refer Note No. 11 of Audited Standalone Financial Results of the Company regarding During the year under review, the Company has written off doubtful recovery of debtors amounting to Rs. 816.37 Lakhs; advance to suppliers amounting to Rs. 29.84 Lakhs and deposits amounting to Rs.47.76 Lakhs as the same were outstanding for a long time and the management was doubtful of its recovery/performance. Further, the company has also written back advances received from customers to the extent of Rs. 72.29 Lakhs, Trade Payable of Rs. 9.59 Lakhs and other payable amount of Rs. 143.45 Lakhs as the said amount are very old payable and as per management estimate no longer payable. The Net effect of the same is given under the head Other Expenses-Sundry Balance Written off (Net).
- 2) Refer Note No. 8 of Audited Standalone Financial Results of the Company which states that based on the management estimates there are no future economic benefits expected from the said goodwill which has arise on account of acquisition of a then subsidiary of the Company in 2010. Hence, goodwill has been reversed during the year under review amounting to Rs 909 Lakhs. Further, the Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs 62 Lakhs. The effect of the said is given under the head Other Expenses-Impairment of Asset.
- 3) Refer Note No. 13 of Audited Standalone Financial Results of the Company regarding management's current assessment of the Company's assets and liabilities in view of prevailing Covid-19 pandemic and nationwide lockdown and conclusion based on such assessment that the carrying value of the assets are recoverable and no uncertainty exists on meeting the liabilities in the foreseeable future. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainty, as explained, the management will continue to closely monitor any material changes to future economic conditions.



- 4) Refer Note No. 7 of Audited Standalone Financial Results of the Company regarding Central Bank of India had invoked shares of the Company pledged by promoter Group Company in respect of loan taken by the Company. As the said loan was Non performing Asset bank had invoked and sold 500,000 shares held by a promoter group Company and adjusted against outstanding loan balance of the Company. Balance payable to the promoter group Company on account of such invocation has been shown under the head borrowings from related party and impact of such invocation has disclosed under the head exceptional item amounting to Rs 333 Lakhs.

Our opinion is not disclaimed in respect of matters described in Emphasis of matter.

4. Management's Responsibilities for the Financial Results

This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Interim condensed financial statements for the year ended March 31, 2020. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibilities for the Audit of the Financial Results

Our responsibility is to express an audit opinion on these Standalone Financial Results. However, because of the significance of the matters described in paragraph 2 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these Standalone Financial Results and hence we do not express an opinion on the aforesaid Standalone Financial Results.



We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

6. Other Matter

- i. The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.
- ii. As the final outcome of the secretarial audit report is pending and due to non-payment of various statutory liabilities, there may be potential non-compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other statutes and regulations.

For **S M M P & Associates**
Chartered Accountants
Firm Registration No. 120438W



S Parekh

Sonal Parekh
Partner
Membership No. 139852
UDIN : **21139852AAAABI4464**

Mumbai, dated 21st January 2021



Zicom Electronic Security Systems Limited

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PART I : STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2020						
(Rs. in Lakhs)						
	Particulars	Quarter Ended 31/03/2020 (Audited) Refer Note 4	Quarter Ended 31/12/2019 (Unaudited)	Quarter Ended 31/03/2019 (Audited) Refer Note 4	Year Ended 31/03/2020 (Audited)	Year Ended 31/03/2019 (Audited)
1	Income					
	(a) Revenue from Operations	777.65	1,940.65	1,669.34	6,599.59	8,794.26
	(b) Other Income	152.48	4.89	13.00	167.14	30.21
	Total Income	930.13	1,945.54	1,682.34	6,766.73	8,824.47
2	Expenses					
	(a) Cost of Materials consumed	---	---	---	---	---
	(b) Purchases of Stock-in-Trade	142.11	1,366.25	1,567.31	4,240.85	4,961.49
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(6.33)	116.96	356.82	344.54	2,286.91
	(d) Employee Benefits Expense	(43.49)	485.67	110.45	1,413.62	1,934.08
	(e) Finance Costs	36.68	376.57	1,164.06	1,166.38	4,832.21
	(f) Depreciation and Amortisation Expense	4,686.98	585.34	1,488.05	6,443.00	3,430.92
	(g) Other Expenses	6,118.18	1,011.81	12,053.49	8,703.63	24,386.27
	Total Expenses	10,934.13	3,942.60	16,740.18	22,312.02	41,831.88
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(10,004.00)	(1,997.06)	(15,057.84)	(15,545.29)	(33,007.41)
4	Exceptional Items	---	---	(6,038.86)	(332.90)	(6,038.86)
5	Profit / (Loss) Before Tax (3 ± 4)	(10,004.00)	(1,997.06)	(9,018.98)	(15,878.19)	(26,968.55)
6	Tax Expense					
	Current Tax	(13.42)	40.59	16.43	---	145.45
	Deferred Tax	321.69	(188.42)	(73.50)	215.63	(463.83)
	Earlier Years Tax	---	---	---	---	---
7	Profit / (Loss) for the period from continuing operations (5 ± 6)	(10,312.27)	(1,849.23)	(8,961.91)	(16,093.82)	(26,650.17)
8	Profit / (Loss) from discontinuing operations	---	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---	---
10	Profit / (Loss) from discontinuing operations (after tax) (8 ± 9)	---	---	---	---	---
11	Profit / (Loss) for the Period (after tax) (7 ± 10)	(10,312.27)	(1,849.23)	(8,961.91)	(16,093.82)	(26,650.17)
12	Share of Profit / (Loss) of Associates	---	---	---	---	---
13	Non-controlling Interests	44.13	(89.35)	(659.82)	(191.98)	(1,262.15)
14	Profit / (Loss) for the Period (after Taxes, Minority Interest and Share of Profit / (Loss) of Associates) (11±12±13)	(10,356.40)	(1,759.88)	(8,302.09)	(15,901.84)	(25,388.02)
15	Other Comprehensive Income (OCI)	(1.19)	1.97	7.24	1.75	4.35
16	Total Comprehensive Income (14+15)	(10,357.59)	(1,757.91)	(8,294.85)	(15,900.09)	(25,383.67)
17	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	4,122.41	4,122.41	4,122.41	4,122.41	4,122.41
18	Earnings Per Share (EPS) (Face Value of Rs. 10/- each):					
	(a) Basic	(25.13)	(4.26)	(20.12)	(38.57)	(61.57)
	(b) Diluted	(25.13)	(4.26)	(20.12)	(38.57)	(61.57)



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Notes:

1. The above financial results of the Company for the year ended March 31, 2020, have been reviewed by the Audit Committee on January 21, 2021 and approved by the Board at its meeting held on even date. The financial results for year ended March 31, 2020 have been subjected to statutory audit in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have expressed a Disclaimer of Opinion.

The Statutory Auditors have expressed a modified audit opinion with matter of emphasis in respect of the reports of the Auditors of two Singapore subsidiary companies, and have drawn attention that these subsidiary companies have net capital deficit Rs. 3,528 lakhs. The financial statements of these subsidiary companies have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companies are able to strengthen its financial resources.

2. The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The format for above financial results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.
4. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ending March 31, 2020 and the unaudited published year-to-date figures upto December 31, 2019, being the third quarter of the financial year.
5. During the year under review, the Company and its Indian Subsidiary has not provided for interest amounting to Rs. 3,100 lakhs and Rs. 1,387 lakhs, respectively, on its outstanding loans from Banks as the Company and its Indian Subsidiary had negotiated and finalized One Time Settlement (OTS) of its entire dues. However the OTS settlement has not materialized due to legal challenges, but in the opinion of the management, liability as reflected in the financial statement is sufficient to meet any bank liability through new future OTS.
6. The Company and its Indian Subsidiary is carrying high receivable balance of Rs. 216 lakhs and Rs. 18.24 lakhs respectively. The Company has written off balances of Rs. 816 lakhs and its Indian Subsidiary has made provision of Rs. 1,100 lakhs and is confident of recovering the balance.
7. One of the Indian Subsidiary has during the year capitalized old balances in CWIP consisting of stocks lying in various customer sites which were put to use time and again against replacement/ upgradations to various client as a part of better service at client locations. However the said has not been capitalized in previous years and now has been capitalized to an extent of Rs. 4,497 lakhs. Hence the Subsidiary Company has decided to charge an accelerated depreciation to an extent of 95% of the total value of the said asset capitalized to reflect its true value.
8. One of the Indian Subsidiary company has a Deferred Tax (Asset) balance of Rs. 807 lakhs. Despite the fact that the Subsidiary Company has incurred loss during the current year and is under Corporate Insolvency Resolution Process (CIRP), it is hopeful of utilizing the same.
9. During the year under review, the Company has written off doubtful recovery of debtors amounting to Rs. 816.37 lakhs; advance to suppliers amounting to Rs. 29.84 lakhs and deposits amounting to Rs. 47.76 lakhs. The Company has also written back advances received from customers to the extent of Rs. 72.29 lakhs, vendor balance of Rs. 9.59 lakhs and other payable Rs. 143.45 lakhs on the basis of actual payable amount. In respect of one of the Indian Subsidiary, carrying high receivable balance of Rs. 2,924 lakhs, the Indian Subsidiary Company has started the process of recovering the old balances. However during the year, the Indian Subsidiary Company has made a provision of Rs. 1,100 lakhs towards doubtful debts.



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10. During the year under review, the Company has reversed Goodwill amounting to Rs. 909 lakhs in its books which was on account of acquisition of a then subsidiary of the Company in 2010. Although there is no much future economic benefits expected from the said Goodwill, the Company is still exploring use of Brands acquired under said Goodwill for economic benefits of the Company.

Further, the Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs. 62 lakhs.

11. The Exceptional Item for the period amounting to Rs. 332.90 lakhs represents claim registered by Promoter Group Company towards invocation of shares owned by them and pledged with Bank as collateral security, calculated on the basis of price prevalent at date of pledge of shares. The said pledged shares were sold by the Bank for non-payment of loan facility resulting in loss to Promoter Group Company.
12. Although the accumulated losses of the Company have reached to aggregate of Rs. 1,05,592 lakhs resulting in erosion of its Net Worth, the Company is still actively exploring for strategic / financial investor(s) with its business infrastructure and with unbroken brand reputation; hence the accounts have been prepared on going concern basis.
13. Due to business challenges caused by embargo on Qatar by UAE and Saudi Arabia, the Company has temporarily suspended its operations in one of its subsidiary in Doha, Qatar and hence no revenue has been reported by the said subsidiary. The business of the Company at its subsidiary in Dubai, UAE is standstill and the Company is making efforts to recover its dues through legal process.
14. The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of Zicom SaaS Private Limited (Subsidiary Company) under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). Thereafter, in accordance with Section 16 of the Code, the powers of Board of Directors stood suspended and Interim Resolution Professional (IRP) and later as Resolution Professional (RP) was appointed on September 17, 2020 for the management of the affairs of the Company. In terms of the Section 25 of the Code, the Company continues to operate as a going concern and accordingly the Financial Statements are presented on a going concern basis.
15. The Novel Corona Virus (COVID-19) pandemic continues to spread across the globe, including India. In the month of March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but all businesses, industries and services. Various governments have introduced a variety of measures to contain the spread of the virus. The Central and State Governments and local bodies had announced various lock down measures which have had significant impact on all the activities across the nation. The Company at the time of approving the financial statements, made a detailed assessment of the possible impact of the pandemic relating to COVID-19 on the carrying amounts of assets / liabilities particularly, investments, receivables, advances, etc. based on internal and external source of information. The Company has also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date and believes that currently there is no material impact foreseen on revenue and operating cashflow of the Company. Also, an evaluation of impact of COVID-19 on the internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon. On the basis of current assessment, the Company has concluded that the carrying value of these assets are recoverable and no uncertainty exists on meeting the financial liabilities in the foreseeable future. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Company will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial statements.
16. Balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable
17. In respect of one of the Indian Subsidiary Company the balance appearing under the head Capital Work in Progress (CWIP) comprises Stocks which are available in warehouse - Rs. 45 lakhs and also other capital advance - Rs. 147 lakhs.




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18. The Company has a single reportable business segment of “Security and Safety”.
19. The Consolidated Financial Results for the year consists financial results of the Company and its following subsidiaries:
Audited:
a) Zicom SaaS Private Limited
b) Unisafe Fire Protection Specialists India Private Limited
c) Unisafe Fire Protection Specialists LLC, Dubai, U.A.E. (Consolidated)
- Unaudited:**
a) Phoenix International WLL, Qatar
b) Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore
c) Zicom Security Projects Pte. Ltd., Singapore
20. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.
21. The standalone results will be available on the Company’s website www.zicom.com and Stock Exchanges websites www.bseindia.com and www.nseindia.com.
22. Standalone Details:

Particulars	(Rs. in Lakhs)				
	Quarter Ended 31/03/2020 (Audited) Refer Note 4	Quarter Ended 31/12/2019 (Unaudited)	Quarter Ended 31/03/2019 (Audited) Refer Note 4	Year Ended 31/03/2020 (Audited)	Year Ended 31/03/2019 (Audited)
Turnover	32.58	94.84	52.45	234.72	882.99
Profit Before Tax	(2,206.31)	(331.03)	4,857.73	(3,240.37)	(418.88)
Profit After Tax and Extraordinary Items	(2,442.63)	(331.03)	4,988.66	(3,489.61)	(165.33)

For Zicom Electronic Security Systems Ltd.


Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021



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Consolidated Audited Statement of Assets and Liabilities as per Regulation 33(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for year ended March 31, 2020

(Rs. in Lakhs)

Particulars			As at 31/03/2020	As at 31/03/2019
I		ASSETS		
1		Non-Current Assets		
(a)		Property, Plant and Equipment	3,198.87	4,913.79
(b)		Capital Work-in-Progress	181.95	6,516.43
(c)		Investment Property	---	---
(d)		Goodwill	989.77	2,746.22
(e)		Other Intangible Assets	171.79	116.41
(f)		Intangible Assets under Development	---	---
(g)		Biological Assets other than bearer Plants	---	---
(h)		Investments accounted for using Equity Method	---	---
(i)		Investments in Subsidiaries, Joint Ventures and Associates	---	---
(j)		Financial Assets	---	---
	(i)	Investments	0.25	0.25
	(ii)	Trade Receivables	---	---
	(iii)	Loans	230.38	6.99
	(iv)	Other financial assets	---	---
(k)		Income Tax Assets (Net)	---	---
(l)		Other Non-Current Assets	---	---
		Total Non-Current Financial Assets	4,773.01	14,300.09
2		Current Assets		
(a)		Inventories	683.36	2,938.07
(b)		Current Financial Asset		
	(i)	Current Investments	---	---
	(ii)	Trade Receivables	17,237.94	34,304.98
	(iii)	Cash and Cash Equivalents	79.49	179.11
	(iv)	Bank balance other than Cash and Cash Equivalents	530.47	5,370.44
	(v)	Loans	---	---
	(vi)	Other Current Financial Assets	4,785.42	11,851.64
		Total Current Financial Assets	22,633.32	51,706.17
(c)		Current Tax Assets (net)	---	---
(d)		Other Current Assets	1,387.87	305.82
		Total Current Assets	24,704.55	54,950.06
		Non-Current Assets classified as held for sale	---	---
		Regulatory deferral account debit balances and related deferred tax Assets	---	---
		TOTAL ASSETS	29,477.56	69,250.15
II		EQUITY AND LIABILITIES		
		Equity		
(a)		Equity Share Capital	4,122.41	4,122.41
(b)		Other Equity	(88,059.43)	(35,986.18)
(c)		Equity attributable to owners of parent	---	---
(d)		Non-controlling interest	314.91	1,599.83
		Total Equity	(83,622.11)	(30,263.94)



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(Rs. in Lakhs)

Particulars			As at 31/03/2020	As at 31/03/2019
		Liabilities		
1		Non-Current Liabilities		
(a)		Non-current Financial Liabilities		
	(i)	Borrowings	13,756.24	10,082.66
	(ii)	Trade Payables	---	---
	(iii)	Other non-current financial liabilities	2,175.77	97.57
		Total Non-Current Financial Liabilities	15,932.01	10,180.23
(b)		Provisions	632.55	155.52
(c)		Deferred Tax Liabilities (net)	(190.34)	(405.98)
(d)		Deferred Government Grants	---	---
(e)		Other Non-Current Liabilities	---	---
		Total Non-Current Liabilities	16,374.22	9,929.77
2		Current Liabilities		
(a)		Current Financial Liabilities		
	(i)	Borrowings	76,462.00	54,583.18
	(ii)	Trade Payables	9,511.10	18,943.32
	(iii)	Other Current Financial Liabilities	---	---
		Total Current Financial Liabilities	85,973.10	73,526.50
(b)		Other Current Liabilities	10,706.61	15,803.61
(c)		Provisions	45.72	254.21
(d)		Current Tax Liabilities (Net)	---	---
(e)		Deferred Government Grants, current	---	---
		Total Current Liabilities	96,725.43	89,584.32
		Liabilities directly associated with assets in disposal group classified as held for sale	---	---
		Regulatory deferral account credit balances and related deferred tax liability	---	---
		Total Liabilities	1,13,099.65	99,514.09
		TOTAL EQUITY AND LIABILITIES	29,477.54	69,250.15

For Zicom Electronic Security Systems Ltd.


Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021



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Consolidated Audited Cash Flow Statement as per Regulation 33(3)(g) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020

Particulars	(Rs. in Lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
A. Cash Flow From Operating Activities		
Net Profit / (Loss) Before Extraordinary Items and Tax	(15,878.19)	(26,968.55)
Adjustments For:		
Depreciation and Amortisation	6,443.00	3,430.92
(Profit) / Loss on Sale / Write Off of Assets	(6.43)	9.63
Finance Costs	1,166.38	4,832.21
Impairment of Fixed Asset	5,084.22	---
Interest Received	(3.98)	(4.64)
Sundry Balances Written Off / Provision for Doubtful Debt	3,938.94	21,708.02
Loss of Subsidiary of previous years	(30,514.45)	---
Re-measurements of Defined Benefit Plans	1.75	4.35
Sub-Total	(13,890.57)	29,980.49
Operating Profit / (Loss) Before Working Capital Changes	(29,768.76)	3,011.94
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	2,254.72	4,542.94
Trade Receivables	13,128.09	(14,645.14)
Long-Term Loans And Advances	(223.39)	---
Other Financial Assets	5,313.11	10,323.00
Other Current Assets	671.07	3,931.22
Adjustments For Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(9,432.22)	(1,012.03)
Other Current Liabilities	(5,001.68)	6,566.09
Other Long-Term Liabilities	2,078.20	13.10
Short-Term Provisions	(208.49)	(2,245.78)
Long-Term Provisions	477.03	(491.85)
Sub-Total	9,056.44	6,981.55
Cash Generated from Operations	(20,712.32)	9,993.49
Net Income Tax (Paid) / Refunds	(15.35)	(57.75)
Net Cash Flow From / (Used In) Operating Activities (A)	(20,727.67)	9,935.74
B. Cash Flow From Investing Activities		
Capital Expenditure on Fixed Assets including Capital Advances	(2,725.19)	(1,666.79)
Proceeds from Sale of Fixed Assets	---	(8.09)
Interest Received	3.98	4.64
Net Cash Flow From / (Used In) Investing Activities (B)	(2,721.21)	(1,670.24)
C. Cash Flow From Financing Activities		
Minority Interest	(1,092.94)	181.26
Net Increase / (Decrease) in Working Capital Borrowings	21,878.82	1,672.56
Net Increase / (Decrease) in Long-Term Borrowings	3,578.26	(7,961.75)
Finance Cost	(1,166.38)	(4,832.21)
Changes in Foreign Currency Translation Reserve	(4,688.50)	2,271.00
Changes in Legal Reserve	---	49.72
Net Cash Flow From / (Used In) Financing Activities (C)	18,509.26	(8,619.42)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(4,939.62)	(353.92)
Cash and Cash Equivalents at the beginning of the Year	5,549.55	5,903.81
Cash and Cash Equivalents at the end of the Year	609.93	5,549.89

- The above Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standard 7 (Ind AS-7) on the Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Figures in brackets indicate Cash Outflow.

For Zicom Electronic Security Systems Ltd.


 Manohar Bidaye
 Chairman

Place: Mumbai
Date: January 21, 2021

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL RESULTS

The Board of Directors
Zicom Electronic Security Systems Limited

1. Disclaimer Opinion

We were engaged to audit the accompanying Results of year to date financial results of **Zicom Electronic Security Systems Limited** along with its subsidiaries together hereinafter referred as (the "Group") for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Because of the significance of the matters described in Basis of Disclaimer Opinion para below, we have not been able to obtain sufficient appropriate audit evidence pertaining to matter described in the Basis for Disclaimer of Opinion section mentioned herewith. We have obtained all other necessary information and explanation required for the purpose of audit and the Consolidated Financial Results

- i. are prepared in accordance with the recognition and measurement principles laid down in "Indian Accounting Standard 34 - Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 and;
- ii. the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains material misstatements.

2. Basis for Disclaimer of opinion

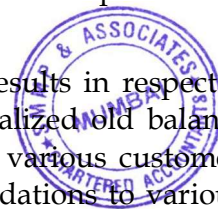
We draw your attention to:

As per SA 510, para 9 and 10, read with SA 705 (Revised) as applicable, when an auditor is unable to obtain sufficient appropriate audit evidence, the auditor shall express an opinion (qualified opinion or a disclaimer of opinion), as appropriate, in accordance with SA 705 (Revised). Since we were unable to obtain appropriate audit evidences, we express a disclaimer of opinion in respect of following matters.

- 1) Refer Note No. 5 of Audited Consolidated Financial Results which states that the Holding Company as well as one of its Indian Subsidiary Company has not provided for interest amounting to Rs 3,100 Lakhs and Rs 1,387 Lakhs respectively for the year on its outstanding loans from Banks and Financial Institution amounting to Rs12,303 in respect of Holding Company and Rs 6,872.12 Lakhs in respect of Indian Subsidiary Company, as in respect of Holding Company the management is in advanced negotiation with bankers for one time settlement (OTS) However, the OTS is not yet materialized, of its entire dues and therefore in their opinion, liability as reflected in the financial statement is sufficient to meet proposed OTS and in respect of the Indian Subsidiary Company, subsequent to the end of the financial year, the said subsidiary company is under Corporate Insolvency Resolution Process (CIRP) and Resolution Professional (RP) has been appointed and hence the said interest may not be payable.

However, in the absence of extension of OTS approval letter from each Lender. The subsidiary company auditor's are unable to ascertain the extent of liability that may arise. On account of the above we are unable to ascertain due to the difficulty in predicting the outcome that may arise in future and in estimating the potential impact on the Consolidated Financial Results. Further, since the said loans are NPA balance appearing under the Head Borrowings and Other Current Liabilities.

- 2) Refer Note No. 6 of Audited Consolidated Financial Results regarding the Holding Company as well as one of its Indian Subsidiary Company during the year under review has not made provision for doubtful trade receivables amounting to Rs 216 Lakhs and Rs 969.76 Lakhs as their respective management's are hopeful of its recovery. Further In respect of an Indian Subsidiary Company provision for doubtful advance given to supplier amounting to Rs 71 Lakhs as the management is hopeful of its performance in future. However, we are unable to comment whether the said balance would be recoverable/performance in view of the fact that its pending since long time and also majority of it are disputed by the parties due to various reasons and hence we as the subsidiary company auditor's cannot comment on amount recoverable/performance.
- 3) Refer Note No. 12 of Audited Consolidated Financial Results which states that the Group has been incurring constant losses, the Group's accumulated losses aggregate to Rs 105,592 Lakhs resulting in complete erosion of its net worth. Further, as of that date, company's liabilities exceeded its assets. These factors along with other matters as set forth in said note raise substantial doubt about the Group's ability to continue as a going concern in the foreseeable future. However, the Groups s financial Results have been prepared on going concern basis.
- 4) The Holding Company as well as its Indian Subsidiary Company during the year under review has defaulted/ delayed in the payments as well as there has been defaults/ delay in filing of returns of statutory dues comprising of Goods and Service Tax (GST), Service Tax, Central Sales Tax, Value Added Tax, Professional Tax, Provident Fund, Employee State Insurance, Labour Welfare Fund, Tax Deduction at Source. Further due to the said nonpayment and other irregularities Group has received various notices from statutory authorities having significant amount of Rs 5,291 Lakhs which is shown under the head Contingent Liabilities and hence we as well as the subsidiary company auditor's are unable to ascertain consequential impact of the same on the audited Consolidated financial Results of penalties, prosecutions that may arise on the Company on account of such delay/defaults in statutory dues due to difficulty in predicting the outcome that may arise in future.
- 5) Refer Note No. 16 of Audited Consolidated Financial Results which states that certain balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable.
- 6) Refer Note No. 7 of Audited Consolidated Financial Results in respect of one of the Indian Subsidiary Company, during the year has capitalized old balances in Capital Work In Progress (CWIP) consisting of stocks lying in various customer sites which were used in earlier years against replacement/ up-gradations to various clients as a



onsite service at client locations. The said CWIP has not been capitalized in previous years; however, the same has been capitalized during the year to an extent of Rs. 4,496.88 Lakhs. Further, the Said Subsidiary company has charged an accelerated depreciation to an extent of 95% of the total value of the said asset capitalized thereby a deprecation of Rs 4,272.04 Lakhs has been charged in profit and loss account on account of said capitalization. The subsidiary Company auditor's are unable to verify capitalization also charging accelerated depreciation and hence cannot comment on capitalizing the said assets as well as charging accelerated depreciation on it.

- 7) Refer Note No. 17 of Audited Consolidated Financial Results in respect of one of the Indian Subsidiary Company which states that balance appearing under the head Capital Work in Progress amounting (CWIP) comprises Stocks which are available in warehouse - Rs. 45 Lakhs and also other capital advance - Rs.147 Lakhs. However, since the said Indian Subsidiary Company has gone into liquidation and Interim Resolution Professional has been appointed and in view of uncertainties about Company's future plan the subsidiary Company auditor's are unable to comment whether the Company would be able to complete its ongoing agreements and arrangements under CWIP and hence they are unable to comment its impact on the financial Results.
- 8) Refer Note No. 8 of Audited Consolidated Financial Results in respect of one of the Indian Subsidiary Company regarding the Indian Subsidiary Company has a Deferred Tax Asset of Rs. 807 Lakhs. We are unable to comments whether they would be able to utilize the said asset in view of the fact that they are under Corporate Insolvency Resolution Process (CIRP) and Resolution Professional (RP) has been appointed.
- 9) Refer Note No. 13 of Audited Consolidated Financial Results which states that we have not received audited financials in respect of any of the foreign subsidiary Companies except one being Unisafe Fire Protection Specialists (LLC) whose accounts have been consolidated based on Management accounts there by Total Income of Rs Nil, Total Loss of Rs 1,232 Lakhs, Cash and Cash Equivalents of Rs Nil and Total Assets of Rs 7,093 Lakhs. We are unable to comments if the impact if any that would have arose if the said financial Results of foreign subsidiary Companies would have been audited.

We do not express an opinion on the accompanying Financial Results of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence particularly to ascertain the impact on the financial Results of the Company of the final outcome of the matters described in the Basis for Disclaimer of Opinion section mentioned herewith to provide a basis for an audit opinion on these Financial Results.



3. Emphasis of Matter

- 1) Refer Note No. 14 of Audited Consolidated Financial Results in respect of one of the Indian Subsidiary Company regarding the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of the Indian Subsidiary Company under the provisions of Insolvency and Bankruptcy Code, 2016 (Code).

Thereafter, in accordance with Section 16 of the Code, the powers of Board of Directors stood suspended and Mr. Santanu T. Ray (Reg. No. IBBI/IPA-002/IP- N00360/2017-2018/ 11055) was appointed as the Interim Resolution Professional (IRP) and later was appointed as the Resolution Professional (RP) on September 17, 2020 for the management of the affairs of the Indian Subsidiary Company. In terms of the Section 25 of the Code, they continue to operate as a going concern and accordingly the Financial Results are presented on a going concern basis.

Further, Pursuant to admission of the Indian Subsidiary company petition u/s 7 of the Insolvency and Bankruptcy code, 2016 (IBC, 2016) by the Hon'ble NCLT, the Board of Directors i.e. Mr. Pramoud Rao and Mr. Manohar Bidaye are suspended as per the provisions of IBC, 2016 and the powers of the Board are now vested with the Resolution Professional i.e. Mr. Santanu T Ray vide letter dated December 15, 2020, has authorized the Suspended Directors, to sign the Audited Financial Results of the said Indian Subsidiary Company for financial year ended March 31, 2020, being a period prior to initiation of CIRP.

- 2) Refer Note No. 9 of Audited Consolidated Financial Results which states that during the year under review, the Holding Company has written off doubtful recovery of debtors amounting to Rs. 816.37 Lakhs; advance to suppliers amounting to Rs. 29.84 Lakhs and deposits amounting to Rs.47.76 Lakhs as the same were outstanding for a long time and the management was doubtful of its recovery/performance. Further, the company has also written back advances received from customers to the extent of Rs. 72.29 Lakhs, Trade Payable of Rs. 9.59 Lakhs and other payable amount of Rs. 143.45 Lakhs as the said amount are very old payable and as per management estimate no longer payable. The Net effect of the same is given under the head Other Expenses-Sundry Balance Written off (Net). Further, In respect of One of the Indian Subsidiary Company has also made provision for doubtful trade receivables amounting to Rs 1100 Lakhs which in the opinion of the management are long time due and disputed and not recoverable.
- 3) Refer Note No. 10 of Audited Consolidated Financial Results which states that based on the holding management estimates there are no future economic benefits expected from the said goodwill which has arise on account of acquisition of a then subsidiary of the Holding Company in 2010. Hence, goodwill has been reversed during the year under review amounting to Rs 909 Lakhs. Further, the Holding Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs 62 Lakhs. The effect of the said is given under the head Other Expenses-Impairment of Asset.



- 4) Refer Note No. 15 of Audited Consolidated Financial Results of the Group regarding management's current assessment of the Group's assets and liabilities in view of prevailing Covid-19 pandemic and nationwide lockdown and conclusion based on such assessment that the carrying value of the assets are recoverable and no uncertainty exists on meeting the liabilities in the foreseeable future. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Results. Considering the continuing uncertainty, as explained, the management will continue to closely monitor any material changes to future economic conditions.
- 5) Refer Note No. 11 of Audited Consolidated Financial Results in respect of holding Company regarding Central Bank of India had invoked shares of the Company pledged by promoter Group Company in respect of loan taken by the Company. As the said loan was Non performing Asset bank had invoked and sold 500,000 shares held by a promoter group Company and adjusted against outstanding loan balance of the Holding Company. Balance payable to the promoter group Company on account of such invocation has been shown under the head borrowings from related party and impact of such invocation has disclosed under the head exceptional item amounting to Rs 333 Lakhs.

Our opinion is not disclaimed in respect of matters described in Emphasis of matter.

4. Management's Responsibilities for the Financial Results

This Results, is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Interim condensed financial Results for the year ended March 31, 2020. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatements, whether due to fraud or error.

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



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

5. Auditor's Responsibilities for the Audit of the Financial Results

Our responsibility is to express an audit opinion on these Consolidated Financial Results. However, because of the significance of the matters described in paragraph 2 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these Consolidated Financial Results and hence we do not express an opinion on the aforesaid Consolidated Financial Results.

We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

6. Other Matter

- i. The Results includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.
- ii. As the final outcome of the secretarial audit report is pending and due to non-payment of various statutory liabilities, there may be potential non-compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other statutes and regulations.

For **S M M P & Associates**
Chartered Accountants
Firm Registration No. 120438W



Sonal Parekh
Partner

Membership No. 139852

UDIN : **21139852AAAABJ8503**

Mumbai, dated 21st January 2021



Zicom Electronic Security Systems Limited

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PART I : STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020					
(Rs. in Lakhs)					
	Particulars	Quarter Ended 30/06/2020 (Unaudited)	Quarter Ended 31/03/2020 (Audited) (Refer Note 4)	Quarter Ended 30/06/2019 (Unaudited)	Year Ended 31/03/2020 (Audited)
1	Income				
	(a) Revenue from Operations	6.45	32.58	66.91	234.72
	(b) Other Income	0.00	4.85	5.24	18.50
	Total Income	6.45	37.43	72.15	253.22
2	Expenses				
	(a) Cost of Materials consumed	---	---	---	---
	(b) Purchases of Stock-in-Trade	0.28	115.75	60.59	312.34
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	0.00	6.33	155.25	344.54
	(d) Employee Benefits Expense	7.82	75.15	66.35	238.12
	(e) Finance Costs	0.01	(6.53)	0.88	3.58
	(f) Depreciation and Amortisation Expense	11.24	3.53	13.13	46.22
	(g) Other Expenses	17.45	2,049.51	13.46	2,215.88
	Total Expenses	36.79	2,243.74	309.66	3,160.68
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(30.32)	(2,206.31)	(237.51)	(2,907.46)
4	Exceptional Items	---	---	---	(332.90)
5	Profit / (Loss) Before Tax (3+4)	(30.32)	(2,206.31)	(237.51)	(3,240.36)
6	Tax Expense				
	Current Tax	---	---	---	---
	Deferred Tax	---	236.32	(160.71)	249.25
	Earlier Year Tax	---	---	---	---
7	Profit / (Loss) for the period from continuing operations (5+6)	(30.32)	(2,442.63)	(76.80)	(3,489.61)
8	Profit / (Loss) from discontinuing operations	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---
10	Profit / (Loss) from discontinuing operations (after tax) (8+9)	---	---	---	---
11	Profit / (Loss) for the Period (after tax) (7+10)	(30.32)	(2,442.63)	(76.80)	(3,489.61)
12	Other Comprehensive Income (OCI)	---	---	---	---
13	Total Comprehensive Income (11+12)	(30.32)	(2,442.63)	(76.80)	(3,489.61)
14	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	4,122.41	4,122.41	4,122.41	4,122.41
15	Earnings Per Share (EPS) (Face Value of Rs. 10/- each):				
	(a) Basic	(0.07)	(59.25)	(0.19)	(8.46)
	(b) Diluted	(0.07)	(59.25)	(0.19)	(8.46)





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Notes:

1. The above financial results of the Company for the quarter ended June 30, 2020, have been reviewed by the Audit Committee on January 21, 2021 and approved by the Board at its meeting held on even date. The unaudited financial results for quarter ended June 30, 2020 have been subjected to limited review by the Statutory Auditors in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The above Unaudited Financial Results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The format for above Unaudited Financial Results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.
4. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ending March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2019, being the third quarter of the financial year.
5. The Company has a single reportable business segment of "Security and Safety".
6. The Company has total outstanding Term Loan and working capital loan of Rs. 12,303 lakhs. The term loan and working capital loan has been classified as Non Performing Asset (NPA) as per Reserve Bank of India circular on assets classification. Accordingly the banks have not provided any interest on the same from the date of becoming NPA till June 30, 2020.

The interest expenses for current period would have been higher by Rs. 716.62 lakhs if the Company had provided the interest on accrual basis.

7. The Exceptional Item for the previous year amounting to Rs. 332.90 lakhs represents claim registered by Promoter Group Company towards invocation of shares owned by them and pledged with Bank as collateral security, calculated on the basis of price prevalent at date of pledge of shares. The said pledged shares were sold by the Bank for non-payment of loan facility resulting in loss to Promoter Group Company.
8. Although the accumulated losses of the Company have reached to aggregate of Rs. 40,320 lakhs resulting in erosion of its Net Worth, the Company is still actively exploring for strategic / financial investor(s) with its business infrastructure and with unbroken brand reputation; hence the accounts have been prepared on going concern basis.
9. The Company has total outstanding Term Loan and working capital loan of Rs. 12,303 lakhs. The term loan and working capital loan has been classified as Non Performing Asset (NPA) as per Reserve Bank of India circular on assets classification. Accordingly the banks have not provided any interest on the same from the date of becoming NPA till June 30, 2020.

During the previous year 2018-19, the Company had reversed outstanding dues to Banks and Financial Institution amounting to Rs. 6,038.86 lakhs as the Company was in advanced stage of negotiation with bankers for one time settlement (OTS) of its dues. However the OTS settlement has not materialized, but in the opinion of the management, liability as reflected in the financial statement is sufficient to meet any bank liability through new future OTS.

The interest expenses for current quarter would have been higher by Rs. 716.62 lakhs if the Company had provided the interest on accrual basis.





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10. During the last quarter of last year, the Company has reversed Goodwill amounting to Rs. 909 lakhs in its books which was on account of acquisition of a then subsidiary of the Company in 2010. Although there is no much future economic benefits expected from the said Goodwill, the Company is still exploring use of Brands acquired under said Goodwill for economic benefits of the Company. Further, the Company had also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs. 62 Lakhs.
11. The Exceptional Item in the previous year amounting to Rs. 332.90 lakhs represents claim registered by Promoter Group Company towards invocation of shares owned by them and pledged with Bank as collateral security, calculated on the basis of price prevalent at date of pledge of shares. The said pledged shares were sold by the Bank for non-payment of loan facility resulting in loss to Promoter Group Company.
12. The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), vide its Order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of one of its subsidiary viz. Zicom SaaS Private Limited under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). The Company has an Investment of Rs. 2,500 lakhs in the said subsidiary company. The Resolution Plan for the said subsidiary company is under preparation and the management is confident of maintaining the value of the investment.

The Company has received Rs. 2,124 lakhs from its subsidiary company, Zicom SaaS Private Limited, till 30th June 2020 towards use of "Zicom" Brand as per agreement. The Company is hopeful of receiving the balance amount as per the agreement.

13. The Company is carrying high receivable balance of Rs. 211 lakhs. The Company had written off balances of Rs. 816 lakhs during last year and is confident of recovering the balances.
14. The Company has written off doubtful recovery of debtors amounting to Rs. 816.37 lakhs; advance to suppliers amounting to Rs. 29.84 lakhs and deposits amounting to Rs. 47.76 lakhs during last year. The Company has also written back advances received from customers to the extent of Rs. 72.29 lakhs, vendor balance of Rs. 9.59 lakhs and other payable Rs. 143.45 lakhs on the basis of actual payable amount during last year.
15. The Novel Corona Virus (COVID-19) pandemic continues to spread across the globe, including India. In the month of March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but all businesses, industries and services. Various governments have introduced a variety of measures to contain the spread of the virus. The Central and State Governments and local bodies had announced various lock down measures which have had significant impact on all the activities across the nation. The Company at the time of approving the financial statements, made a detailed assessment of the possible impact of the pandemic relating to COVID-19 on the carrying amounts of assets / liabilities particularly, investments, receivables, advances, etc. based on internal and external source of information. The Company have also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date and believes that currently there is no material impact foreseen on revenue and operating cashflow of the Company. Also, an evaluation of impact of COVID-19 on the internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon. On the basis of current assessment, the Company has concluded that the carrying value of these assets are recoverable and no uncertainty exists on meeting the financial liabilities in the foreseeable future. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Company will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial statements





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16. Balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable
17. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.

For Zicom Electronic Security Systems Ltd.



Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to,

The Board of Directors

Zicom Electronic Security Systems Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Zicom Electronic Security Systems Limited** ("the Company") for the quarter ended on June 30th 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India.

Our responsibility is to express a conclusion on the Statement based on our review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for Disclaimer of Conclusion

- 1) Refer Note No. 9 of Unaudited Standalone Financial Results of the Company which states that the Company has not provided for interest amounting to Rs 716.62 Lakhs for the quarter ended June 2020 on its outstanding loans from Banks and Financial Institution as the management of the Company is in advanced negotiation with bankers for one time settlement (OTS) which is still not materialized, of its entire dues and therefore in the opinion of the management, liability as reflected in the financial statement is sufficient to meet proposed OTS. However, in the absence of extension of OTS approval letter from each Lender we are unable to ascertain the extent of liability that may arise on the Company and whether the liability as reflected in the Standalone financial results are sufficient due to difficulty in predicting the outcome that may arise in future in estimating the potential impact. Further, since the said loans are NPA they are unconfirmed from the lenders.

- 2) Refer Note No. 12 of Unaudited Standalone Financial Results of the Company regarding the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect one of the subsidiary company of the Company being Zicom SaaS Private Limited Company under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). The Company has an Investment of Rs 2500 Lakhs in the said subsidiary Company. We are unable to ascertain whether the said investment in subsidiary Company requires any diminution due to difficulty in predicting the outcome of the said IBC proceedings that may arise in future and in estimating the potential impact on the Unaudited Standalone Financial Results in the said respect.

Further the Company has also received an amount of Rs 2,124 Lakhs deposit for brand from the said subsidiary Company we are unable to ascertain due to difficulty in predicting the outcome that may arise in future and its impact on the Unaudited Standalone Financial Results that may arise that whether the said transaction of brand purchase would now be completed by the said subsidiary company as it is now under CIRP.

- 3) Refer Note No. 13 of Unaudited Standalone Financial Results of the Company regarding the Company during the quarter under review has not made provision for doubtful trade receivables amounting to Rs 211 Lakhs as the management is hopeful of its recovery. However, we are unable to comment whether the said balance would be recoverable in view of the fact that its pending since long time and also majority of it are disputed by the parties due to various reasons and hence we cannot comment amount on amount recoverable from the said parties.
- 4) Refer Note No. 8 Unaudited Standalone Financial Results of the Company which states that the Company has been incurring constant losses, the Company's accumulated losses aggregate to Rs. 40,320 Lakhs resulting in complete erosion of its net worth. Further, as of that date, company's liabilities exceeded its assets. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's Unaudited Standalone Financial Results has been prepared on going concern basis.
- 5) The Company during the quarter under review has defaulted/ delayed in the payments as well as there has been defaults/ delay in filing of returns of statutory dues comprising of Goods and Service Tax (GST), Service Tax, Central Sales Tax, Value Added Tax, Professional Tax, Provident Fund, Employee State Insurance, Labour Welfare Fund, Tax Deduction at Source. Further due to the said non-payment and other irregularities Company has received various notices from statutory authorities having significant amount of Rs 5291 Lakhs which is Contingent Liability of the Company and hence we are unable to ascertain consequential impact of the same on the Unaudited Standalone Financial Results of the Company owing to penalties, prosecutions that may arise on account of such delay/defaults in statutory dues due to difficulty in predicting the outcome that may arise in future.



- 6) Refer Note No. 16 of Unaudited Standalone Financial Results of the Company which states that certain balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable.

5. Disclaimer of Conclusion

Because of the significance of the matters described in para 4.1 to 4.6 above, we have not been able to obtain sufficient appropriate audit evidence as to whether the Statement has been prepared in accordance with the recognition and measurement principals laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the statement has disclosed information required to be disclosed the information in terms of regulation 33 of the listing regulation, including the manner in which it is to be disclosed or that it contains any material misstatement.

6. Emphasis of Matter

- 1) Refer Note No. 14 of Unaudited Standalone Financial Results of the Company regarding during the previous quarter under review has written off doubtful recovery of debtors amounting to Rs. 816.37 Lakhs; advance to suppliers amounting to Rs. 29.84 Lakhs and deposits amounting to Rs.47.76 Lakhs as the same were outstanding for a long time and the management was doubtful of its recovery/performance. Further, the company has also written back advances received from customers to the extent of Rs. 72.29 Lakhs, Trade Payable of Rs. 9.59 Lakhs and other payable amount of Rs. 143.45 Lakhs as the said amount are very old payable and as per management estimate no longer payable. The Net effect of the same is given under the head Other Expenses-Sundry Balance Written off (Net).
- 2) Refer Note No. 10 of Unaudited Standalone Financial Resultsof the Company which states that based on the management estimates there are no future economic benefits expected from the said goodwill which has arise on account of acquisition of a then subsidiary of the Company in 2010. Hence, the Company in its previous year has reversed goodwill amounting to Rs 909 Lakhs. Further, during the previous year the Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs 62 Lakhs. The effect of the said is given under the head Other Expenses-Impairment of Asset.
- 3) Refer Note No. 15 of Unaudited Standalone Financial Results of the Company regarding management's current assessment of the Company's assets and liabilities in view of prevailing Covid-19 pandemic and nationwide lockdown and conclusion based on such assessment that the carrying value of the assets are recoverable and no uncertainty exists on meeting the liabilities in the foreseeable future. The impact of the global health pandemic may be different from that estimated as at the date of approval of these Unaudited Standalone Financial Results. Considering the continuing uncertainty, as explained, the management will continue to closely monitor any material changes to future economic conditions.



- 4) Refer Note No. 7 of Unaudited Standalone Financial Results of the Company regarding Central Bank of India in the earlier years had invoked shares of the Company pledged by promoter Group Company in respect of loan taken by the Company. As the said loan was Non performing Asset bank had invoked and sold 500,000 shares held by a promoter group Company and adjusted against outstanding loan balance of the Company. Balance payable to the promoter group Company on account of such invocation has been shown under the head borrowings from related party and impact of such invocation has disclosed under the head exceptional item amounting to Rs 333 Lakhs in the previous year.

Our opinion is not disclaimed in respect of matters described in Emphasis of matter.

For **S M M P & Associates**
Chartered Accountants
Firm Registration No. 120438W



A handwritten signature in blue ink that reads "S Parekh".

Sonal Parekh
Partner

Membership No. 139852
UDIN : 21139852AAAABK5609

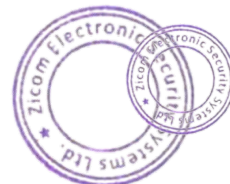
Mumbai, dated 21st January 2021



Zicom Electronic Security Systems Limited

Reg. Office: 501, Silver Metropolis, Western Express Highway, Goregaon East, Mumbai 400063.
Tel: +91 22 6201 4290; Fax: +91 22 6201 4291; Website: www.zicom.com; CIN: L32109MH1994PLC083391

PART I : STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020					
					(Rs. in Lakhs)
	Particulars	Quarter Ended 30/06/2020 (Unaudited)	Quarter Ended 31/03/2020 (Audited) (Refer Note 4)	Quarter Ended 30/06/2019 (Unaudited)	Year Ended 31/03/2020 (Audited)
1	Income				
	(a) Revenue from Operations	670.43	777.65	928.94	6,599.59
	(b) Other Income	0.72	152.48	5.25	167.14
	Total Income	671.15	930.13	934.19	6,766.73
2	Expenses				
	(a) Cost of Materials consumed				
	(b) Purchases of Stock-in-Trade	9.46	142.11	257.34	4,240.85
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	0.00	(6.33)	155.25	344.54
	(d) Employee Benefits Expense	289.31	(43.49)	463.32	1,413.62
	(e) Finance Costs	3.44	36.68	1,137.77	1,166.38
	(f) Depreciation and Amortisation Expense	480.65	4,686.98	573.49	6,443.00
	(g) Other Expenses	429.46	6,118.18	485.07	8,703.63
	Total Expenses	1,212.32	10,934.24	3,072.24	22,312.02
3	Profit / (Loss) before Exceptional Items and Tax (1-2)	(541.17)	(10,004.11)	(2,138.05)	(15,545.29)
4	Exceptional Items	---	---	---	(332.90)
5	Profit / (Loss) Before Tax (3+4)	(541.17)	(10,004.11)	(2,138.05)	(15,878.19)
6	Tax Expense				
	Current Tax	14.43	(13.42)	21.26	---
	Deferred Tax	(65.46)	321.69	(456.75)	215.63
	Earlier Years Tax			---	---
7	Profit / (Loss) for the period from continuing operations (5+6)	(490.14)	(10,312.38)	(1,702.56)	(16,093.82)
8	Profit / (Loss) from discontinuing operations	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---
10	Profit / (Loss) from discontinuing operations (after tax) (8+9)	---	---	---	---
11	Profit / (Loss) for the Period (after tax) (7+10)	(490.14)	(10,312.38)	(1,702.56)	(16,093.82)
12	Share of Profit / (Loss) of Associates	---	---	---	---
13	Minority Interest	(29.05)	44.13	(94.65)	(191.98)
14	Profit / (Loss) for the Period (after Taxes, Minority Interest and Share of Profit / (Loss) of Associates) (11+12+13)	(461.09)	(10,356.51)	(1,607.91)	(15,901.84)
15	Other Comprehensive Income (OCI)	---	(1.19)	---	1.75
16	Total Comprehensive Income (14+15)	(461.09)	(10,357.70)	(1,607.91)	(15,900.09)
17	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	4,122.41	4,122.41	4,122.41	4,122.41
18	Earnings Per Share (EPS) (Face Value of Rs. 10/- each):				
	(a) Basic	(1.12)	(251.25)	(3.90)	(38.57)
	(b) Diluted	(1.12)	(251.25)	(3.90)	(38.57)





Zicom Electronic Security Systems Limited

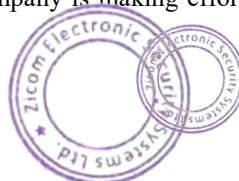
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Notes:

1. The above financial results of the Company for the quarter ended June 30, 2020, have been reviewed by the Audit Committee on January 21, 2021 and approved by the Board at its meeting held on even date. The unaudited financial results for quarter ended June 30, 2020 have been subjected to limited review by the Statutory Auditors in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on unaudited management drawn accounts of two Singapore subsidiary companies, the Management has drawn attention that these subsidiary companies have net capital deficit Rs. 3,258 lakhs. The financial statements of these subsidiary companies have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companies are able to operate on its own financial resources.

2. The above Unaudited Financial Results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The format for above Unaudited Financial Results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.
4. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ending March 31, 2020 and the unaudited published year-to-date figures upto December 31, 2019, being the third quarter of the financial year.
5. The Company and its Indian Subsidiary, during the quarter under review, has not provided for interest amounting to Rs. 716.62 lakhs and Rs. 375.03 lakhs respectively on its outstanding Bank loans, as the Company and its Indian Subsidiary has received sanctions from its Lenders for One Time Settlement (OTS) of its entire dues.
6. The Company and its Indian Subsidiary is carrying high receivable balance of Rs. 211 lakhs and Rs. 2,000 lakhs respectively. The Company has written off balances of Rs. 816 lakhs and its Indian Subsidiary has made provision of Rs. 1,100 lakhs and is confident of recovering the balance.
7. The Exceptional Item for the previous year amounting to Rs. 332.90 lakhs represents claim registered by Promoter Group Company towards invocation of shares owned by them and pledged with Bank as collateral security, calculated on the basis of price prevalent at date of pledge of shares. The said pledged shares were sold by the Bank for non-payment of loan facility resulting in loss to Promoter Group Company.
8. Although the accumulated losses of the Company have reached to aggregate of Rs. 1,05,072 lakhs resulting in erosion of its Net Worth, the Company is still actively exploring for strategic / financial investor(s) with its business infrastructure and with unbroken brand reputation; hence the accounts have been prepared on going concern basis.
9. One of the Indian Subsidiary has during the year capitalized old balances in CWIP consisting of stocks lying in various customer sites which were put to use time and again against replacement/ upgradations to various client as a part of better service at client locations. However the said has not been capitalized in previous years and now has been capitalized to an extent of Rs. 4,497 lakhs. Hence the Subsidiary Company has decided to charge an accelerated depreciation to an extent of 95% of the total value of the said asset capitalized to reflect its true value
10. Due to business challenges caused by embargo on Qatar by UAE and Saudi Arabia, the Company has temporarily suspended its operations in one of its subsidiary in Doha, Qatar and hence no revenue has been reported by the said subsidiary. The business of the Company at its subsidiary in Dubai, UAE is standstill and the Company is making efforts to recover its dues through legal process.

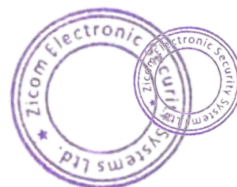




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11. The Novel Corona Virus (COVID-19) pandemic continues to spread across the globe, including India. In the month of March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but all businesses, industries and services. Various governments have introduced a variety of measures to contain the spread of the virus. The Central and State Governments and local bodies had announced various lock down measures which have had significant impact on all the activities across the nation. The Company at the time of approving the financial statements, made a detailed assessment of the possible impact of the pandemic relating to COVID-19 on the carrying amounts of assets / liabilities particularly, investments, receivables, advances, etc. based on internal and external source of information. The Company have also made a detailed assessment of its liquidity position for the next 12 months from the balance sheet date and believes that currently there is no material impact foreseen on revenue and operating cashflow of the Company. Also, an evaluation of impact of COVID-19 on the internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon. On the basis of current assessment, the Company has concluded that the carrying value of these assets are recoverable and no uncertainty exists on meeting the financial liabilities in the foreseeable future. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. Company will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial statements.
12. Balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable
13. In respect of one of the Indian Subsidiary Company the balance appearing under the head Capital Work in Progress (CWIP) comprises Stocks which are available in warehouse - Rs. 45 Lakhs and also other capital advance - Rs.147 Lakhs.
14. One of the Indian Subsidiary company has a Deferred Tax (Asset) balance of Rs. 807 lakhs. Despite the fact that the Subsidiary company has incurred loss during the current year and is under Corporate Insolvency Resolution Process (CIRP), it is hopeful of utilizing the same.
15. The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of Zicom SaaS Private Limited (Subsidiary Company) under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). Thereafter, in accordance with Section 16 of the Code, the powers of Board of Directors stood suspended and Interim Resolution Professional (IRP) and later as Resolution Professional (RP) was appointed on September 17, 2020 for the management of the affairs of the Company. In terms of the Section 25 of the Code, the Company continues to operate as a going concern and accordingly the Financial Statements are presented on a going concern basis
16. The Company has written off doubtful recovery of debtors amounting to Rs. 816.37 lakhs; advance to suppliers amounting to Rs. 29.84 lakhs and deposits amounting to Rs.47.76 during last year. The Company has also written back advances received from customers to the extent of Rs. 72.29 lakhs, vendor balance of Rs. 9.59 lakhs and other payable Rs. 143.45 lakhs on the basis of actual payable amount during last year.
17. During the last quarter of previous year the Company has reversed Goodwill amounting to Rs. 909 lakhs in its books which was on account of acquisition of a then subsidiary of the Company in 2010. Although there is no much future economic benefits expected from the said Goodwill, the Company is still exploring use of Brands acquired under said Goodwill for economic benefits of the Company
18. The Company has a single reportable business segment of "Security and Safety".





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19. The Consolidated Financial Results for the quarter consists unaudited financial results of the Company and its following subsidiaries:
- (a) Zicom SaaS Private Limited
 - (b) Unisafe Fire Protection Specialists India Private Limited
 - (c) Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore
 - (d) Zicom Security Projects Pte. Ltd., Singapore
 - (e) Unisafe Fire Protection Specialists LLC, Dubai, U.A.E. (Consolidated)
 - (f) Phoenix International WLL, Qatar
20. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.
21. The standalone results will be available on the Company's website www.zicom.com and Stock Exchanges websites www.bseindia.com and www.nseindia.com.
22. Standalone Details:

Particulars	(Rs. in Lakhs)			
	Quarter Ended 30/06/2020 (Unaudited)	Quarter Ended 31/03/2020 (Audited) Refer Note 4	Quarter Ended 30/06/2019 (Unaudited)	Year Ended 31/03/2020 (Audited)
Turnover	6.45	32.58	66.91	234.72
Profit Before Tax	(30.32)	(2,206.31)	(237.51)	(3240.37)
Profit After Tax and Extraordinary Items	(30.32)	(2,442.63)	(76.80)	(3,489.62)

For Zicom Electronic Security Systems Ltd.


Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2020

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to,

The Board of Directors

Zicom Electronic Security Systems Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Zicom Electronic Security Systems Limited** along with its subsidiaries together referred as ("the Group") for the quarter ended on June 30th 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India.

Our responsibility is to express a conclusion on the Statement based on our review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for Disclaimer of Conclusion

- 1) Refer Note No. 5 of Unaudited Consolidated Financial Results which states that the Holding Company as well as one of its Indian Subsidiary Company has not provided for interest amounting to Rs 717 Lakhs and Rs 375 Lakhs respectively for the quarter on its outstanding loans from Banks and Financial Institution amounting to Rs12,303 in respect of Holding Company and Rs 6,872.12 Lakhs in respect of Indian Subsidiary Company, as in respect of Holding Company the management is in advanced negotiation with bankers for one time settlement (OTS) However, the OTS is not yet materialized, of its entire dues and therefore in their opinion, liability as reflected in the financial statement is sufficient to meet proposed OTS and in respect of the Indian Subsidiary Company, subsequent to the end of the financial year, the said subsidiary company is under Corporate Insolvency Resolution Process (CIRP) and Resolution Professional (RP) has been appointed and hence the said interest may not be payable.

However, in the absence of extension of OTS approval letter from each Lender. The subsidiary company auditor's are unable to ascertain the extent of liability that may arise. On account of the above we are unable to ascertain due to the difficulty in predicting the outcome that may arise in future and in estimating the potential impact on the Unaudited Consolidated Financial Results. Further, since the said loans are NPA balance and hence unconfirmed.

- 2) Refer Note No. 6 of unaudited Consolidated Financial Results regarding the Holding Company as well as one of its Indian Subsidiary Company during the year under review has not made provision for doubtful trade receivables amounting to Rs 211 Lakhs and Rs 969.76 Lakhs as their respective management's are hopeful of its recovery. Further In respect of an Indian Subsidiary Company provision for doubtful advance given to supplier amounting to Rs 71 Lakhs as the management is hopeful of its performance in future. However, we are unable to comment whether the said balance would be recoverable/performance in view of the fact that its pending since long time and also majority of it are disputed by the parties due to various reasons and hence we as the subsidiary company auditor's cannot comment on amount recoverable/performance.
- 3) Refer Note No. 8 of Unaudited Consolidated Financial Results which states that the Group has been incurring constant losses, the Group's accumulated losses aggregate to Rs 105,072 Lakhs resulting in complete erosion of its net worth. Further, as of that date, company's liabilities exceeded its assets. These factors along with other matters as set forth in said note raise substantial doubt about the Group's ability to continue as a going concern in the foreseeable future. However, the Groups s financial Results have been prepared on going concern basis.
- 4) The Holding Company as well as its Indian Subsidiary Company during the quarter under review has defaulted/ delayed in the payments as well as there has been defaults/ delay in filing of returns of statutory dues comprising of Goods and Service Tax (GST), Service Tax, Central Sales Tax, Value Added Tax, Professional Tax, Provident Fund, Employee State Insurance, Labour Welfare Fund, Tax Deduction at Source. Further due to the said nonpayment and other irregularities Group has received various notices from statutory authorities having significant amount of Rs 5,291 Lakhs which is shown under the head Contingent Liabilities and hence we as well as the subsidiary company auditor's are unable to ascertain consequential impact of the same on the unaudited Consolidated financial Results and any penalties, prosecutions that may arise on the Company on account of such delay/defaults in statutory dues due to difficulty in predicting the outcome that may arise in future.
- 5) Refer Note No. 12 of unaudited Consolidated Financial Results which states that certain balances under the heads Trade Receivables, Borrowings, Loans, Trade Payables, Other Current Assets and Other Current Liabilities are subject to confirmations from the respective parties and consequential reconciliation, if any the impact of the same which may arise in future is presently unascertainable.
- 6) Refer Note No. 9 of unaudited Consolidated Financial Results in respect of one of the Indian Subsidiary Company, during the previous year has capitalized old balances in Capital Work In Progress (CWIP) consisting of stocks lying in various customer sites which were used in earlier years against replacement/ up-gradations to various clients

as a onsite service at client locations. The said CWIP has not been capitalized in earlier years to which it pertains; however, the same has been capitalized during immediately preceding previous year to an extent of Rs. 4,496.88 Lakhs. Further, the Said Subsidiary company has charged an accelerated depreciation to an extent of 95% of the total value of the said asset capitalized thereby a depreciation of Rs 4,272.04 Lakhs has been charged in profit and loss account on account of said capitalization. The subsidiary Company auditor's are unable to verify capitalization also charging accelerated depreciation and hence cannot comment on capitalizing the said assets as well as charging accelerated depreciation on it.

- 7) Refer Note No. 13 of unaudited Consolidated Financial Results in respect of one of the Indian Subsidiary Company which states that balance appearing under the head Capital Work in Progress amounting (CWIP) comprises Stocks which are available in warehouse - Rs. 45 Lakhs and also other capital advance - Rs.147 Lakhs. However, since the said Indian Subsidiary Company has gone into liquidation and Interim Resolution Professional has been appointed and in view of uncertainties about Company's future plan the subsidiary Company auditor's are unable to comment whether the Company would be able to complete its ongoing agreements and arrangements under CWIP and hence they are unable to comment its impact on the financial Results.
- 8) Refer Note No. 14 of unaudited Consolidated Financial Results in respect of one of the Indian Subsidiary Company regarding the Indian Subsidiary Company has a Deferred Tax Asset of Rs. 807 Lakhs. Hence the auditor of the said subsidiary Company are unable to comments whether they would be able to utilize the said asset in view of the fact that they are under Corporate Insolvency Resolution Process (CIRP) and Resolution Professional (RP) has been appointed.
- 9) Refer Note No. 10 of Audited Consolidated Financial Results which states that we have not received unaudited financials subject to limited review in respect of any of the subsidiary Companies whose accounts have been consolidated based on Management accounts there by Total Income of Rs 665 Lakhs, Total Loss of Rs 431 Lakhs,. We are unable to comments if the impact if any that would have arose if the said financial Results of the subsidiary Companies would have been audited.

5. Disclaimer of Conclusion

Because of the significance of the matters described in para 4.1 to 4.9 above, we have not been able to obtain sufficient appropriate audit evidence in respect of above as to whether the Statement has been prepared in accordance with the recognition and measurement principals laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the statement has disclosed information required to be disclosed the information in terms of regulation 33 of the listing regulation, including the manner in which it is to be disclosed or that it contains any material misstatement.

6. Emphasis of Matter

- 1) Refer Note No. 15 of unaudited Consolidated Financial Results in respect of one of the Indian Subsidiary Company regarding the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated March 18, 2020 (received by the Interim

Resolution Professional on 11th August, 2020) had directed the commencement of Corporate Insolvency Resolution Process (CIRP) in respect of the Indian Subsidiary Company under the provisions of Insolvency and Bankruptcy Code, 2016 (Code).

Thereafter, in accordance with Section 16 of the Code, the powers of Board of Directors stood suspended and Mr. Santanu T. Ray (Reg. No. IBBI/IPA-002/IP- N00360/2017-2018/ 11055) was appointed as the Interim Resolution Professional (IRP) and later was appointed as the Resolution Professional (RP) on September 17, 2020 for the management of the affairs of the Indian Subsidiary Company. In terms of the Section 25 of the Code, they continue to operate as a going concern and accordingly the Financial Results are presented on a going concern basis.

Further, Pursuant to admission of the Indian Subsidiary company petition u/s 7 of the Insolvency and Bankruptcy code, 2016 (IBC, 2016) by the Hon'ble NCLT, the Board of Directors i.e. Mr. Pramoud Rao and Mr. Manohar Bidaye are suspended as per the provisions of IBC, 2016 and the powers of the Board are now vested with the Resolution Professional i.e. Mr. Santanu T Ray vide letter dated December 15, 2020, has authorized the Suspended Directors, to sign the unaudited Financial Results of the said Indian Subsidiary Company for financial year ended June 30, 2020, being a period prior to initiation of CIRP.

- 2) Refer Note No. 16 of Audited Consolidated Financial Results which states that during the previous year under review, the Holding Company has written off doubtful recovery of debtors amounting to Rs. 816.37 Lakhs; advance to suppliers amounting to Rs. 29.84 Lakhs and deposits amounting to Rs.47.76 Lakhs as the same were outstanding for a long time and the management was doubtful of its recovery/performance. Further, the company has also written back advances received from customers to the extent of Rs. 72.29 Lakhs, Trade Payable of Rs. 9.59 Lakhs and other payable amount of Rs. 143.45 Lakhs as the said amount are very old payable and as per management estimate no longer payable. The Net effect of the same is given under the head Other Expenses- Sundry Balance Written off (Net). Further, In respect of One of the Indian Subsidiary Company has also made provision for doubtful trade receivables amounting to Rs 1100 Lakhs which in the opinion of the management are long time due and disputed and not recoverable.
- 3) Refer Note No. 17 of unaudited Consolidated Financial Results which states that based on the holding management estimates there are no future economic benefits expected from the said goodwill which has arise on account of acquisition of a then subsidiary of the Holding Company in 2010. Hence, goodwill has been reversed during the previous year under review amounting to Rs 909 Lakhs. Further, the Holding Company has also impaired certain tangible asset comprising of Plant & Equipment which were obsolete and no longer usable amounting to Rs 62 Lakhs. The effect of the said in the previous year is given under the head Other Expenses-Impairment of Assets.



- 4) Refer Note No. 11 of unaudited Consolidated Financial Results of the Group regarding management's current assessment of the Group's assets and liabilities in view of prevailing Covid-19 pandemic and nationwide lockdown and conclusion based on such assessment that the carrying value of the assets are recoverable and no uncertainty exists on meeting the liabilities in the foreseeable future. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Results. Considering the continuing uncertainty, as explained, the management will continue to closely monitor any material changes to future economic conditions.
- 5) Refer Note No. 11 of unaudited Consolidated Financial Results in respect of holding Company regarding Central Bank of India in its previous year had invoked shares of the Company pledged by promoter Group Company in respect of loan taken by the Company. As the said loan was Non performing Asset bank had invoked and sold 500,000 shares held by a promoter group Company and adjusted against outstanding loan balance of the Holding Company. Balance payable to the promoter group Company on account of such invocation has been shown under the head borrowings from related party and impact of such invocation has disclosed under the head exceptional item amounting to Rs 333 Lakhs.

Our opinion is not disclaimed in respect of matters described in Emphasis of matter.

For **S M M P & Associates**
Chartered Accountants
Firm Registration No. 120438W



A handwritten signature in blue ink that reads "S Parekh".

Sonal Parekh
Partner

Membership No. 139852

UDIN : **21139852AAAABL7607**

Mumbai, dated 21st January 2021

D H A V A L M E H T A

January 21, 2021

To,
The Chairman,
The Board of Directors,
Zicom Electronic Security Systems Limited,
501, Silver Metropolis, Western Express Highway,
Goregaon (E), Mumbai 400 063.

Sub: Resignation

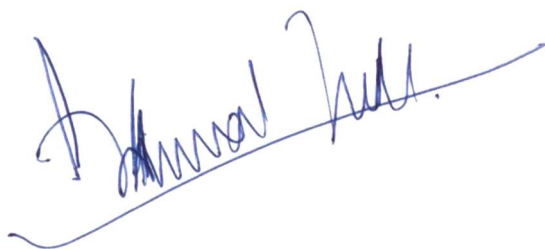
Dear Sir,

Due to personal reasons, and no other material reasons, I, Dhaval Mehta, hitherto Member of your Board of Directors, would like to tender my resignation as an Independent Director of the Company with immediate effect and request you to take the same on record.

Kindly inform all the necessary authorities as required under the applicable laws.

I take this opportunity to wish the Company and its Management all the best.

Yours Sincerely,



Dhaval Mehta

DIN: 07501194

23/501, Kalp Vruksh, K. A. Subramaniam Road,
Opp. SIES School, Matunga (C.R.), Mumbai – 400 019. INDIA.

PAN: AABPM9612P