



SAFETY COMES FIRST

Zicom Electronic Security Systems Limited

ANNUAL REPORT

2019-2020

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Forward-Looking Information

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written or oral – that we periodically make contain forward looking statements that set out anticipated results based on the management plans and assumptions. We have tried wherever possible to identify such statements by using words such as anticipates, estimates, expects, projects, intends, plans, believes, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors

Mr. Manohar Bidaye
Chairman

Mr. Pramoud Rao
Managing Director

Mr. K. D. Hodavdekar
Independent Director

Mr. Anil Khanna
Independent Director
(upto December 14, 2020)

Ms. Tanvi Joshi
Director
(upto August 14, 2019)

Mr. Dhaval Mehta
Independent Director
(upto January 21, 2021)

Mrs. Shanthi Chauhan
Independent Director (Additional)
(w.e.f. November 14, 2019)



Registered Office

501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai 400063.
Tel.: (022) 62014290
Fax: (022) 62014291
Email: investors@zicom.com
Website: www.zicom.com
CIN: L32109MH1994PLC083391

Registrar and Share Transfer Agent

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (next to Keys Hotel),
Marol Maroshi Road, Andheri East, Mumbai 400059.
Tel.: (022) 62638200
Fax: (022) 62638299
Email: investor@bigshareonline.com

Chief Financial Officer

Mr. Ayalin Nadar

Company Secretary

Ms. Kunjan Trivedi

Statutory Auditors

S M M P & Associates, Chartered Accountants

Bankers

IDBI Bank Limited
Bank of Baroda
Union Bank of India
Central Bank of India
Indian Bank
Saraswat Co-op Bank Ltd.

Chairman's Speech

Dear Shareholders,

India's GDP in financial year 2019-20 has gone below 7% indicating slowdown since last 2-3 years. The private sector is recovering from adverse impact of demonetisation and implementation of GST. The economy also grappling with liquidity constraints due to focus of all lending institutions on recovery of its bad and stuck-up assets. In March 2020, Covid-19 pandemic has reached India resulting in one of the harsh lockdown globally. This has affected unskilled labourers and MSME sector badly. The Government has announced various stimulus packages to revive the economy, however, the impact of lockdown is too deep for revival of certain industries such as travel, hospitality, etc. Looking at the current situation, the India including many other countries may face negative growth rate.

To revive the growth, the Government has given subsidies and stimulus to various section of the economy ignoring fiscal discipline. However, it will take long time for economy to reach its old glory. In order to stop companies from going into liquidation, the Government has temporary held-up insolvency proceedings till March 2021 and increased the limit of default from Rs. 1 lakh to Rs. 1 crore.

The Company is working relentlessly with various potential investor(s), through various model of investment, to resolve the debt situation, both in India and Middle East, so that Company can put together its balance assets and revive its operations. Zicom SaaS is undergoing Corporate Insolvency Resolution Process (CIRP) and the resolution plans have been submitted by prospective resolution applicants.

Team Zicom is working passionately together in this difficult circumstances to keep the business and its value intact.

On behalf of the entire Zicom Team, I'm sincerely thankful to all stakeholders and well-wishers for sticking with us through a challenging year. With your support, we are confident of scaling new heights in the coming years.

Manohar Bidaye
Chairman

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Friday, June 4, 2021, at 3:30 p.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of Auditors thereon.
 and in this regard, pass the following resolutions as **Ordinary Resolutions**:

- a. **“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
- b. **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the Report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mr. Manohar Bidaye (DIN: 0010699), who retires by rotation, as a Director and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Manohar Bidaye (DIN: 0010699), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **Appointment of Mrs. Shanthi Chauhan as an Independent Director**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mrs. Shanthi Chauhan (DIN: 08608338), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a period of two years commencing November 14, 2019 to November 13, 2021.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Kunjan Trivedi
Company Secretary

Place: Mumbai
Date: January 21, 2021

Registered Office:
501, Silver Metropolis,
Western Express Highway,
Goregaon (East), Mumbai 400063.

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. Further, the Securities and Exchange Board of India (“SEBI”) vide its circulars dated May 12, 2020 and January 15, 2021 (collectively referred to as “SEBI Circulars”) has also granted certain relaxations. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted at the Meeting as mentioned at Item No. 3 of the Notice is annexed herewith and forms part of this Notice.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Therefore, the facility for appointment of proxies by the members will not be available for the AGM. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, proxy form and attendance slip are not attached to this Notice.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution /Authorization, etc., authorizing its representative to attend the AGM

through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to investors@zicom.com.

5. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 21, 2017.
6. Mr. Manohar Bidaye is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. Except for Mr. Bidaye, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
7. In order to protect the Members from fraudulent encashment of dividend demand drafts, the Members are requested to furnish their Bank Account Number, the name of the Bank and Branch where they would like to deposit the dividend demand drafts for encashment, whenever dividend is declared by the Company.

These particulars will be printed on the dividend demand draft besides the name of the Members, so that these dividend demand drafts cannot be encashed by anyone other than the Member.

The above mentioned details should be furnished by the first / sole holder, directly to their respective Depository Participant (DP) in respect of shares held in dematerialized form and in case of shares held in physical form to the Registrar & Share Transfer Agent of the Company viz. M/s. Bigshare Services Pvt. Ltd. at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (next to Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai 400059.

8. Members holding shares in dematerialized form are requested to provide their latest bank account details (Core Banking Solutions Enabled account number, 9 digit MICR and 11 digit IFS Code) to their respective DP. Members holding shares in physical form are requested to provide their latest bank account details (Core Banking Solutions Enabled account number, 9 digit MICR and 11 digit IFS Code) alongwith their Folio No. to the Company's Registrar & Share Transfer Agent.
9. Members are requested to notify immediately any change in their residential status, address, signature and / or Bank details, in respect to their physical holdings, to the Registrar & Share Transfer Agent of the Company; and in case of shares held in dematerialized form, to their respective DP.

The Company and / or its Registrar & Share Transfer Agent will not entertain any direct request from Members holding shares in dematerialized form, for change of address and contact details, transposition of names, deletion of name of deceased joint holder, change in the bank account details and such other updates which can be done only by the DP with whom the Members are having demat account. While making payment of Dividend, Registrar & Share Transfer Agent is obliged to use only the data provided by the DP, in case of such dematerialized shares.

10. **SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company / Registrar & Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.**

11. **Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.**
12. Non-Resident Indian Members are requested to inform about the following immediately to the Company or its Registrar & Share Transfer Agent or the concerned DP, as the case may be, of:
 - a. The change in the residential status on return to India for permanent settlement;
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Members must quote their Folio No. / Client ID and DP ID and contact details such as e-mail address, contact no., etc. in all their correspondence with the Company / Registrar & Share Transfer Agent.
14. Members are informed that Securities and Exchange Board of India (SEBI), has mandated to quote Permanent Account Number (PAN) in all the transactions in the securities market, which includes transfer / transmission of securities. Therefore, for any transfer / transmission of shares, the transferee(s) / legal heirs(s) are required to furnish a copy of their PAN to the DP.
15. Members holding shares in physical form:
 - a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Registrar & Share Transfer Agent, if not registered with the Company as mandated by SEBI.
 - b. are advised to register the nomination in respect of their shareholding in the Company.
 - c. are requested to register / update their e-mail address with the Company / Registrar & Share Transfer Agent for receiving all communications from the Company electronically.
16. Members holding shares in electronic form:
 - a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b. are advised to contact their respective DPs for registering the nomination.
 - c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
17. Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend which remains unpaid / unclaimed for a period of seven years is to be compulsorily transferred to the “Investor Education and Protection Fund (IEPF)”, constituted by the Central Government.

Member(s) who have not yet encashed their dividend is / are requested, in their own interest, to immediately write to the Registrar & Share Transfer Agent of the Company or to the Company, for claiming their outstanding dividend for the Financial Year 2013-14 (which is due for transfer to IEPF on October 10, 2021) and subsequent years. The dividend for the aforesaid year shall be paid only on receipt of request and satisfactory compliance of the requisite procedure. Member(s) may refer to point no. xvii under General Shareholders' Information in the Corporate Governance Report wherein details of transfer of unclaimed dividend to IEPF have been provided.

The details of unpaid and unclaimed dividend lying with the Company as on September 30, 2019 (date of the last Annual General Meeting) has been uploaded on Company's website www.zicom.com in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading

of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and the same has also been uploaded on Ministry of Corporate Affairs website www.mca.gov.in.

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has been unclaimed for seven consecutive years or more are required to be transferred to IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the duly signed Form IEPF-5 to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

18. The Registers / records under the Companies Act, 2013, which are required to be made available for inspection at the Annual General Meeting will be available for inspection by the members through the electronic mode by sending a request for the same to the Company Secretary at investors@zicom.com.

All the documents referred to in the accompanying Notice will also be available for inspection by the members through electronic mode from the date of circulation of this Notice upto the date of the AGM. The request for the same can be sent to the Company Secretary at investors@zicom.com.

19. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
20. Brief profiles of the Directors proposed to be re-appointed / appointed vide Item Nos. 2 and 3 of this Notice are as under:

i) Mr. Manohar Bidaye (DIN: 00010699), M.Com.; LL.B. and C.S. (aged 56 years)

Manohar Bidaye is the Chairman and co-founder of Zicom. He steers the organisation in its strategic vision to be one of the most admired organisations. He also oversees Zicom's forays into allied fields.

He is a Masters in Commerce from University of Mumbai and a senior Member of the Institute of Company Secretaries of India since 1989. He also has a Degree in General Law.

He successfully established himself as a Consultant in Corporate Laws and Finance. In 1994, he co-founded Zicom to venture into electronic security industry. It was his vision and able guidance that drove Zicom from the nascent stage of the industry to one of the leading electronic security solutions provider in India. With his vision and ambition, Zicom successfully ventured into fire security business in Gulf region, and today it is one of the most reputed fire security solutions providers in GCC Countries.

He is a proud recipient of the prestigious "Yashashree 2008" award given by the Maharashtra Times, in recognition and honour of his achievements across various industry segments and "Marathi Bhushan Udyog Award 2012" given by Marathi Vyapari Mitra Mandal and Secona Shield Lifetime Achievement Award 2019 powered by Secutech India.

ii) Mrs. Shanthi Chauhan (DIN: 08608338), *Diploma in Hotel Management (aged 49 years)*

Shanthi Chauhan is the quintessential Woman of Substance, who has always given one hundred percent to anything that she takes upon herself. As the creator of bespoke Jewellery brand 'Sattviki'', she has carved a niche for herself in that sector, at the same time giving opportunities to Jewellery craftsmen by opening new corridors of creativity. She has designed menus for famous FMCG brands which include teaching the crew how to manage corporate and consumer level orders.

As environmental torch bearers Mrs. Chauhan and her husband have worked tirelessly towards saving the Solanpada dam and the surrounding area in Karjat, from extensive green coverage and creating self-sustaining employment to the villagers. Her never ending energy for life stems from her deep rooted values and understanding of the human psyche. Her natural aura of confidence and calm leadership has won over many, who can vouch for her spirited enthusiasm and determination with which she takes upon any task and completes it successfully.

Mrs. Shanthi Chauhan is a Diploma holder in Hotel Management.

Further details of these Directors, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in the Corporate Governance Report forming part of the Annual Report.

21. Members are requested to visit the website of the Company www.zicom.com for viewing the quarterly and annual financial results and other information on the Company. For investor-related queries, communication may be sent by an e-mail to investors@zicom.com.
22. In case of joint holder(s) attending the Meeting, only the joint holder higher in the order of names will be entitled to vote.
23. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM, along with Annual Report are being sent only through electronic mode i.e. by email to those members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). Members who have not registered their email address with the Company can register the same as follows:-

For receiving all communication (including Annual Report) from the Company electronically:

- a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investors@zicom.com or to Company's Registrar and Share Transfer Agent at investor@bigshareonline.com.
- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

Post successful registration of email address, the Member will get the soft copy of the Notice of AGM and Annual Report.

24. Members may also note that the Notice of AGM and Annual Report 2019-20 is available on the Company's website at www.zicom.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice of AGM is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.
25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
26. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on June 1, 2021 (9:30 a.m.) and ends on June 3, 2021 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of May 28, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Members who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.
- iii. The Members should log on to the e-voting website www.evotingindia.com.
- iv. Click on "Shareholders" tab.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits Beneficiary ID
 - b. For NSDL: 8 character DP ID followed by 8 digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's EASI / EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you

successfully log-in to CDSL's EASI / EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

For Members holding shares in Dematerialized Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by the Company / RTA or contact the Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN of <ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL’s mobile App “**m-Voting**”. The m-Voting App can be downloaded from respective Store. Please follow the instructions as prompted by the mobile App while remote voting on your mobile.

The remote e-voting period commences on Tuesday, June 1, 2021 (9.00 a.m.) and ends on Thursday, June 3, 2021 (5.00 p.m.). The e-voting module shall be disabled by CDSL for voting thereafter. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (record date) of Friday, May 28, 2021 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast vote again.

The Board of Directors has appointed Ms. Purvi P. Vasha, Practising Company Secretary (Membership No. A17123; Certificate of Practice No. 14069) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, May 28, 2021.

Any person, who acquires equity shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may cast their votes by sending request for remote e-voting. The shareholders can send in their request at helpdesk.evoting@cdslindia.com and obtain the Login ID and Password. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evotingindia.com or contact CDSL at toll free no.: 022-23058738/8542/8543.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company / RTA email id**.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company / RTA email id**.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholders / members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast 7 days prior to AGM mentioning their name, demat account number / folio number, email id, mobile number at investors@zicom.com. The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the AGM mentioning their name, demat account number / folio number, email id, mobile number at investors@zicom.com. These queries will be replied to by the Company suitably by email.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for the smooth conduct of the AGM.
7. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@zicom.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

The Scrutinizer shall, immediately upon conclusion of voting at the General Meeting, would count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in employment of the Company and make not later than 48 hours of conclusion of the AGM, a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same; and announce the results on the voting.

The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.zicom.com and on the website of CDSL www.evotingindia.com immediately after the results are declared. The Company shall simultaneously forward the results to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the shares of the Company are listed.

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 (the Act), sets out all material facts relating to the business mentioned at Item No. 3 of the accompanying Notice dated January 21, 2021.

Item No. 3:

Pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 read with Rules thereunder and read with Article 114 of the Articles of Association of the Company, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on November 14, 2019, appointed Mrs. Shanthi Chauhan (DIN: 08608338) as an Additional Director of the Company, effective that date, in the capacity of an Independent Director.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Shanthi Chauhan will hold the office upto the date of the ensuing Annual General Meeting. She will also be an Independent Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received from Mrs. Shanthi Chauhan - (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution seeks approval of the Members for the appointment of Mrs. Shanthi Chauhan as an Independent Director of the Company, not liable to retire by rotation, upto November 13, 2021 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder.

In the opinion of the Board of Directors, Mrs. Shanthi Chauhan fulfills the conditions for her appointment as an Independent Director, specified in the Act, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Shanthi Chauhan is independent of the Management and possesses appropriate skills, experience and knowledge.

A brief resume of Mrs. Shanthi Chauhan, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in para II (F) of the Corporate Governance Report forming part of the Annual Report.

A copy of the draft letter of appointment of Mrs. Shanthi Chauhan as an Independent Director setting out the terms and conditions is available for inspection by the Members upto the date of the AGM.

The Board considers that her association with the Company would be beneficial to the Company and it is desirable to appoint Mrs. Shanthi Chauhan as an Independent Director.

Mrs. Shanthi Chauhan is interested in the proposed resolution for her appointment as an Independent Director to the extent of the Fees, and other permitted payments and benefits which she may get in her capacity as an Independent Director of the Company. Except her and her relatives, no other Director, Key Managerial Personnel or their relatives, are interested or concerned, financially or otherwise, in the Resolution set out at Item No. 3.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for your approval.

By Order of the Board of Directors

Place: Mumbai
Date: January 21, 2021

Kunjan Trivedi
Company Secretary

Registered Office:
501, Silver Metropolis,
Western Express Highway,
Goregaon (East), Mumbai 400063.



SAFETY COMES FIRST

DIRECTORS' REPORT

To the Members,

Your Directors presents their Twenty Sixth Annual Report, together with the Audited Accounts of the Company for the Financial Year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lakhs)			
	March 31, 2020 Consolidated	March 31, 2019 Consolidated	March 31, 2020 Standalone	March 31, 2019 Standalone
Income from Operations	6,600	8,794	235	883
EBIDTA	(8,937)	(24,744)	(2,858)	(6,404)
Interest	(1,166)	(4,832)	(4)	(4)
Depreciation	(6,443)	(3,431)	(46)	(51)
Impairment	--	-	-	-
Exceptional Items	(333)	6,039	(333)	6,039
Profit / (Loss) Before Tax & Minority Interest	(16,879)	(26,969)	(3,240)	(419)
Minority Interest	192	1,262	-	-
Other Comprehensive Income Adjustment	2	4	-	2
Taxes				
Current year	-	(145)	-	-
Taxes of earlier years	-	-	-	-
Deferred	(216)	464	(249)	254
Net Profit / (Loss) After Tax	(16,903)	(25,384)	(3,490)	(163)

OPERATIONAL PERFORMANCE

During the year under review, the income from operations on a consolidated basis was Rs. 6,600 lakhs as against Rs. 8,794 lakhs in the previous year. The consolidated loss of EBIDTA was Rs. 8,937 lakhs against loss of Rs. 24,744 lakhs in the previous year. The consolidated loss before tax was Rs. 16,879 lakhs against previous year loss of Rs. 26,969 lakhs. After providing for the minority interest of Rs. 192 lakhs (previous year Rs. 1,262 lakhs); the loss after tax was Rs. 16,903 lakhs as against loss of Rs. 25,384 lakhs in the previous year.

The Consolidated Financial Statements (CFS) includes the financial statements of Zicom Electronic Security Systems Limited ("the Company") and its subsidiary companies, namely,

- Zicom SaaS Private Limited ("Zicom SaaS");
- Unisafe Fire Protection Specialists Singapore Pte. Ltd. ("Unisafe Singapore") and its subsidiaries, viz. Unisafe Fire Protection Specialists LLC, Dubai ("Unisafe Dubai") and its subsidiaries; and Phoenix International WLL, Qatar ("Phoenix Qatar");
- Unisafe Fire Protection Specialists India Private Limited ("Unisafe India"); and
- Zicom Security Projects Pte. Ltd., Singapore ("Zicom Singapore")

The reduction in the revenue on consolidated basis is mainly due to financial constraints faced by all companies in the Group and suspension of work in two Middle East subsidiaries due to economic and geo-political reasons over the last 3-4 years.

On a standalone basis, the income from operations for the year under review was Rs. 235 lakhs (Rs. 883 lakhs in the previous year). In view of Exceptional Items of Rs. (333) lakhs; the Company had standalone loss of Rs. 3,490 lakhs (previous year loss of Rs. 163 lakhs) after provision of tax of Rs. (249) lakhs (previous year Rs. 254 lakhs).

The reduction in the standalone income from operations for the year under review as compared to previous year is due to complete slow-down of trading business caused by lack of working capital, Make in India policy and increase in competition.

Further, during the year under review, the Company has written-off amounts on account of non-recovery of dues from distributors and channel partners and decrease in the value of stock caused by obsolescence.

TRANSFER TO RESERVES:

No amount is proposed to be transferred to the reserves during the financial year ended March 31, 2020.

BUSINESS DEVELOPMENTS AND PROSPECTS

The Company is undergoing difficult phase due to constraint of financial resources at Group level. During the year under review, the Company mainly focused on deleveraging of books by divestment of assets, both in India and Middle East. Despite of all efforts, the Company could not convince Lenders to settle the loan through One Time Settlement (OTS) process in given time frame. By the time the Company could receive the sanction(s), the turbulence of pandemic set-in and the potential investor proposal got stuck due to lockdown and revised Foreign Direct Investment (FDI) policy announced by the Government of India. This has delayed the settlement and in turn revival of the business.

The Company is working with potential investor(s) to settle the loans of Lenders so that business can be revived.

Zicom SaaS, a wholly owned subsidiary, is still working well offering new services to the customers based on Artificial Intelligence (AI) technology, however, due to constraint of capital investment, it is unable to perform at optimum level. However, Corporate Insolvency Resolution Process (CIRP) has been initiated in Zicom SaaS, under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code), on a petition filed by Punjab National Bank, which was admitted by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated March 18, 2020, received by the Interim Resolution Professional on August 11, 2020 (Insolvency Commencement Date). Pursuant to the Hon'ble NCLT Order and in line with the provisions of the Code, the powers of the Board of Directors stands suspended and same are being exercised by Resolution Professional in terms of the provisions of the Code.

Our two wholly-owned subsidiaries in Singapore, viz. Unisafe Fire Protection Specialists Singapore Pte. Ltd. (Unisafe Singapore) and Zicom Security Projects Pte. Ltd. (Zicom Singapore) continues to hold our investments in Unisafe Dubai and Phoenix Qatar.

DIVIDEND

Keeping in view the affected performance of the Company and loss incurred during the year under review and also with a view to conserve resources to meet the business requirements, your Directors expresses their inability to recommend any dividend on equity shares for the financial year 2019-20.

SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2020, your Company had the following subsidiaries:

1. Zicom SaaS Private Limited (wholly owned subsidiary);
2. Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore (wholly-owned subsidiary);
3. Unisafe Fire Protection Specialists LLC, Dubai (step-down subsidiary);

4. Phoenix International WLL, Qatar (step-down subsidiary);
5. Unisafe Fire Protection Specialists India Private Limited (wholly-owned subsidiary); and
6. Zicom Security Projects Pte. Ltd., Singapore (wholly-owned subsidiary)

A statement containing salient features of the financial statement of subsidiaries for 2019-20 as required under Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014 and amendment thereunder is provided in Annexure A hereto in prescribed Form AOC-1. In respect of foreign subsidiary companies, figures in rupees are converted from applicable foreign currency at appropriate exchange rate as on year end date. The Policy on Material Subsidiary as approved may be accessed on the Company's website at the link: <https://www.zicom.com/wp-content/uploads/2020/09/Policy-on-Material-Subsidiary.pdf>.

The details of key subsidiaries are discussed under Management Discussion and Analysis and highlights of their workings are given below:

Zicom SaaS Private Limited

During the year under review, Zicom SaaS posted Total Income of Rs. 3,520 lakhs (previous year Rs. 4,196 lakhs) and Net Loss after Tax of Rs. 8,876 lakhs (previous year Net Loss after Tax Rs. 202) for the financial year ended March 31, 2020.

Unisafe Fire Protection Specialists LLC, Dubai

On account of weakening of crude prices and consequential of slowdown of economy in entire Middle East, performance of Unisafe Dubai has suffered a set-back. For the financial year ended March 31, 2020, Unisafe Dubai has posted Total Income of Rs. 154 lakhs (as compared to Rs. 192 lakhs in the previous year) and a Net Loss after Tax of Rs. 135 lakhs (as compared to Net Loss after Tax of Rs. 1,054 lakhs in the previous year).

Phoenix International WLL, Qatar

For the financial year ended March 31, 2020, Phoenix Qatar, posted Total Income of Rs. 63 lakhs (as compared to Rs. 88 lakhs in the previous year) and a Net Loss after Tax of Rs. 0.84 lakhs (as compared to Net Loss after Tax of Rs. 271 lakhs in the previous year). Due to business challenges caused by embargo on Qatar by UAE and Kingdom of Saudi Arabia, the Company has temporarily suspended its operations in Phoenix Qatar and hence no revenue has been reported by the said subsidiary.

Unisafe Fire Protection Specialists India Private Limited

During the financial year ended March 31, 2020, Unisafe India has shown Rs. Nil Total Income (previous year Rs. Nil) and a Net Loss after Tax of Rs. 27 lakhs (previous year Net Loss after Tax Rs. 129 lakhs) in the year under review.

Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore and Zicom Security Projects Pte. Ltd., Singapore

Both these companies are Company's wholly-owned subsidiaries in Singapore, incorporated with a view to internationally align and consolidate present and future investments of the Group. The Group overseas investment in fire business falls under the umbrella of Unisafe Singapore acting as a holding company for all such ventures, whereas Zicom Singapore, aimed as a holding company for Group investment in international electronic security business.

As per Section 134 of the Companies Act, 2013, your Company has provided the audited Consolidated Financial Statements for the year ended on March 31, 2020; together with Auditors' Report thereon forming part of this Annual Report, which includes financial information of all the subsidiaries. These documents will also be available for inspection during the business hours at the Registered Office of your Company and the respective subsidiary companies. Pursuant to the provisions of the Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 and amendment thereof, a statement containing salient features of the financial statements of Company's subsidiaries for financial year 2019-20 (in Form AOC-1) is appended as Annexure A hereto. Your Company has placed the audited annual accounts and related information of subsidiary companies on its website and same will be made available to the Members upon request.

CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors:

During the year under review, on November 14, 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Shanthi Chauhan (DIN: 08608338) as an Additional Director of the Company, effective that date, in the capacity of an Independent Director under Section 161 of the Companies Act, 2013 to hold office till the date of the ensuing Annual General Meeting. Mrs. Chauhan's appointment shall be subject to the approval of Members at the forthcoming Annual General Meeting.

During the year under review, Ms. Tanvi Joshi (DIN: 07703593) ceased to be a Non-Executive Director of the Company w.e.f. August 14, 2019.

Further, subsequent to the year end, Mr. Anil Khanna (DIN: 00199924) ceased to be an Independent Director of the Company w.e.f. December 14, 2020 and Mr. Dhaval Mehta (DIN: 07501194) ceased to be an Independent Director of the Company w.e.f. January 21, 2021.

The Board of Directors places on record its sincere appreciation for the support and contribution made by aforementioned Directors during their tenure as Directors of the Company.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Manohar Bidaye (DIN: 00010699) is the Director liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Additional information on Directors recommended for appointment / re-appointment, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is provided in the Notice convening 26th Annual General Meeting of the Company accompanying this Report.

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under provisions of the Companies Act, 2013, Rules made thereunder and the Listing Regulations.

Your Directors recommend the above appointment / re-appointment for your approval.

Key Managerial Personnel:

During the year under review, there were no changes in the Key Managerial Personnel.

At the end of the year under review, the Company had following persons as Key Managerial Personnel pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Pramoud Rao	Managing Director
2.	Mr. Ayalin Nadar	Chief Financial Officer
3.	Ms. Kunjan Trivedi	Company Secretary

BOARD EVALUATION

In accordance with the requirements of the Companies Act, 2013 and Listing Regulations, the Board evaluation process was carried out. The Board / Nomination and Remuneration Committee of Directors have laid down the criteria for evaluation of the performance of the Board, its Committees and individual Director (including Independent Directors). A structured questionnaire prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board procedures, development, etc. was circulated to Directors for the purpose of evaluation.

The Board and Nomination and Remuneration Committee of Directors reviewed the performance of the individual Directors on the basis of set criteria's.

The Independent Directors, at its separate meeting, carried out performance evaluation of the Chairman, Managing Director and Non-Independent Directors of the Company. The same was discussed in the subsequent Board meeting, at which performance of the Board, its Committees and individual Directors was also discussed.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a Policy which lays down the framework in relation to remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. This Policy also lays down criteria for selection and appointment of Board Member. The Nomination and Remuneration Policy can be accessed on the Company's website at the link: https://www.zicom.com/wp-content/uploads/2020/09/Nomination-and-Remuneration-Policy_1.pdf.

The Nomination and Remuneration Policy sets the criteria for selection of candidates eligible to be appointed in the senior management and other employees of the Company and also member on the Board of Directors and the Executive Directors of the Company. The Policy sets out the guiding principles for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company.

There has been no change in the Policy during the year under review, except for its alignment with the amendment made in this regard in the Companies Act, 2013 and the Listing Regulations.

AUDITORS AND THEIR REPORT

M/s. S M M P & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 21, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Auditors' Report:

The Independent Auditors' Report dated January 21, 2021 on the financial statements of the Company (Standalone and Consolidated) for the year ended on March 31, 2020 contains Disclaimer of Opinion together with the basis for the same made by the Auditors.

While the Management has voluntarily decided to look in the matter, it does not anticipate any material impact on the financial statements of the Company.

COST AUDITORS

For the year under review, the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 relating to maintenance of cost records does not apply to your Company, as it does not fall under any class of the companies specified by the Central Government.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, the Company has appointed Ganesh Narayan & Co, Company Secretaries in Practice (CP No. 2238) to conduct Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as Annexure B (as Form MR-3) to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, based on the representations received from the operating management, your Directors hereby state that –

- a) in preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws that such systems are adequate and operating effectively.

REPORTING OF FRAUDS

During the year under review, no instances of fraud, under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder, were reported by the Statutory Auditors either to the Company or to the Central Government.

MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year under review. For further details, please refer Section II (F) – Other provisions related to Board and Committees of the Corporate Governance Report forming part of this Report.

COMMITTEES OF THE BOARD

The details of the Committees of the Board constituted under the Companies Act, 2013 and Listing Regulations are given under Section III – Board Committees of the Corporate Governance Report forming part of this Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided are given in the standalone financial statements. Further, following are the purposes for which the loans or guarantees or securities are proposed to be utilized by the recipient:

Name of Recipient Entity	Relation	Purpose for which the loans, guarantees and securities are proposed to be utilized
Unisafe Fire Protection Specialists LLC, Dubai	Subsidiary	Business Purpose
Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore	Subsidiary	Business Purpose
Zicom Security Projects Pte. Ltd., Singapore	Subsidiary	Cash Management
Phoenix International WLL, Qatar	Subsidiary	Business Purpose
Zicom SaaS Pvt. Ltd., India	Subsidiary	Business Purpose
Unisafe Fire Protection Specialists India Pvt. Ltd., India	Subsidiary	Business Purpose

RELATED PARTY TRANSACTIONS

All transactions entered with related parties during the year 2019-20 were on arm's length basis and in the ordinary course of business and that the provision of Section 188(1) of the Companies Act, 2013 are not attracted. Hence the particulars to be disclosed in this regards in Form AOC-2 is Nil. Further, during the year under review, there were no material related party transactions.

The Audit Committee and the Board of Directors have approved the Related Party Transaction Policy, which has been prepared in consonance with provisions of Regulation 23 of the Listing Regulations and Companies Act, 2013. The same has been uploaded on the Company's website at the link: <https://www.zicom.com/wp-content/uploads/2021/03/Related-Party-Transaction-Policy-ZESSL.pdf>.

All Related Party Transactions are being placed before the Audit Committee for approval. Omnibus approvals are also obtained for transactions which are of repetitive nature. Such transactions are placed before the Audit Committee and Board (as required) for periodical review and approval.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Vigil Mechanism / Whistle Blower Policy for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. The said Committee oversees implementation of the Whistle Blower Policy of the Company. The said Policy as approved may be accessed on the Company's website at the link: <https://www.zicom.com/wp-content/uploads/2021/03/ZESSL-Whistle-Blower-Policy.pdf>.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the standalone financial position of the Company between the end of the financial year of the Company as on March 31, 2020 and the date of this Report.

However, as regards consolidated financial position of the Company between the end of the financial year of the Company as on March 31, 2020 and the date of this Report, Corporate Insolvency Resolution Process (CIRP) has been initiated in Zicom SaaS, under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code), on a petition filed by Punjab National Bank, which was admitted by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated March 18, 2020, received by the Interim Resolution Professional on August 11, 2020 (Insolvency Commencement Date). Pursuant to the Hon'ble NCLT Order and in line with the provisions of the Code, the powers of the Board of Directors stands suspended and same are being exercised by Resolution Professional in terms of the provisions of the Code.

RISK MANAGEMENT

The Company already has in place the system to inform the Board about the risk assessment and minimization procedure. The risk management system identifies and assesses various risks associated with the Company and its business and finds out and suggests measures to mitigate them. This also includes mechanisms for their proper and timely monitoring and reporting. In this regard, the Company has framed policy to identify and evaluate business risks, and to mitigate them. The Policy defines the risk management approach at various levels including documentation and reporting. The Policy helps in identifying risks trend, exposure and potential impact analysis at Company level and also separately for each business division of the Company. The risk management system is periodically evaluated by the Audit Committee / Board in the light of changing business scenario. Accordingly, new risks are identified, and modified mechanism & procedure for risk assessment and minimization are adopted to ensure that executive management controls risk by means of properly defined framework. Progress in this regard is periodically reported to Audit Committee / Board for their review and corrective actions, required if any. This is a continuous process which enables the Company to keep its risk management system updated and robust in view of fast changing economic and business scenario affecting the Company.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return of the Company as on the financial year ended on March 31, 2020, in Form MGT-9, as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, can be accessed at <https://www.zicom.com/wp-content/uploads/2021/04/ZESSL-Extract-of-Annual-Return-1.pdf>.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, together with a certificate from your Company's Auditors confirming compliance of the conditions of Corporate Governance as stipulated under Listing Regulations is appended herewith as Annexure D forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relevant information are given hereunder:

A. Conservation of Energy

The Company's operations include selling, distributing, marketing and installing of electronic security systems, gadgets and equipments and monitoring them; and as can be observed such operations do not involve much use of energy. However, your Company makes every possible effort to conserve energy at all levels of its operations.

(i) The steps taken or impact on conservation of energy:

At offices and workplaces, creating awareness among employees, contractual workers and customers about modes and means of energy saving through utilization of energy saving systems, devices and equipments; and inculcating a habit in them to strive for conservation and saving of energy. The above has helped the Company in keeping its energy cost under control.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

As the operations of your Company does not involve much use of energy, the possibility of using alternate source of energy as a measure of conservation of energy in its operations are minimal.

(iii) The capital investment on energy conservation equipments:

No material capital investment on energy conservation equipments has been made during the year by your Company.

B. Technology Absorption

As your Company has not imported any technology, the required information to be provided in this regard is Nil. Your Company is continuously working on improving its indigenous products and software. Your Company continuously strives to provide electronic security systems, gadgets and equipments based on latest technology. Further, the details of expenditure incurred on the research and development are Nil.

C. Foreign Exchange Earnings and Outgo and Export Market Developments

Your Company has not earned any amount in foreign currency (previous year Rs. Nil) and has spent Rs. 0.77 lakh (previous year Rs. 0.80 lakhs) in foreign exchange during the year under review. The details of the same are available at Note 28.10 being Notes forming part of the Financial Statements.

PARTICULARS OF EMPLOYEES

The disclosure required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is appended as Annexure C to this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendment thereof, during the year under review, there was no employee under the employment of your Company, who was in receipt of remuneration of Rs. 102 lakhs or more per annum, if employed for the entire year, or a remuneration of Rs. 8.50 lakhs or more per month, if employed during any part of the said year. Hence, the information required to be furnished in this regard is Nil.

At present the Company does not have any Employee Stock Option Plan / Scheme nor does it have any live stock options pending to be exercised.

HUMAN RESOURCES

The Human Resource (HR) is truly a strategic business partner in the growth of our Company. Our HR philosophy is developed around the fundamental of creating value through our most valued resource “Zi-Champ” to drive profitable growth and make Zicom a preferred choice of employer. HR has developed and maintained friendly, transparent and professional work culture woven into the fabric of the company’s environment with strong business ethics.

HR has time and again used innovation in hiring talent in Zicom. HR has hired the best fresh enthusiastic and well proven experienced talent from the industry at competent compensation and benefits. It has created benchmark in the Electronic Security Industry by hiring the fresh engineering graduates through Pool Campus from Tier II and III cities.

As on March 31, 2020 the total number of, direct and indirect, employees were standing at 15.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

For the year under review, the provisions of Section 135 of Companies Act, 2013 read with the relevant Rules relating to Corporate Social Responsibility does not apply to your Company, as it does not fall under any of the criteria specified under them.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

Your Company follows current best practices in internal audit and risk management system. Internal Audit System monitors the adequacy and effectiveness of the internal control as per the policy and procedures framed and also under the supervision and guidance of the Audit Committee. It is supported by the enterprise resource planning platform for all business process.

All transactions are properly authorized, recorded and presented to the Management. Your Company observes all the accounting standards prescribed for proper maintenance of books of accounts and reporting of financial statements.

The Internal Control inter-alia facilitates:

- Review of long-term business and annual plans
- Adherence to applicable accounting standards and policies
- Periodic review and rolling forecasts
- Proper accounting and review mechanism
- Compliance with applicable statutes, listing requirement and internal policies and procedures
- Audit on concurrent basis, carried out by an internal auditor covering all statutes and compliance requirements
- IT systems with adequate in-built controls and security

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, the Company has formed Internal Complaints Committee to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has in place Policy as per the provisions of POSH Act. During the year, no case was reported to the Committee constituted under the said Act.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and its future operations.

ACKNOWLEDGMENTS

Your Directors wish to place on record their sincere appreciation and thanks for the valuable co-operation and support received from the employees of your Company at all levels, Company's Bankers, lenders, suppliers, Government authorities, business partners and Members of the Company; and look forward for the same to even greater extent in the coming year.

For and on behalf of the Board of Directors

Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021

Registered Office:
501, Silver Metropolis,
Western Express Highway,
Goregaon (East), Mumbai 400063.



SAFETY COMES FIRST

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES AS PER COMPANIES ACT, 2013:

PART A: SUBSIDIARIES

(Amount in Rs. lakhs)															
Sr. No.	Name of the Subsidiary	Date since when Subsidiary was acquired	Reporting Currency	Exchange Rate on the last day of the financial year (Amount in Rs.)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1.	Unisafe Fire Protection Specialists LLC, Dubai	13.05.2007	AED	20.54	306.25	(2,852.99)	803.04	3272.01	0	154.72	(135.04)	0	(135.04)	0	8.00
2.	Phoenix International WLL, Qatar	01.06.2012	QAR	20.69	10.00	(298.14)	214.94	503.08	0	62.39	(0.84)	0	(0.84)	0	5.00
3.	Zicom SaaS Private Limited	23.02.2011	INR	1.00	2,000.00	(8,973.98)	6,972.56	13,946.54	0	3,519.73	(8,910.04)	(33.62)	(8,876.42)	0	100.00
4.	Unisafe Fire Protection Specialists India Private Limited	16.01.2012	INR	1.00	500.00	(723.73)	280.19	503.92	0	0	(27.44)	0	(27.44)	0	100.00
5.	Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore	15.02.2012	USD	75.37	0.00	(42.94)	206.42	249.37	169.08	0	(0.00)	0	(0.00)	0	100.00
6.	Zicom Security Projects Pte. Ltd., Singapore	02.05.2012	USD	75.37	0.00	(3.86)	104.28	108.15	20.00	0	(0.00)	0	(0.00)	0	100.00

Note:

Names of subsidiaries which are yet to commence operations - NIL

Names of subsidiaries which have been liquidated or sold during the year – NIL

Annexure 'B' to Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
 Zicom Electronic Security Systems Ltd.
 Mumbai – 400063

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zicom Electronic Security Systems Limited (CIN: L32109MH1994PLC083391)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules & Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).
- (vi) Based on my search on the peers and representation given by the Company, there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE); and
- (ii) Secretarial Standards of The Institute of Company Secretaries of India with respect to the board and general meetings as applicable to the Company.

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Decisions at the Board Meetings and Committee Meetings were carried through on the basis of majority as recorded in the minutes of the meetings. As represented by the Management, there were no dissenting views by any member of the Board of Directors or Committee of the Board as the case may be during the period under review. Resolutions passed by circulations were approved in the subsequent Board Meeting.

- d. I further report that as per the explanations given to me and the representations made by the Management and relied upon by me generally there are adequate systems and processes in the Company to commensurate with the size and operations of the Company and to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report the following changes that took place in the Company during the Audit Period:

- a) There was change in designation of Mr. Dhaval Mehta from Additional Independent Director to Independent Director w.e.f. September 30, 2019.
- b) Ms. Tanvi Joshi resigned from the office of Independent Director w.e.f. August 14, 2019.
- c) Ms. Shanthi Chauhan was appointed as a woman Additional (Independent) Director w.e.f. November 14, 2019
- d) The Company's Statutory Auditor has issued I) disclaimer audit report as disclosed below:

1. Note 28.12 as regards to provision of interest 2. Note 28.27 as regards to commencement of CIRP in respect of one of its subsidiary Zicom SaaS Private Limited under IBC 2016 3. Note 28.26 as regards to non-provision of doubtful debts 4. Note 28.15 as regards to ability to continue as a going concern basis. 5. Point no 5 as regards to defaults / delay in the payments as well as defaults / delay in the statutory dues. 6. Note 25.19 as regards to confirmation of the balances.

Emphasis of matter:

1. Note. 28.16 as regards to write off of outstanding payable and written back advances received 2. Note 28.14 as regards to impairment of tangible assets. 3. Note 28.28 as regards to management current assessment of Company's assets and liabilities 4. Note 28.13 as regards to invocation of shares pledged by the promoter group Company inspect of the loan taken by the Company.

For **Ganesh Narayan & Company**
Company Secretaries

SAFETY COMES FIRST

Ganesh Narayan
Proprietor
FCS: 6910/C P No: 2238

Place: Mumbai

Date: January 21, 2021

Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this Report.

Annexure A

To,
The Members,
Zicom Electronic Security Systems Ltd.
Mumbai – 400063.

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

SAFETY COMES FIRST

For **Ganesh Narayan & Company**
Company Secretaries

Ganesh Narayan
Proprietor
FCS: 6910/C P No: 2238

Place: Mumbai
Date: January 21, 2021

Annexure 'C' to Directors' Report

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
		Name of Director	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. Manohar Bidaye	--
		Mr. Pramoud Rao	1:6
		Mr. K. D. Hodavdekar	--
		Mr. Anil Khanna (resigned w.e.f. December 14, 2020)	--
		Ms. Tanvi Joshi (resigned w.e.f. August 14, 2019)	--
		Mr. Dhaval Mehta (resigned w.e.f. January 21, 2021)	--
		Mrs. Shanthi Chauhan (appointed w.e.f. November 14, 2019)	--
		Note: In computation of above ratio sitting fees paid to Directors is excluded.	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.	<p>No remuneration is paid to Independent Directors and Non-Executive Directors. Others are paid sitting fees for attending the meetings of the Board of Directors and Committees thereof.</p> <p>During the FY 2019-20, there was no increase in remuneration to Mr. Pramoud Rao, Managing Director, Mr. Ayalin Nadar, Chief Financial Officer and Ms. Kunjan Trivedi, Company Secretary.</p>	
3	The percentage increase in the median remuneration of employees in the financial year.	Nil	
4	The number of permanent employees on the rolls of the Company.	15	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<p>During the F.Y. 2019-20, there has been no increase in the salaries of employees including managerial personnel.</p> <p>Therefore, the average percentile increase in the salaries of employees other than managerial personnel is Nil in 2019-20.</p>	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms the remuneration is as per the Remuneration Policy of the Company.	

Annexure 'D' to the Directors' Report

CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The basic doctrine of Corporate Governance are commitment to values and ethical business conduct. It is the set of policies, practices, processes, culture and customs affecting the way a company is directed, administered, controlled or managed; which includes the manner of the Company's dealing with various stakeholders. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

At Zicom, we firmly believe that good governance practice represents the culture and mindset of the organization and therefore in addition to the compliances with the statutory requirements, we also adhere to and constantly work towards improving integrity, fairness, transparency and accountability in our relationship with all our stakeholders, protecting their interest; and promotion of ethical practices at work place.

II BOARD OF DIRECTORS

A) Composition and Category of the Board

The Board of your Company is entrusted with the responsibility to safeguard good governance and functioning of the Company. The Board Members are professionals drawn from diverse areas with vast experience and knowledge in their respective field. The Board Members enjoy uninterrupted freedom for expressing their views and ideas in respect of any item included in agenda and matters related to the corporate affairs. They also have complete freedom to deliberate on other matters with the permission of Chairman subject to statutory restrictions. Statutory compliance reports are placed periodically before the Board for their review at the Board meetings.

The Board of Directors of the Company being professionals from diverse fields bring with them a wide range of professionalism, skills, knowledge, expertise, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Non-Executive including the Independent Directors bring external and wider perception and independence in the decision making. The Board from time to time reviews for addition to the Board and Senior Management of the Company (whether for expansion or for replacement), thereby planning for orderly succession to the Board of Directors and Senior Management.

At the beginning of the year under review, your Company had six Directors on the Board comprising of three Independent, one Non-Executive Non-Independent being a woman Director and two Promoters; of which one being Executive Director. During the year, the following changes took place in the Board of the Company:

- (a) Ms. Tanvi Joshi (DIN: 07703593), a Non-Executive Non-Independent, resigned effective from August 14, 2019;
- (b) Mrs. Shanthi Chauhan (DIN: 08608338), an Additional Director, in the capacity of an Independent Director, joined the Board effective from November 14, 2019.

As a result of the aforesaid changes, at the end of the year i.e. on March 31, 2020, your Board comprised of six Directors with four Independent (including a woman Director) and two Promoters; of which one being Executive Director.

Subsequent to year end, the following changes took place in the Board of the Company:

- (a) Mr. Anil Khanna (DIN: 00199924), an Independent Director, resigned effective from December 14, 2020; and
- (b) Mr. Dhaval Mehta (DIN: 07501194), an Independent Director, resigned effective from January 21, 2021.

From the above, it can be noted that the Board of your Company is structured in such a manner, so as to maintain optimum combination of Independent and Non-Independent, as well as Executive and Non-Executive Director. The Chairman of the Board, being a Promoter, is a Non-Executive Director and hence half of the Board comprises of Independent Directors. There is no Nominee Director on the Board of the Company.

The composition of the Board and category of Directors are given in the below table:

Name of the Director	Category
Mr. Manohar Bidaye, Chairman	Non-Executive (Promoter)
Mr. Pramoud Rao, Managing Director	Executive (Promoter)
Mr. K. D. Hodavdekar	Independent
Mrs. Shanthi Chauhan (appointed w.e.f. November 14, 2019)	Independent
Mr. Anil Khanna (resigned w.e.f. December 14, 2020)	Independent
Mr. Dhaval Mehta (resigned w.e.f. January 21, 2021)	Independent
Ms. Tanvi Joshi (resigned w.e.f. August 14, 2019)	Non-Executive Non-Independent

B) Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), every listed company is required to have at least one-third / half of the total number of Directors as Independent Directors depending upon category of the Chairman. These Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

Your Company, having a Non-Executive Promoter Chairman on its Board, complies with the criteria of having half of total number of Directors as Independent Directors, i.e. four Independent Directors out of the total six Directors on the Board as on March 31, 2020.

C) Independent Directors’ Meeting

In accordance with Schedule IV of Companies Act, 2013 and Regulation 25 of the Listing Regulations, during the year under review, the Independent Directors met on March 17, 2020, inter-alia to discuss evaluation of performance of Non-Independent Directors and the Board of Directors as a whole; evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

D) Familiarisation Programme for Independent Directors

The Company believes that a Board, which is well informed and familiarised with the Company, can contribute significantly to effectively discharge its role in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Independent Directors are updated on a continuing basis on changes / developments in the domestic / global political, economic, industry and corporate scenario, including those pertaining to statutes / legislations and operative environment, to enable them to take well informed and timely decisions.

The details of Familiarization Programme for Independent Directors may be accessed on the website of the Company at the link: <https://www.zicom.com/wp-content/uploads/2021/04/ZESSL-Familiarisation-Programme-for-Independent-Directors.pdf>.

E) Compensation and Disclosures of Non-Executive Directors

The Company pays sitting fees to all its Non-Executive Directors for attending the meetings of the Board, Audit Committee and other Committees of the Company, except to Mr. Manohar Bidaye; who has willingly opted for non-receipt of sitting fees during the year under review.

During the year under review, (a) Ms. Tanvi Joshi (DIN: 07703593), a Non-Executive Non-Independent, resigned effective from August 14, 2019; and (b) Mrs. Shanthi Chauhan (DIN: 08608338), an Additional Director, in the capacity of an Independent Director, joined the Board effective from November 14, 2019.

Subsequent to year end, (a) Mr. Anil Khanna (DIN: 00199924), an Independent Director, resigned effective from December 14, 2020; and (b) Mr. Dhaval Mehta (DIN: 07501194), an Independent Director, resigned effective from January 21, 2021.

No Independent Director is holding any Equity Shares or stock options in the Company.

F) Other provisions related to Board and Committees

- **Board Meetings held:** During the year under review, the Board met on five occasions, i.e. on May 28, 2019; August 14, 2019; October 25, 2019; November 14, 2019 and February 12, 2020. The maximum gap between the two meetings was not more than one hundred and twenty days as stipulated under Regulation 17(2) of the Listing Regulations. The information as specified in Part A of Schedule II of the Listing Regulations have been placed before the Board from time to time for its consideration.
- **Chairpersonship / Membership:** Pursuant to Regulation 26 of the Listing Regulations, all the Directors have confirmed to the Company that none of them is a member of more than ten committees, or is chairperson of more than five committees across all listed / unlisted public companies in which they are acting as Directors.
- **Periodical review of Compliance Reports:** Reports on compliance with all statutory laws applicable to the Company have been periodically placed before the Board for review.
- None of the Directors are related to each other in any way.

Attendance of Directors at Board Meetings, Audit Committee Meetings, last Annual General Meeting (AGM) and number of other Directorship and Chairpersonship / Membership of Committees of each Director in various companies:

Name of Director	Category of Directorship and Name of the other listed company(s) as on March 31, 2020	Particulars of other Directorship [•] , Committee Chairpersonship / Membership [•]			Attendance		
		Directorship	Committee Membership [•]	Committee Chairpersonship	Board Meeting	Audit Committee Meeting	Last AGM
Mr. Manohar Bidaye	N.A.	3	3	1	5	4	Yes
Mr. Pramoud Rao	N.A.	3	1	-	5	N.A.	Yes
Mr. K. D. Hodavdekar	Alok Industries Limited – Independent Director	3	4	1	4	4	Yes
Mr. Anil Khanna (resigned w.e.f. December 14, 2020)	Mercator Limited – Independent Director	4	4	-	5	4	No
Mr. Dhaval Mehta (resigned w.e.f. January 21, 2021)	N.A.	1	-	-	3	N.A.	No
Mrs. Shanthi Chauhan (resigned w.e.f. August 31, 2018)	N.A.	1	-	-	1	N.A.	N.A.
Ms. Tanvi Joshi * (resigned w.e.f. August 14, 2019)	N.A.	1	-	-	1	N.A.	No

* The details of Category of Directorship, Directorship and Memberships (including Chairmanships) are as on the date of cessation.

- Alternate directorship, directorship / committee membership in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013, are not included while calculating directorships in above table.
- Chairpersonship / Membership of only the Audit Committee and Stakeholders' Relationship Committee of all public limited companies have been considered.
- Also includes the committees in which a Director holds position as a Chairperson.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

As per the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, at every Annual General Meeting (AGM), out of the two-third of the total number of Directors (excluding Independent Directors), one-third of such Directors are liable to retire by rotation. Accordingly, Mr. Manohar Bidaye (DIN: 00010699) is the Director retiring by rotation at the forthcoming Twenty Fourth Annual General Meeting of the Company.

Mr. Manohar Bidaye (DIN: 00010699), being Non-Executive Director and eligible, has offered himself for re-appointment as a Director, liable to retire by rotation.

On November 14, 2019, Mrs. Shanthi Chauhan (DIN: 08608338) was appointed as an Additional Director, in the capacity of an Independent Director, on Board of the Company on the recommendation of the Nomination and Remuneration Committee, as per Section 161 of the

Companies Act, 2013, to hold the office till the date of the ensuing Annual General Meeting. It is proposed to appoint Mrs. Chauhan as an Independent Director not liable to retire by rotation, for a term upto November 13, 2021, subject to approval of the Members.

As required under Listing Regulations, brief resume of both the Directors, seeking appointment / re-appointment respectively at the ensuing AGM, alongwith the list of other companies in which they hold directorships and memberships of the Committees of the Board are furnished hereunder:

Name of the Director	Mr. Manohar Bidaye	Mrs. Shanthi Chauhan
Father's Name	Late Shri Gopal Bidaye	Shri Krishnan Nagalla
Date of Birth	November 11, 1963	June 16, 1971
Age	56 years	49 years
Date of first appointment on the Board	December 1, 1994	November 14, 2019
Directors Identification Number	00010699	08608338
Nationality	Indian	Indian
Experience (including expertise in specific functional areas)	Corporate Planning, Corporate Law, Finance, Taxation and other related areas	Creator of bespoke Jewellery brand 'Sattviki', Mrs. Chauhan has carved a niche for herself in that sector. designed menus for famous FMCG brands which include teaching the crew how to manage corporate and consumer level orders.
Qualification	M.Com, LL.B., Company Secretary	Diploma holder in Hotel Management
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Manohar Bidaye who was re-appointed as a Director at the Annual General Meeting held on September 30, 2019 is liable to retire by rotation at the Meeting.	As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto, Mrs. Shanthi Chauhan is proposed to be appointed as an Independent Director.
Remuneration last drawn	Not Applicable However, during the year under review, Mr. Manohar Bidaye has willingly opted for non-receipt of sitting fees.	Not Applicable
Remuneration proposed to be paid	No remuneration, except for sitting fees.	No remuneration, except for sitting fees.
Number of Directorships in other companies	11	Nil
List of outside directorships held (includes public, private, foreign companies, companies under Section 8)	<ul style="list-style-type: none"> • Zicom SaaS Private Limited • Unisafe Fire Protection Specialists India Private Limited • ASTM Skills Private Limited • Baronet Properties & Investments Private Limited • Coronet Properties & Investments Private Limited • Progressive Equifin Private 	Not Applicable

	Limited <ul style="list-style-type: none"> • Success Equifin Private Limited • Chaitra Telenet Private Limited • Unisafe Fire Protection Specialists LLC, Dubai • Phoenix International WLL, Qatar • Zicom Security Projects Pte. Ltd., Singapore 	
List of other committees in which Director is member / chairman (includes all chairmanships / memberships of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of all public limited companies)	<ul style="list-style-type: none"> • Zicom SaaS Private Limited – Member of Audit Committee • Zicom SaaS Private Limited – Member of Nomination and Remuneration Committee 	Not Applicable
Number of shares held in the Company	Nil	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of Board Meetings attended during the financial year (2019-20)	5	1

G) Code of Conduct

The Board has laid down and adopted Code of Conduct for Board of Directors including Independent Directors and Senior Managerial Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is posted on the Company's website www.zicom.com. All the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct, for the year ended March 31, 2020. A declaration signed by the Chief Executive Officer (CEO) / Managing Director to this effect is annexed to this Report.

- H) The Senior Management has made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

III BOARD COMMITTEES

The Board of Directors has constituted several committees, with adequate delegation of powers, to discharge their functions with respect to specific matters of the Company. The Committees are constituted by inclusion of Executive, Non-Executive and Independent Directors to meet the prescribed requirements, which carry out its function as per their terms of reference. The decisions

taken by these Committees are noted by the Board in their respective committee minutes. The Company has formed various Committees as required under the Companies Act, 2013 and Listing Regulations. The brief particulars of Audit Committee, Nomination and Remuneration Committee; Stakeholders' Relationship Committee and Corporate Social Responsibility Committee as required under the Companies Act, 2013 read with rules thereunder and Listing Regulations are given hereunder:

a) Audit Committee

The composition, quorum, powers, role, etc., of the Audit Committee are in accordance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee acts as a link between the Auditors and the Board of Directors. The Audit Committee inter-alia keeps checks on the adequacy of the internal control systems, financial disclosures and statutory compliances.

Composition: The Audit Committee comprises of three (3) Non-Executive Directors, all of them being financially literate and having accounts and financial management knowledge. Majority i.e. two-thirds of the Audit Committee Members are Independent. Mr. K. D. Hodavdekar, Chairman of the Audit Committee, is a Certified Associate of Indian Institute of Bankers and Holder of Masters Degree in Commerce and Bachelors Degree in Law from Mumbai University, is Veteran Banker with more than 33 years' experience in varied areas in Banking, Finance and Management. The Chief Financial Officer (CFO) and representatives of the Statutory Auditors and Internal Auditors remain present at the Meetings. The Company Secretary acts as Secretary to the Committee Meetings. The Audit Committee invites such of the executives, professionals and other persons, as it deem necessary for its functioning.

The Chairman of Audit Committee was present at the 25th Annual General Meeting held on September 30, 2019.

During the year under review, the Board of your Company, through Resolution dated August 14, 2019, appointed Mr. K. D. Hodavdekar, Independent Director, as Chairman of Audit Committee from even date.

The Members of the Audit Committee are as follows:

Name of Committee Member	Designation in Committee	Category
Mr. K. D. Hodavdekar (elected Chairman w.e.f. August 14, 2019)	Chairman	Independent
Mr. Manohar Bidaye	Member	Non-Executive (Promoter)
Mr. Anil Khanna (ceased as Chairman w.e.f. August 14, 2019)	Member	Independent

Objective: The Audit Committee is constituted by the Board with intent to assist the later in its oversight of - (i) the quality and integrity of the accounting, auditing and reporting practices of the Company; (ii) the integrity of the financial statements, the appointment, independence, performance and remuneration of the Statutory and Internal Auditors; (iii) the independent auditor's qualifications; (iv) the performance of the Company's internal audit function and independent auditors; and (v) the compliance with the legal and regulatory requirements.

Meetings: During the year under review, the Audit Committee met four times on May 28, 2019; August 14, 2019; November 14, 2019; and February 12, 2020. The maximum time gap between two meetings did not exceed a period of one hundred and twenty days. The quorum of the Audit Committee meeting is two Independent Members. Requisite quorum was present at all the Committee meetings held during the year. The attendance of Members at the Audit Committee meetings held during the year is given in the table under Para II (F) above.

Terms of Reference:

The terms of reference of the Audit Committee covers the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- iii. Approving payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement forming part of the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by the management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to Financial Statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft Audit Report.
- v. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Reviewing, with the Management, the performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
- xiii. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xiv. Discussion with Internal Auditors, any significant findings and follow up thereon.
- xv. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvi. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern.
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xviii. To review the functioning of the Whistle Blower Mechanism.
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

- xx. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- xxi. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee mandatorily reviews and considers all the matters, prescribed under Part C (B) of Schedule II of the Listing Regulations as are periodically placed before it. The Committee also recommends on the appointment of the Internal Auditor to the Board.

b) Nomination and Remuneration Committee

The composition, quorum, powers, role, etc., of the Nomination and Remuneration Committee are in accordance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Composition: The Members of the Nomination and Remuneration Committee are as follows:

Name of Committee Member	Designation in Committee	Category
Mr. K. D. Hodavdekar	Chairman	Independent
Mr. Manohar Bidaye	Member	Non-Executive (Promoter)
Mr. Anil Khanna	Member	Independent

Terms of Reference:

The Terms of Reference inter-alia includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance.
- To provide reports after completion of evaluation process by Directors.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To administer, monitor and formulate detailed terms and conditions of Employees' Stock Option Scheme.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meetings: During the year under review, the Committee met once on October 25, 2019. The necessary quorum was present for all the Meetings. The Chairman of the Committee was present at the 25th Annual General Meeting held on September 30, 2019. The attendance of each Member at the said Meeting is stated below:

Name of Committee Member	No. of Meetings attended
Mr. K. D. Hodavdekar	1
Mr. Manohar Bidaye	1
Mr. Anil Khanna	1

Remuneration Policy:

The Nomination and Remuneration Committee recommends the remuneration, including the commission based on the Net Profits of the Company, for the Managing Director / Director / other Whole-Time Directors (as the case may be), for approval by the Board and Members. Prior approval of Members is obtained in case of remuneration to Non-Executive Directors, except for sitting fees to the extent permitted. The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of managerial personnel of other organizations. Perquisites and retirement benefits are paid according to the Company policy as applicable to senior executives of the Company, subject to prescribed statutory ceiling.

While formulating the remuneration policy, the Nomination and Remuneration Committee ensures that:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / business executives. Non-Executive Directors are paid sitting fees for attending the meetings of the Board and various other Committees, which is determined keeping in view comparable industry and corporate standards.

The remuneration of employees largely consists of basic salary, perquisites, bonus and performance incentives. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The main objective of the remuneration policy is to motivate each and every employee and to stimulate excellence in their performance, recognise merits / achievements in order to retain the talent in the Company and to promote the feeling of belongingness.

In addition to the above, the Directors (other than Promoters and Independent Directors) and the employees may be granted stock options under the Employees Stock Options Scheme of the Company as may be approved by the Shareholders and decided by the Nomination and Remuneration Committee of Directors from time to time.

Details of Remuneration to Directors:

Particulars	Remuneration to Mr. Pramoud Rao, Managing Director (Executive Director)														
Terms of Appointment	<p>With approval of the Members through Postal Ballot, results of which were declared on February 8, 2017, the term of Mr. Pramoud Rao, as Managing Director was renewed for a further period of five years i.e. from March 1, 2017 till February 28, 2022. However, the terms of his remuneration has been approved for a period of three years i.e. upto February 29, 2020. Remuneration paid to Mr. Pramoud Rao during 2019-20 is as under:</p> <table> <tr> <td colspan="2" style="text-align: right;">(Rs. lakhs)</td></tr> <tr> <td>Salary (including Basic, HRA, Special Allowance, CCA)</td><td style="text-align: right;">53.28</td></tr> <tr> <td>Commission</td><td style="text-align: right;">Nil</td></tr> <tr> <td>Medical</td><td style="text-align: right;">Nil</td></tr> <tr> <td>LTA</td><td style="text-align: right;">0.96</td></tr> <tr> <td>PF</td><td style="text-align: right;">0.22</td></tr> <tr> <td>Total</td><td style="text-align: right;">54.46</td></tr> </table>	(Rs. lakhs)		Salary (including Basic, HRA, Special Allowance, CCA)	53.28	Commission	Nil	Medical	Nil	LTA	0.96	PF	0.22	Total	54.46
(Rs. lakhs)															
Salary (including Basic, HRA, Special Allowance, CCA)	53.28														
Commission	Nil														
Medical	Nil														
LTA	0.96														
PF	0.22														
Total	54.46														
Contractual basis	Yes														
Commission & Fixed Components	Commission up to 2% of Net Profit for each financial year (as may be decided by the Board) and other fixed components which forms part of remuneration. No Commission has been paid for financial year 2019-20.														
Notice period for severance & severance fees	Six months. Compensation for severance of services would be computed in accordance with applicable provision of the Companies Act.														
Perquisites	Entitled as per the Agreement.														
Sitting Fees	Not entitled for sitting fees for attending meetings of the Board of Directors or any of its Committees.														
Absence or inadequacy of profits	In the event of absence or inadequacy of profits in any financial year during the tenure of Managing Director, he would be entitled for the aforesaid remuneration, perquisites / benefits as the minimum remuneration, subject to the ceiling limits prescribed under Schedule V and other applicable provisions of the Companies Act, 2013; subject to necessary approval from the Central Government (if required).														

Remuneration to other Non-Executive Directors

- ⊕ Remuneration by way of sitting fees for attending Board and Committee meetings are paid to Non-Executive Directors (other than the Chairman). Sitting fees vary from type of meetings attended.
- ⊕ During the year, the Non-Executive Directors were paid sitting fees for attending each of the following meetings of the Company as under:

Type of Meetings	Sitting fees (in Rs.)
Board Meeting	15,000
Audit Committee Meeting	5,000
Stakeholders' Relationship Committee Meeting	1,500
Other Committee Meeting	2,500

Details of sitting fees paid to Non-Executive Directors during the year are as under:

Name of Non-Executive Directors	Sitting fees (in Rs.)
Mr. K. D. Hodavdekar	1,00,500
Mr. Anil Khanna	1,12,500
Mr. Dhaval Mehta	60,000
Mrs. Shanthi Chauhan (appointed w.e.f. November 14, 2019)	30,000
Ms. Tanvi Joshi (resigned w.e.f. August 14, 2019)	0
Total	3,03,000

No Non-Executive Director has any material pecuniary relationship or transactions with the Company.

Mr. Manohar Bidaye, Promoter and Non-Executive Director, does not hold any Equity Shares as an individual. However, Mr. Manohar Bidaye is Director / Shareholder in four private companies who are holding shares in the Company as per details given below:

Sr. No.	Name of the Company	No. of Shares held	% of shareholding
1.	Baronet Properties and Investments Private Limited	2,35,652	0.57
2.	Coronet Properties and Investments Private Limited	8,86,286	2.15
3.	Progressive Equifin Private Limited	5,264	0.01
4.	Success Equifin Private Limited	521	0.00

Except for Mr. Manohar Bidaye, as aforesaid, no other Non-Executive Directors hold any Equity Shares of the Company.

No Directors were granted any Stock Options during the year under review, and none of them hold any Stock Options of the Company.

None of the Directors hold any convertible instruments in the Company.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the annual performance evaluation of the Board was carried out. The Board / Nomination and Remuneration Committee of Directors have laid down the criteria for evaluation of the performance of the Board, its Committees and individual Directors. A structured questionnaire prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board procedures, development, etc. was circulated to Directors for the purpose of evaluation.

The Independent Directors at their meeting held on March 17, 2020, carried out the performance evaluation of Board as a whole, its Committees, Chairman of the Company and Non-Independent Directors. Subsequently, the Board at its meeting held on July 30, 2020, discussed and evaluated the performance of the Board, its Committees and individual Directors.

c) Stakeholders' Relationship Committee

The composition, role, etc., of the Stakeholders' Relationship Committee are in accordance with provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Composition: During the year under review, the Stakeholders' Relationship Committee was reconstituted and comprised of the following Directors as detailed below:

Name of Committee Member	Designation in Committee	Category
Mr. Manohar Bidaye	Chairman	Non-Executive (Promoter)
Mr. Pramoud Rao	Member	Executive (Promoter)
Mr. K. D. Hodavdekar	Member	Independent

Terms of Reference: The terms of reference, inter alia, are as follows:

- i) To approve or deal with applications for transfer, transmission, transposition and mutation of share certificates including duplicate, split, renewal, sub-division or consolidation of certificates and to deal with all related matters.
- ii) To look into and redress Shareholders / investors grievances relating to:
 - a) Transfer of shares;
 - b) Non-receipt of declared dividends;
 - c) Non-receipt of annual reports;
 - d) All such complaints directly concerning the Shareholders / investors as stakeholders of the Company; and
 - e) Any such matters that may be considered necessary in relation to Shareholders and investors of the Company.
- iii) To review measures taken for effective exercise of voting rights by shareholders.
- iv) To oversee the performance of the Company's Registrar and Transfer Agents.
- v) To monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- vi) To review measures taken for effective exercise of voting rights by shareholders.
- vii) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- viii) To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- ix) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings:

The Stakeholders Relationship Committee meets depending on the frequency of grievances / transfer / duplicate requests received from the Shareholders. In the financial year 2019-20, the Committee met 3 times. The attendance of each Member at the said Meetings is stated below:

Name of Committee Member	No. of Meetings attended
Mr. Manohar Bidaye	3
Mr. Pramoud Rao	3
Mr. K. D. Hodavdekar	3

The Chairman of the Committee was present at the last Annual General Meeting held on September 30, 2019.

Compliance Officer:

Ms. Kunjan Trivedi, Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Regulations with the Stock Exchanges in India.

Investor Grievance Redressal:

The Company addresses all complaints, suggestions and grievances expeditiously and replies have normally been sent / issued within 7 days, except in case of dispute over facts or other impediments. During the year, the Company received one complaint from the shareholder which was resolved satisfactorily. As a result there were no pending complaints as on March 31, 2020.

As during the year under review, no complaints were unresolved; the requirement of giving details of unresolved complaints does not apply.

d) Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted. For the year under review, the provisions of Section 135 of Companies Act, 2013 read with the relevant Rules relating to Corporate Social Responsibility does not apply to the Company, as it does not fall under any of the criteria specified under them.

In addition to the above mentioned Committees, the Board has also constituted the following Committees:

i) Preferential Issue Committee:

The Preferential Issue Committee comprises of the following Directors:

Mr. Manohar Bidaye, Chairman; Mr. Pramoud Rao and Mr. K.D. Hodavdekar, Members

The Committee did not meet during the year under review.

ii) Managing Committee:

The Managing Committee comprises of the following Directors:

Mr. Manohar Bidaye, Chairman; Mr. Pramoud Rao and Mr. K.D. Hodavdekar, Members

The Committee did not meet during the year under review.

SUBSIDIARY COMPANIES

As on March 31, 2020, the Company had following four direct subsidiaries and two step-down subsidiaries, of which two are Indian and the other four foreign.

Sr. No.	Name of the Subsidiary	No. of Members nominated on the Board
1.	Zicom SaaS Private Limited, India	3
2.	Unisafe Fire Protection Specialists India Private Limited, India	2
3.	Unisafe Fire Protection Specialists LLC, Dubai	3
4.	Phoenix International WLL, Qatar	3
5.	Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore	3
6.	Zicom Security Projects Pte. Ltd., Singapore	2

Regulation 16 of the Listing Regulations defines a “material subsidiary” to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, due to the losses incurred by the Company during the year under review, one of the Indian subsidiary viz. Zicom SaaS Private Limited has been classified as unlisted material subsidiary. The Company has complied with the requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for unlisted material subsidiary. Except Zicom SaaS Private Limited, none of the above Indian subsidiaries were unlisted material subsidiary.

The Financial Statements, in particular the investment made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered into by the unlisted subsidiaries forming part of the financials are being reviewed by the Audit Committee of your Company on quarterly basis. Also, statements of all significant transactions and arrangements, if any, entered into by the unlisted subsidiary companies are periodically brought to the attention of the Board by the Management.

Minutes of the meetings of the unlisted subsidiaries are placed before the Company’s Board, as required under the Listing Regulations.

The Policy on Material Subsidiary as approved may be accessed on the Company’s website at the link: <https://www.zicom.com/wp-content/uploads/2020/09/Policy-on-Material-Subsidiary.pdf>.

RISK MANAGEMENT

The provisions of Regulation 21 of the Listing Regulations relating to formation of Risk Management Committee are not applicable to the Company. However, as required under Regulation 17 of the Listing Regulations, the Company has mechanisms to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of properly defined framework.

INVESTORS INFORMATION**GENERAL BODY MEETINGS**

Details of the previous three Annual General Meetings of the Members are as under:

Respective Financial Year	2018-19	2017-18	2016-17
Date of Meeting	September 30, 2019	September 24, 2018	September 21, 2017
Time of Meeting	3:30 p.m.	3:30 p.m.	3:30 p.m.
Place of Meeting	501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063.	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai 400069.	Residency Hotel, Suren Road, Andheri Kurla Road, Opp. Cine Magic, Near Magic Bricks W. E. Highway Metro Station, Andheri (E), Mumbai 400093.
Items of Special Resolution passed at each Meeting	<ul style="list-style-type: none"> To appoint Mr. Dhaval Mehta, as an Independent Director of the Company. 	<ul style="list-style-type: none"> To appoint Mr. Anil Khanna, as an Independent Director of the Company. 	<ul style="list-style-type: none"> To appoint Ms. Tanvi Joshi, as a Director liable to retire by rotation.

Details of Special Resolution passed through Postal Ballot:

During the year under review, the Company completed the process of one Postal Ballot as per the provisions of Section 110 of the Companies Act, 2013. The details are as under:

Financial Year	2019-20
Date of declaration of Results	December 2, 2019
Time of declaration of Results	3:30 p.m.
Place of declaration of Results	Results declared at Registered Office of the Company
Items of Special Resolution passed through Postal Ballot	<ul style="list-style-type: none"> To approve sale of 100% stake held by the Company, along with the undertaking / business of its wholly owned and material subsidiary Zicom SaaS Private Limited. To approve assignment by way of transfer, assignment and / or sale of the Trademark and Domain Name 'Zicom'. To approve sale of immovable properties of the Company. To approve sale of shares held by the Company in Unisafe Fire Protection Specialists LLC, Dubai, a step down subsidiary of the Company, directly and through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; alongwith the business of Unisafe Fire Protection Specialists LLC, Dubai. To approve sale of shares held by the Company in Phoenix International WLL, Qatar, a step down subsidiary of the Company, directly and through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; along with the business of Phoenix International WLL, Qatar. To approve re-appointment of Mr. Anil Khanna as an Independent Director of the Company for a second term.

The voting was conducted through physical mode as well as electronic mode. For conducting Postal Ballot process in a fair and transparent manner, Ms. Purvi Vasha, Practicing Company Secretary, was appointed as the Scrutinizer to the Postal Ballot process. All the Special Resolutions were passed with requisite majority.

Based on the Scrutinizer's Report, the Results of Postal Ballot were as under:

Approval for sale of 100% stake held by the Company, along with the undertaking / business of its wholly owned and material subsidiary Zicom SaaS Private Limited.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				Yes				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Assignment by way of transfer / sale the Trademark and Domain Name 'Zicom'.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				Yes				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Sale of immovable properties of the Company.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				Yes				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Sale of shares held by the Company in Unisafe Fire Protection Specialists LLC, Dubai, a step down subsidiary of the Company, directly and indirectly through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; alongwith the business of Unisafe Fire Protection Specialists LLC, Dubai.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				Yes				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Sale of shares held by the Company in Phoenix International WLL, Qatar, a step down subsidiary of the Company, directly and indirectly through Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore, a wholly owned subsidiary; along with the business of Phoenix International WLL, Qatar.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				Yes				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Re-appointment of Mr. Anil Khanna as an Independent Director of the Company for a second term.

Resolution required				Special				
Whether Promoter / Promoter group are interested in the agenda / resolution?				No				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	1807423	1807423	100.00	1807423	0	100.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	1807423	1807423	100.00	1807423	0	100.00	0.00
Public - Institutions	E-Voting	21233605	0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	21233605	0	0.00	0	0	0.00	0.00
Public – Non Institutions	E-Voting	18183113	18827	0.10	18025	802	95.74	4.26
	Postal Ballot		10646	0.06	10646	0	100.00	0.00
	Total	18183113	29473	0.16	28671	802	97.28	2.72
Total		41224141	1836896	4.46	1836094	802	99.96	0.04

Detailed Results were posted on websites of the Company www.zicom.com and CDSL viz. www.evotingindia.com.

Procedure for Postal Ballot

The Board of Directors decides the item to be passed by the Members through Postal Ballot and at its meeting approves the Notice of the resolution along with the explanatory statement thereof, and the postal ballot form. The Board authorizes some Directors and / or Company Secretary to supervise and take necessary steps in connection with postal ballot process. The Board also appoints scrutinizer for conducting the postal ballot process in fair and transparent manner and fixes the duration of his / her appointment and remuneration. The postal ballot form alongwith notice and explanatory statement thereof is sent to all the Members of the Company alongwith pre-paid self addressed business reply envelope. All the Members are requested to send their assent / dissent to the resolution by the specified time limit. The Scrutinizer, on the basis of all the postal ballot forms received from the Members, scrutinizes the same and prepares his / her report and submits the same to the Chairman for announcing results of the Postal Ballot. The results are declared by the Chairman, after which the same are forwarded to all the concerned authorities for their record.

No Special Resolution through Postal Ballot is proposed at the ensuing Annual General Meeting.

DISCLOSURES

1. During the year under review, the Company had not entered into any material transaction with any of its related parties.

Pursuant to the requirement of Regulation 23 of the Listing Regulations, the Company has formulated a Related Party Transactions Policy, which is available on Company's website at <https://www.zicom.com/wp-content/uploads/2021/03/Related-Party-Transaction-Policy-ZESSL.pdf>. The Policy is formulated with intend to ensure proper identification, approval process and reporting of transactions between the Company and its Related Party(ies).

During the year, all transactions entered into with the related parties were in the ordinary course of business and on arm's length basis and not in conflict with the interest of the Company. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under Note 28.6 of Standalone Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review. All related party transactions were placed before the Audit Committee for approval. Omnibus approvals were also obtained for transactions which were of repetitive nature. Such transactions were placed before the Audit Committee and Board (as required) for periodical review and approval.

2. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
3. In view of various business risks associated with the Company in general and certain risks specific to the Company and the nature of business of the Company and its subsidiaries, risk management policy of the Company is framed for implementation by executive management, so as to minimize such risks. The same is periodically reviewed by the Board and modified from time to time to meet the changing business scenario.
4. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

5. Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 4(d) of the Listing Regulations, the Company has formulated a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct and same has been disclosed on the Company's website at the link: <https://www.zicom.com/wp-content/uploads/2021/03/ZESSL-Whistle-Blower-Policy.pdf>. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. The Company has not denied access to any personnel to approach the Audit Committee on any issue.
6. The Company is compliant with the applicable mandatory requirements of Part A of Schedule II of the Listing Regulations, relating to Corporate Governance. In addition to this, the Company also to the extent possible comply with the non-mandatory requirements prescribed in Part E of Schedule II of the Listing Regulations, such as –

(i) The Board / Separate posts of Chairperson and Chief Executive Officer:

The Company has separate post of Chairperson and Managing Director / Chief Executive Officer. Mr. Manohar Bidaye, Non-Executive Chairman of the Company is entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties; and Mr. Pramoud Rao is the Managing Director / Chief Executive Officer of the Company.

(ii) Shareholders' Right:

The quarterly / half-yearly results alongwith the press-release, if any, are uploaded on the website of the Company at www.zicom.com.

(iii) Reporting of Internal Auditor:

The Internal Auditor directly reports to the Audit Committee.

7. The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. During the year under review, the Company did not make any public issue, right issue, preferential issue or qualified institutional placement.
9. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, during the year ended March 31, 2020, is as follows:

(Rs. lakhs)	
Particulars	S M M P & Associates and their network entities
Fees for audit and related services	7.28
Other fees	Nil
Total	7.28

10. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Complaints Committee to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has in place Policy as per the provisions of POSH Act. During the year, no case was reported to the Committee constituted under the said Act.

CERTIFICATE BY CEO AND CFO

As required under Regulation 17(8) and as per the format prescribed under Part B of Schedule II of the Listing Regulations, a Compliance Certificate has been obtained from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company w.r.t. the financial reporting and internal controls in the Company. The said certificate was reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meetings held on January 21, 2021.

COMPLIANCE CERTIFICATE

Pursuant to Regulation (E) of Schedule V of the Listing Regulations, a Compliance Certificate certifying that the Company has complied with the conditions of Corporate Governance is annexed to this Report.

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from Ganesh Narayan & Company, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

MEANS OF COMMUNICATION

The Company established procedures to disseminate, in a planned manner, relevant information to Members, analysts, employees and the society at large.

Press releases and presentations: All our press and news releases are submitted to the Stock Exchanges and are also posted on the Company's website at www.zicom.com. The presentation, if any, made to the Financial Analysts and Investors are being shared with the Stock Exchanges and also being uploaded on the Company's website.

Quarterly, Half-yearly and Annual results: Our quarterly, half-yearly and annual results are published in widely circulated national newspapers such as The Business Standard (English) (all Editions) and the local daily Mumbai Lakshadeep (Marathi) (Mumbai Edition). They are also filed on websites of the Stock Exchanges and are also displayed on the Company's website at www.zicom.com.

NSE Electronic Application Processing Systems (NEAPS): The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, etc. are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"): The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, etc. are filed electronically on the Listing Centre.

SEBI Complaint Redress System (SCORES): The investor complaints are processed at SEBI in a centralised web based complaints redress system. The significant features of SCORES are centralised database of all companies, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Website: In accordance with Regulation 62 of the Listing Regulations the Company has maintained a functional website www.zicom.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance,

contact information of designated officials of the Company who is responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Annual Report: Annual Report containing audited standalone and consolidated financial statements together with Directors' Report, Auditors' Report and other important information are circulated to Members and others entitled thereto. The Annual Report is displayed on the website of the Company.

Stock Exchange(s): The Company from time to time disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive / such other information, which in its opinion are material and / or have a bearing on its performance / operations and issues press releases, wherever necessary, for the information of the public at large.

Members Correspondence: For the benefit of the Members, a separate email id has been created for Members correspondence viz. investors@zicom.com.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is attached to and forms part of the Directors' Report and includes discussion on various matters as specified under Schedule V (B) of the Listing Regulations.

GENERAL SHAREHOLDERS' INFORMATION

i. 26th Annual General Meeting	
Venue	Video Conferencing / Other Audio Visual Means
Time	3:30 p.m.
Day	Friday
Date	June 4, 2021
ii. Financial Calendar (tentative)	
Audited Annual Results of previous year ended March 31, 2020	End of May 2020
1 st quarter results for quarter ending June 2020	Second week of August 2020
2 nd quarter results for quarter ending September 2020	Second week of November 2020
3 rd quarter results for quarter ending December 2020	Second week of February 2021
Last quarter results for quarter ending March 2021	End of May 2021
iii. Financial year	April 1, 2020 to March 31, 2021
iv. Book closure dates	Not Applicable
v. Dividend payment / dispatch date for Financial Year 2019-20	Not Applicable
vi. Listing of equity shares on Stock Exchanges	BSE Limited (BSE) P J Towers, Dalal Street, Fort, Mumbai 400001. National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
vii. Stock Codes	BSE: 531404 NSE: ZICOM
viii. International Securities Identification Number (ISIN)	INE871B01014
ix. Corporate Identity Number (CIN)	L32109MH1994PLC083391

- i) The Company has paid the annual listing fees for the Financial Year 2019-20 to BSE Limited (BSE) and is in the process of paying to National Stock Exchange of India Limited (NSE).
- ii) The Company has paid the annual custodial fees for the Financial Year 2019-20 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

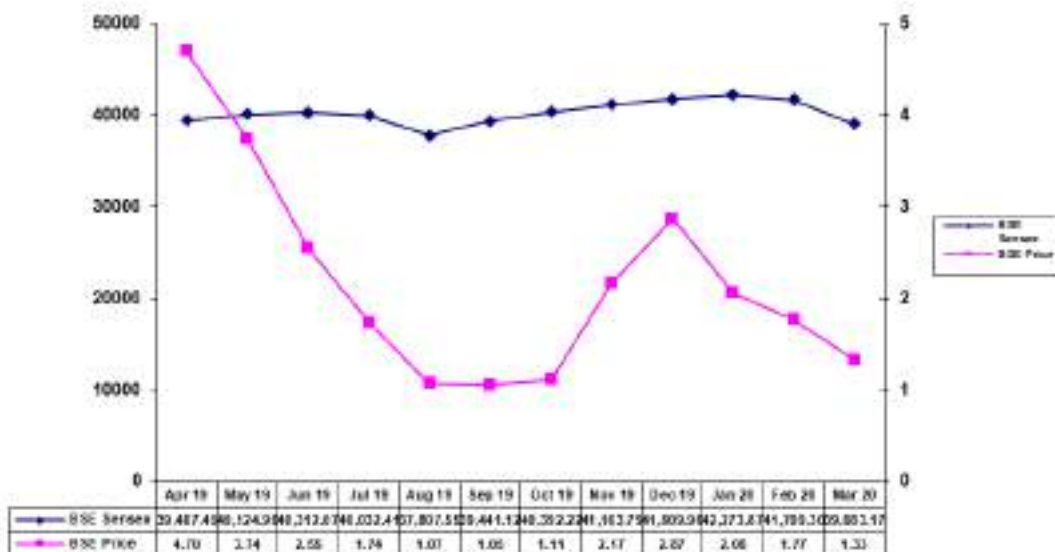
x. MARKET PRICE DATA for the Financial Year 2019-20

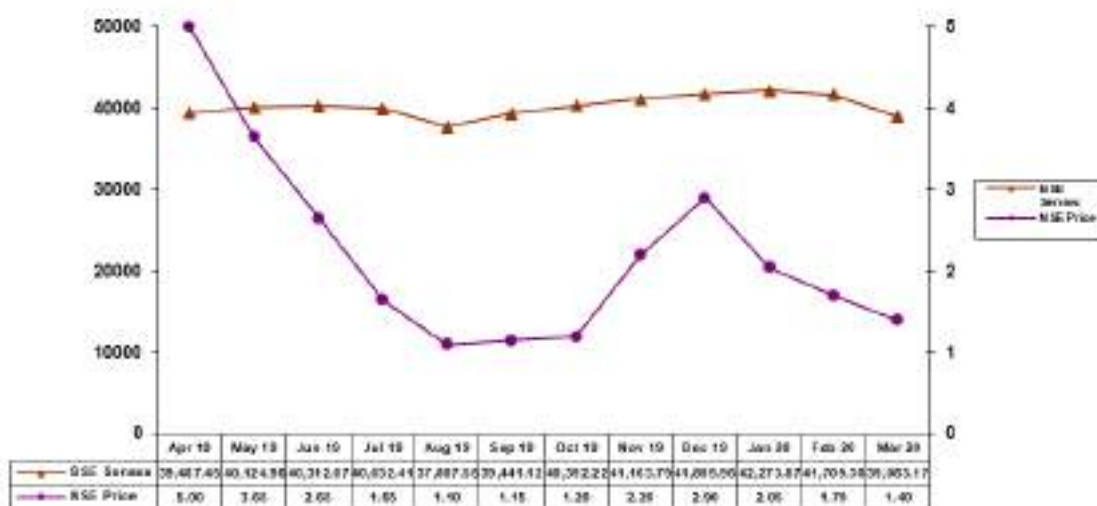
Month	BSE			NSE		
	Share Price		No. of Shares Traded	Share Price		No. of Shares Traded
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2019	4.70	3.53	1,40,115	5.00	3.55	5,73,469
May 2019	3.74	2.50	1,31,284	3.65	2.60	5,14,753
June 2019	2.55	1.57	1,02,359	2.65	1.55	5,15,525
July 2019	1.74	0.99	70,715	1.65	0.90	7,78,807
August 2019	1.07	0.94	35,650	1.10	0.85	2,96,639
September 2019	1.05	0.91	20,261	1.15	0.95	2,07,574
October 2019	1.11	0.91	33,450	1.20	0.90	2,71,983
November 2019	2.17	1.06	3,09,111	2.20	1.05	4,29,065
December 2019	2.87	1.49	29,518	2.90	1.60	4,62,489
January 2020	2.06	1.51	49,383	2.05	1.55	2,28,899
February 2020	1.77	1.28	26,265	1.70	1.30	1,04,516
March 2020	1.33	0.83	65,942	1.40	0.95	1,96,859

Source: Websites of the respective Stock Exchange

Performance in comparison to broad based indices

BSE price



NSE price**xi. Registrar and Share Transfer Agent****Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments (next to Keys Hotel),
Marol Maroshi Road, Andheri East, Mumbai 400059.

Tel: (022) 62638200 **Fax:** (022) 62638299

Email: investor@bigshareonline.com

xii. Compliance Officer**Ms. Kunjan Trivedi**

Company Secretary

501, Silver Metropolis, Western Express Highway,
Goregaon (East), Mumbai 400063.

Tel: (022) 6201 4290 **Fax:** (022) 6201 4291

Email: investors@zicom.com

xiii. Share Transfer System

Shares lodged for transfer at the Registrar and Transfer Agent address are normally processed within prescribed time from the date of lodgement, if the documents are complete in all respects.

Pursuant to Regulation 40(10) of the Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share certificate issue for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies.

Pursuant to Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Company Secretary-in-Practice carry-out, on quarterly basis, Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held in NSDL and CDSL). It also confirms that whether the de-mat receipts

duly lodged are processed and released within the specified period, and that the Register of Members is duly updated.

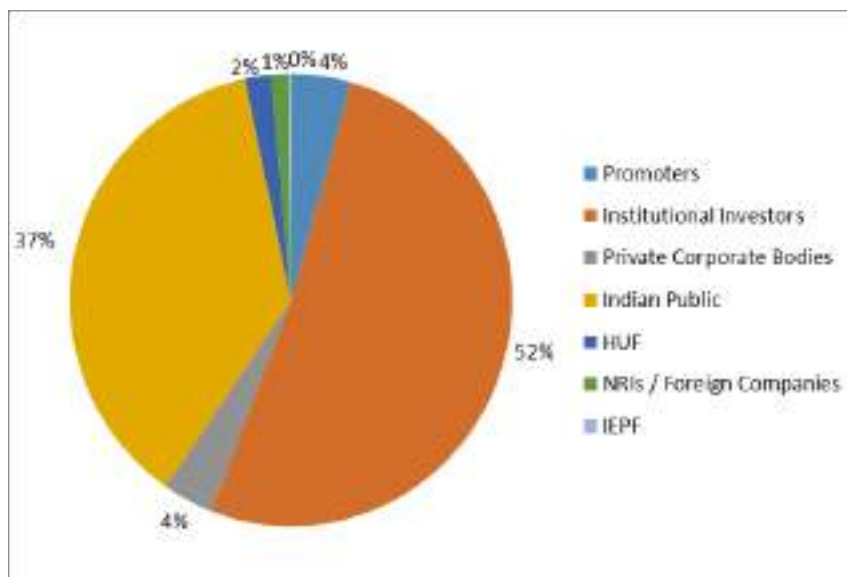
Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly the Company / its Registrar and Share Transfer Agent has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

xiv. Distribution of Shareholding as on March 31, 2020

No. of shares	Total holders	% of total holders	Total holding in shares	% of total capital
1 - 500	13,607	74.12	22,60,887	5.48
501 - 1000	2,057	11.20	17,31,535	4.20
1001 - 2000	1,228	6.69	19,11,182	4.64
2001 - 3000	503	2.74	12,98,116	3.15
3001 - 4000	251	1.37	9,02,488	2.19
4001 - 5000	176	0.96	8,35,830	2.03
5001 - 10000	291	1.59	21,14,118	5.13
10001 - 99999999	245	1.33	3,01,69,985	73.18
Total	18,358	100.00	4,12,24,141	100.00

xv. Shareholding Pattern as on March 31, 2020

Category	No. of Shares	%
Promoters	18,07,423	4.38
Institutional Investors	2,12,34,868	51.51
Private Corporate Bodies	15,33,440	3.72
Indian Public	1,52,61,439	37.03
HUF	7,99,168	1.94
NRIs / Foreign Companies	5,33,241	1.29
IEPF	54,562	0.13
Total	4,12,24,141	100.00



xvi. Dematerialisation of shares and liquidity as on March 31, 2020

Physical shares	:	1,01,646 (0.25%)
De-materialised shares	:	4,11,22,677 (99.75%)
Total shares	:	41,224,141 (100.00%)

Out of the above de-mat shares, 3,29,01,563 (80.00%) are held through National Securities Depository Limited and 82,20,932 (20.00%) are held through Central Depository Securities (India) Limited.

Your Company's Equity Shares are widely held and actively traded on BSE and NSE.

xvii. Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, dividends that are unpaid / unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding last dates when unpaid / unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration	Last Date for claiming dividend
2013-14	05-09-2014	10-10-2021
2014-15	29-09-2015	03-11-2022

During the year under review, an amount of Rs.2,28,893/- pertaining to unpaid dividend for the financial year 2011-12 has been transferred to IEPF on October 19, 2019. Subsequent to year end, an amount of Rs.3,19,564/- pertaining to unpaid dividend for the financial year 2012-13 has been transferred to IEPF on October 19, 2020.

The Shareholders who have so far not encashed their dividend demand drafts / cheques are requested to write to the Company / Registrar & Share Transfer Agent to claim the same, to avoid transfer to IEPF. Shareholders are advised that no claims shall lie against IEPF or the Company for the amounts of dividend so transferred to IEPF.

The details of unpaid and unclaimed dividend lying with the Company as on September 30, 2019 (date of last Annual General Meeting) has been uploaded on Company's website (www.zicom.com) in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and the same has also been uploaded on Ministry of Corporate Affairs website www.mca.gov.in.

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has been unclaimed for seven consecutive years or more are required to be transferred to IEPF.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the duly signed Form IEPF-5 to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

xviii. Outstanding ADR / GDR / Warrants / any Convertible Instruments

During the year under review, the Company did not issue any ADRs / GDRs. No Bonds were outstanding as on March 31, 2020.

There are no Stock Options outstanding as on March 31, 2020.

xix. Plant Location and Registered Office address

The Company does not have any Plant.

Registered Office address:

501, Silver Metropolis,
Western Express Highway, Goregaon (East),
Mumbai 400063.

xx. Address for correspondence

All correspondence by Members should be made to the Registrar and Transfer Agent or Registered Office of the Company as stated above. In case of Members holding shares in demat form are requested to intimate change in certain specific personal information like address, PAN, etc., to their Depository Participant. Others can send their correspondence to the Registered Office of the Company or communicate to the Company on investors@zicom.com.

Other information for correspondence

Telephone no. : (022) 6201 4290
Fax no. : (022) 6201 4291
Website : www.zicom.com

xxi. Credit Rating:

During the year under review, the Company has not obtained any credit ratings, as the Company has no debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad.

For and on behalf of the Board of Directors

Manohar Bidaye
Chairman

Place: Mumbai
Date: January 21, 2021

Registered Office:

501, Silver Metropolis,
Western Express Highway,
Goregaon (East), Mumbai 400063.

Annexure A**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**

To the Members,
Zicom Electronic Security Systems Limited
 501, Silver Metropolis, Western Express Highway,
 Goregaon (E), Mumbai 400063.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zicom Electronic Security Systems Limited having CIN: L32109MH1994PLC083391 and having registered office at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Manohar Gopal Bidaye	00010699	01-12-1994
2.	Pramoud Vinayak Rao	00010743	01-12-1994
3.	Keshav Dattaram Hodavdekar	00406556	04-08-2011
4.	Shanthi Chauhan	08608338	14-11-2019
5.	Anil Khanna (resigned w.e.f. December 14, 2020)	00199924	28-11-2017
6.	Dhaval Laxmikant Mehta (resigned w.e.f. January 21, 2021)	07501194	08-03-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ganesh Narayan & Company**
Company Secretaries

Ganesh Narayan
 Proprietor
 FCS: 6910/C P No: 2238

Place: Mumbai
 Date: 22.03.2021

DECLARATION PURSUANT TO SCHEDULE V (D) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Pramoud Rao, Managing Director of the Company, do hereby declare that pursuant to requirement of Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of Board of Directors and Senior Management Personnel of the Company have given their affirmation of compliance with the Code of Conduct of the Board of Directors and Senior Management of the Company in respect of the financial year ended March 31, 2020.

Pramoud Rao
Managing Director

Place : Mumbai
Date : January 21, 2021

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE

To the Members,
Zicom Electronic Security Systems Limited

We have examined the compliance of conditions of Corporate Governance by Zicom Electronic Security Systems Limited (hereinafter called “the Company”), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27; Regulation 46(2)(b) to (i); and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations, as applicable, during the year ended March 31, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Harshad Mane
Practising Company Secretary
Membership No.: A22225
COP: 9537

Mumbai, January 21, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

2019-20 was a difficult year for India and it was no different for Zicom Group. We are working closely with potential investor(s) to settle Group debts by divestment of business, closing down loss-making businesses and focus on core strength of the Company. This process may likely be delayed due to on-going Covid-19 disturbances which has paralysed economic and investment activities badly. With the introduction of new vaccines, the revival will commence only in 2021-22.

Macro Economic Review

After years of growth, the Indian Economy started slowing down since 2018 recording GDP growth below 6.5%. Despite this slowdown, the economy continued to remain one of the fastest growing amongst major global economies. From a global perspective there are certain concerns. There is growing tendency amongst the leading countries to protect its domestic market. The US is following stringent policies to restrict movement of man and materials. India too is implementing its Aatmanirbhar Bharat policy. The other leading countries are following same path which indicates that growth of world economy due to globalisation is now slowing down.

India is also going through a difficult phase after demonetisation and GST implementation. The Non-Performing Assets (NPA) of the banking industry mainly public sector banks have grown phenomenally and is increasing day-by-day. The resolution platform created through Insolvency and Bankruptcy Code, 2016 is getting crowded and the resolutions are getting held-up beyond its mandatory deadline. The lending institutions are mainly focusing on recovery of its bad assets and new lending is growing at minimal rate. There is an atmosphere of no confidence amongst lending institutions and promoter community. Such uncertainties is not conducive for growth of the business in India.

In summary, though Indian Economy is witnessing slowdown as compared to earlier years, it is still fairly in good state. Growth in public investments for infrastructure is driving GDP while private investment is still waiting. There are concerns regarding bad assets of financial institutions and current account deficit. With stability in operationalizing GST regime in India, Government investment in infrastructure and continued commitment to fiscal prudence augur well for Indian Economy.

Business Overview

Zicom Electronic Security Systems Ltd. is engaged in the business of distribution of e-Surveillance Equipments; such as CCTV cameras, monitors, DVRs / NVRs and other accessories. Fire Equipments; such as sensors, fire extinguishers, Access Control Equipments; such as proximity / biometric based locks and other accessories and Home Safety Equipments; such as Video Door Phones and Home Intrusion Alarm.

Our primary objective is to drive the market with innovative products, latest technology under brand of Zicom. Due to impact of “Make in India” initiative and to remain cost effective, Zicom is negotiating with several overseas manufacturers to set-up joint manufacturing facility to regain the market share.

The market for security and surveillance product is estimated around Rs. 6,000 crore and is expected to grow CAGR of 20% in next 3-5 years. The key growth drivers for the distribution market include customer industry growth, increasing threat perception and reducing product prices. Monitoring of premises by CCTV equipment is getting regulated by the Government. “Make in India” initiative of the Government is driving the product price downwards which in turn is driving economic growth.

There are numerous competitors in the security and surveillance distribution market ranging from small assemblers to MNCs such as UTC, Honeywell, HID. Zicom distributes the products through numerous channel partners across the country; however loyalty for specific brand is not of much relevance to the channel partner.

Zicom's Distribution business today is going through difficult time due to non-availability of working capital. Resources crunch has impacted stocking strength of various products by Zicom for making it available to channel partners on time. As availability of variety of the products is a key factor for driving the business of the distribution, Zicom is moving slowly on the business path for the time being. Also, Zicom is not investing enough resources to increase the Brand recall which has also affected its performance.

Zicom pioneered the concept of providing Security as a Service (SaaS) in India. Zicom SaaS provides wide range of services from simple surveillance equipment monitoring to advanced video analytics. The services offered by Zicom SaaS can be classified in following broad categories based on complexity of services.

Uptime surveillance systems

This includes daily health check-up of equipment, replacement of faulty equipment and regular preventive maintenance.

Alarm Monitoring

This service is being offered mainly to BFSI segment which include installation of various sensors such as vibration sensors, motion sensors, heat / temperature sensors, unidentified object sensors, shutter up / down sensors, etc. These services are mainly offered for monitoring ATMs.

Live Feed Monitoring

This includes live monitoring of sites based on trigger generated by various sensors.

Trend based analytical services

This includes employee behaviour monitoring, customer behaviour monitoring, footfall counting, etc.

The overall size of the Zicom SaaS market is estimated around Rs. 300 crores with potential to grow above Rs. 5,000 crores in next 5 years. The demand for SaaS services will arrive mainly from BFSI, Retail & Hospitality, Educational Institutions, Hospitals, Distribution Centres, etc. The key growth driver for SaaS market includes functionality assurance, cost benefits and enhanced flexibility and analytics. By outsourcing security through SaaS model, customers get assurance of working conditions of all sensors and transfer risk of obsolescence and AMC to Service Provider. Also, customer need not pay up-front Capex and can benefit from reduction in Opex cost incurred on security guard. These services are mainly suited for organisation having multi-site operations.

Zicom SaaS e-SaaS services are mainly driven through two business divisions i.e. Enterprise Division which focus on Retail Chains, Banks, Financial Services and Insurance (BFSI) companies, Gold Loan Sector companies, Food Chains, Entertainments, Health Care, Education, Logistics, Warehouse, Commercial Establishments, SMEs, etc. and Make Your City Safe (MYCS) Division which focus on housing societies in Mumbai, Pune, Ahmedabad and Hyderabad.

On the Enterprise side, Zicom SaaS is recognised for its Pan India multi segment presence but faces implementation challenges on account of weakness in investing up-front capex cost for providing services. Despite this Zicom SaaS has succeeded in renewing its existing contracts by engaging proactively with the customers. Unlike Enterprise Division, MYCS Division moves slowly on adding sites as each customer represents one site. BFSI contributes significantly to e-SaaS revenue.

However, Corporate Insolvency Resolution Process (CIRP) was initiated, on a petition filed by Punjab National Bank, against Zicom SaaS, which was admitted vide an Order dated March 18, 2020, received by the Interim Resolution Professional on August 11, 2020 (Insolvency Commencement Date) of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the Hon'ble NCLT Order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors stands suspended and same are being exercised by Resolution Professional in terms of the provisions of Sections 17 and 20 of the Code.

Fire Detection and Protection Business in UAE and Qatar

Zicom's fire detection and protection business is mainly Gulf centric, particularly focused in the Middle East countries like seven emirates of United Arab Emirates, Qatar, Oman, Saudi Arabia, and surrounding Gulf Co-operation Council (GCC) countries. Therefore, any changes and development in business and economic scenario in these regions also affect our business prospects to a great extent. We carry this business under two step-down subsidiary companies, Unisafe Fire Protection Specialists LLC, Dubai ("Unisafe Dubai") and Phoenix International WLL, Qatar ("Phoenix Qatar").

The Middle East market received severe setback due to fall in the oil price in the year 2015-16 which resulted in cutback in budgetary spending. The infrastructure growth of Middle East has been slowed down substantially with many projects being stuck up leading to EPC and MEP companies facing liquidity challenges due to lack of cash flow. Many small and medium enterprises which represent over 2nd and 3rd layer players in the market are facing difficult task of survival and many moved out of the market.

The geo political situation of the region has received further set back with the embargo placed by UAE and Kingdom of Saudi Arabia on Qatar. The land route to Qatar has been blocked resulting in complete stoppage of material movement. The majority of the projects of Qatar got stalled resulting in loss of value for all companies operating in the region. Unisafe Dubai and Phoenix Qatar has received major setback due to stoppage of Projects. The biggest challenge is to recover money from such stuck up Projects. Both these companies have down sized its operations substantially. Unless Government takes effective steps to infuse funding in the economy immediately, lot of companies may find their way out of Middle East market.

Corporate Overview

All the business models of the Company, except Zicom SaaS, are undergoing challenging times. To resolve debt situation of Zicom's Group business, the Company is working with various potential investor(s) to resolve the debt situation and to bring the business on track. However, due to commencement of pandemic this initiative has been temporarily withheld.

Zicom SaaS business model requires continuous deployment of resources in capital equipments for remote surveillance. Due to overall constraint of the Group to invest in this profitable venture, Zicom SaaS could not grow as expected. Currently, Zicom SaaS is under Corporate Insolvency Resolution Process (CIRP), initiated on a petition filed by Punjab National Bank, which was admitted vide an Order dated March 18, 2020, received by the Interim Resolution Professional on August 11, 2020 (Insolvency Commencement Date), of the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the Hon'ble NCLT Order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors stands suspended and same are being exercised by Resolution Professional in terms of the provisions of Sections 17 and 20 of the Code.

During the year under review, the Bankers of the Company continue to monitor operation of the account under TRA mechanism and the Zicom SaaS is under CIRP. The Management is hopeful of revival of the business in 2020-21.

Financial Performance vis-à-vis Operational Performance, Internal Control System and its adequacy and human resources

The financial and operational performance has already been discussed at length in Directors' Report under the heads: Operational Performance; Business Developments and Prospects, Finance and Subsidiary and Joint Venture Companies. A separate para discussing on Internal Control Systems and its Adequacy and various aspects of Human Resources of the Company has also been included in Directors' Report.

Cautionary Statement

Certain statements as discussed and mentioned in the Management Discussion and Analysis and elsewhere constitute forward-looking statements articulated as the Management's expectations for the future business prospects of the Company. However, there are risks and uncertainties associated due to the general economic conditions in which the Company operates. Also, the factors like the nature of the Company's business, foreign currency fluctuations, regulatory initiatives, tender processes in the Government, Public Sector and other large undertakings, competition, etc. are not in the control of the Company. Such uncontrollable factors are crucial for success of the Company's business plans or predictions, which may cause the actual results to materially differ from the performance or achievements, discussed or implied by such forward looking statements.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Zicom Electronic Security Systems Limited

Report on the Audit of the Standalone Financial Statements

Disclaimer Opinion

We were engaged to audit the Ind AS Standalone Financial Statements of **Zicom Electronic Security Systems Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity) and the Statement of Cash Flows for the year ended on that date, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

We do not express an opinion on the accompanying Standalone 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 Standalone 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 Standalone Financial Statements.

Basis for Disclaimer of Opinion

- 1) Refer Note No. 28.12 of Audited Standalone Financial Statement 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 and therefore in the opinion of the management, liability as reflected in the Standalone financial statement is sufficient to meet proposed OTS. However in the absence of OTS approval letter from each Lender confirming the final OTS amount 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. 28.27 of Standalone Financial Statement 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 Standalone 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 CIRP or the Company would have to refund the entire amount.

- 3) Refer Note No. 28.26 of Audited Standalone Financial Statement 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 it is 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. 28.15 Audited Standalone Financial Statement 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 Standalone 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 which is shown under the head Contingent Liabilities having significant amount of Rs 5291 Lakhs 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. 25.19 of Audited Standalone Financial Statement 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.

Emphasis of Matter

- 1) Refer Note No. 28.16 of Audited Standalone Financial Statement 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. 28.14 of Audited Standalone Financial Statement 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. 28.28 of Audited Standalone Financial Statement 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 Standalone 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. 28.13 of Audited Standalone Financial Statement 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our responsibility is to conduct an audit of the entity's Standalone Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements. We are independent of the entity in accordance with the ethical requirements of the Code of Ethics issued by ICAI and as prescribed under the laws and regulations applicable to the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations in regards to the matters described in Basis of Disclaimer Opinion which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. However, this is to be read along with the significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph and the corresponding implications on the Standalone Financial Statements of the Company.
 - c) The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone financial statements for matters other than Basis of disclaimer opinion comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This is to be read along with the significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph and the corresponding implications on the Standalone Financial Statements of the Company.
 - e) The matters described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses disclaimer opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
 - i) In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year and hence the provisions of section 197 (16) of the Act are not applicable.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the implications of pending litigations on its financial position in its Standalone Financial Statements. However, the same should be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph;

- ii. The Company did not have any long term contracts including derivatives contract, for which there were any material foreseeable losses; and
- iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sonal Parekh
Partner
Membership No.139852

Mumbai, dated 21st January 2021



SAFETY COMES FIRST

Annexure A to the Auditors' Report

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under:

1. Property, Plant and Equipment's

- a) As per the information and explanation given to us the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment's.
- b) As explained to us, the Property, Plant and Equipment's have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the Company's books of accounts.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. Inventory

As explained to us, the management has conducted physical verification of inventory at reasonable intervals during the year.

In our opinion, the procedures of physical verification of inventory followed by the management needs to be strengthened in relation to the size of the Company and the nature of its business.

In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on such verification between physical inventories and the book records which were material in relation to the operations of the Company have been properly dealt with in the Company's books of account.

3. Loans to parties of Directors' interest

According to the information and explanations provided to us and as per the records examined by us, during the year, the Company has not granted any unsecured loans to bodies corporate representing the parties listed in the register maintained under Section 189 of the Act.

4. Loans/Guarantees/Investments in / Provision of Security to certain parties

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

5. Acceptance of Deposits

According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

6. Maintenance of Cost Records

The Central Government has not prescribed maintenance of cost records under section (1) of section 148 of the Act. The Company during the year under review does not have any manufacturing facility and hence the said clause was not applicable.

7. Undisputed & Disputed Statutory Dues

- (a) According to the information and explanations given to us and as per the records verified by us, the Company is not regular in depositing the undisputed statutory dues involving Provident Fund, Investor Education and Protection Fund, Professional Tax, Employee State Insurance, Customs Duty, Value Added Tax, Income Tax, Service Tax, Customs Duty, Goods & Service Tax and other statutory dues with the appropriate authorities and the arrears under the above heads which were due for more than six months from the date they become payable as at the close of the year are 1) Value Added Taxes amounting to Rs 17.12 Lakhs, 2) Dividend Distribution Tax amounting to Rs 49.35 Lakhs and 3) Income Tax (TDS) amounting to Rs 81.34 Lakhs 4) Provident Fund amounting to Rs 7.67 Lakhs 5) Professional Tax amounting to Rs 0.82 Lakhs 6) Employee State Insurance amounting to Rs 0.08 Lakhs.
- (b) As per explanations provided to us and according to the records of the Company, the following are the particulars of disputed dues on account of Income Tax that have not been deposited:

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax-Maharashtra	Disallowance of Input Tax Credit	3.82	FY 12-13	Joint Commissioner Of Appeals
Sales Tax-Maharashtra	Disallowance of Input Tax Credit	3649.63	FY 14-15	Joint Commissioner Of Appeals
Sales Tax-Maharashtra	Disallowance of Input Tax Credit	1100.62	FY 15-16	Joint Commissioner Of Appeals
GST	Disallowance of Credit	17.91	FY 17-18	Assessing Officer-AO not passed
GST	Disallowance of Credit	20.65	FY 18-19	Assessing Officer-AO not passed
Sales Tax-Gujarat	Disallowance of Input Tax Credit	0.14	FY 12-13	Joint Commissioner Of Appeals
Sales Tax-Gujarat	Disallowance of Input Tax Credit	2.33	FY 13-14	Joint Commissioner Of Appeals
Sales Tax-Gujarat	Disallowance of Input Tax Credit	1.09	FY 14-15	Joint Commissioner Of Appeals
Sales Tax-Gujarat	Disallowance of Input Tax Credit	2.17	FY 15-16	Joint Commissioner Of Appeals
Sales Tax-Gujarat	Disallowance of Input Tax Credit	0.40	FY 16-17	Joint Commissioner Of Appeals
Sales Tax-Karnataka	Disallowance of Input Tax Credit	68.78	FY 13-14	Joint Commissioner Of Appeals
Sales Tax-Karnataka	Disallowance of Input Tax Credit	94.24	FY 14-15	Joint Commissioner Of Appeals
Sales Tax-Kerala	Disallowance of Input Tax Credit	27.49	till 11-12	Joint Commissioner Of Appeals
Sales Tax-Kerala	Disallowance of Input Tax Credit	0.64	FY 12-13	Joint Commissioner Of Appeals
Sales Tax-Kerala	Disallowance of Input Tax Credit	0.14	FY 13-14	Joint Commissioner Of Appeals

Sales Tax-Kerala	Disallowance of Input Tax Credit	1.38	FY 14-15	Joint Commissioner Of Appeals
Sales Tax-Kerala	Disallowance of Input Tax Credit	0.10	FY 15-16	Joint Commissioner Of Appeals
Sales Tax-Kerala	Disallowance of Input Tax Credit	36.23	FY 16-17	Joint Commissioner Of Appeals
Sales Tax-West Bengal	Disallowance of Input Tax Credit	36.18	FY 15-16	Joint Commissioner Of Appeals
Sales Tax-West Bengal	Disallowance of Input Tax Credit	11.68	FY 16-17	Joint Commissioner Of Appeals
Income Tax	Disallowance of Expenses and penalty thereon	6.61	FY 08-09	Commissioner of Income Tax (Appeals)
Income Tax	Disallowance of Expenses and penalty thereon	84.72	FY 11-12	Commissioner of Income Tax (Appeals)
Income Tax	Transfer pricing adjustment and penalty there on	58.35	FY 12-13	Commissioner of Income Tax (Appeals)
Income Tax	Transfer pricing adjustment and penalty thereon	66.04	FY 13-14	Commissioner of Income Tax (Appeals)

8. Loans from Banks/Financial Institutions/ Government/Debentures

Based on our audit procedures, books of account and as explained to us, we are of the opinion that, during the year, the Company has defaulted in repayment of dues to any banks as well as financial institution the same is given in table below. Further, No debentures were issued or were outstanding during the year. Further as stated in the Independent Auditors report 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.

Name of Bank	Amount (in Rs. lakhs)
Industrial Development Bank of India	6,100.49
Bank of Baroda	3,185.25
Union Bank Of India	1,907.73
Allahabad Bank	2,585.87
Central bank of India	4,437.60
The Saraswat Co – op Bank Ltd	2,525.66
DBS Bank	913.31
Total Amount	21,655.91

9. Proceeds of Public issue (including debt instruments) /Term Loans

The Company has not raised any money during the year through initial / further public offer (including debt instruments). Also, the Company has not availed any term loans during the current or earlier years and hence the matter of application of the same doesn't arise.

10. Frauds on or by the Company

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.

11. Managerial Remuneration

During under our review, the Company has not provided managerial remuneration and hence provision of section 197 is not applicable to the Company.

12. Nidhi Companies

The Company is not a Nidhi company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 is not applicable to the Company.

13. Related Party Transactions

As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the Company were in compliance with Sections 177 and 188 of the Act, to the extent applicable to the Company during the year. The relevant details in respect of the same have been appropriately disclosed as per the requirements of the Accounting Standard.

14. Preferential Issue

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.

15. Non-cash Transactions with Directors, etc.

As per the information and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of Section 192 of the Act.

16. Provisions of 45-IA of the Reserve Bank of India Act, 1934

As per the information and explanations provided to us and based on the overall operations of the Company, the Company is a Non-banking Finance Company within the definition of Section 45-IA of the Reserve Bank of India Act, 1934 and has been registered as such with the RBI.

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

Sonal Parekh
Partner
Membership No.139852

Mumbai, dated 21st January 2021

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Zicom Electronic Security Systems Limited** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone financial statements of the Company comprising Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity) and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

Management's Responsibility for Internal Financial Controls :

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

Auditors' Responsibility :

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting :

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting :

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

Opinion:

In our opinion, the Company does not have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31st, 2020, there have been lapses with regards to Trade Receivable and Loans and Advances, Statutory Dues based on the internal control over financial reporting criteria established by the Company and hence we have considered disclaimer of opinion considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sonal Parekh
Partner
Membership No.139852

Mumbai, dated 21st January 2021

Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note	As at Mar 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	1,359	1,464
(b) Goodwill	3	-	909
(c) Other Intangible Assets	3	1	4
(d) Investments in Subsidiaries, Joint Ventures and Associates	4(i)	2,500	2,500
(e) Financial Assets			
(i) Investments	4(ii)	0	0
(ii) Loans	5(i)	3	7
Total Non-Current Assets		3,863	4,884
Current Assets			
(a) Inventories	6	18	362
(b) Financial Assets			
(i) Trade Receivables	7	216	1,156
(ii) Cash and Cash Equivalents	8	16	16
(iii) Bank Balances Other Than Cash and Cash Equivalents	9	77	86
(iv) Loans	5(ii)	76	122
(v) Other Financial Assets	10	57	1
(c) Other Current Assets	11	17	45
Total Current Assets		475	1,788
TOTAL ASSETS		4,338	6,672
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	4,122	4,122
(b) Other Equity	13	(19,842)	(16,352)
(c) Share Warrants		-	-
Total Equity		(15,719)	(12,230)
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15(i)	2,075	1,326
(b) Provisions	16(i)	13	9
(c) Deferred Tax Liabilities (Net)	17	617	367
Total Non-Current Liabilities		2,704	1,701
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	12,753	12,669
(ii) Trade Payables	18	3,875	3,716
(b) Other Current Liabilities	19	682	763
(c) Provisions	16(ii)	21	27
(d) Current Tax Liabilities (Net)	20	22	26
Total Current Liabilities		17,353	17,200
Total Liabilities		20,058	18,901
TOTAL EQUITY AND LIABILITIES		4,338	6,672

Significant Accounting Policies

1

As per our attached report of even date

For and on behalf of the Board of Directors

For S M M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place : Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note	March 31, 2020	March 31, 2019
Income			
Revenue From Operations	21	235	883
Other Income	22	15	9
Finance Income	23	4	5
Total Income		253	897
Expenses			
Purchase Of Stock-In-Trade	24	312	889
Changes In Inventories Of Finished Goods, Stock-In-Trade and Work-In-Progre	24	345	2,287
Employee Benefits Expense	25	238	340
Finance Costs	26	4	4
Depreciation and Amortization Expense	2,3	46	51
Other Expenses	27	2,216	3,785
Total Expenses		3,161	7,355
Profit/(Loss) before Exceptional Items and Tax		(2,907)	(6,458)
Exceptional items		(333)	6,039
Profit/(Loss) before Tax		(3,240)	(419)
Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		249	(254)
Total Tax Expense		249	(254)
Profit/(Loss) For The Year		(3,490)	(165)
Other Comprehensive Income			
(i) Items That Will Not Be Reclassified To Profit Or Loss			
(a) Remeasurements Of Defined Benefit Plans		-	2
Income Tax Effect		-	-
		-	2
(b) Revaluation of Land and Buildings		-	-
Income Tax Effect		-	-
		-	-
(c) Equity Instruments Through Other Comprehensive Income - Net Change In Fair		-	-
Income Tax Effect		-	-
		-	-
Total Other Comprehensive Income		-	2
Total Comprehensive Income For The Year		(3,490)	(163)
XI. Basic and Diluted Earnings Per Share (Face value Rs.10)		(8.46)	(0.40)

As per our attached report of even date

For and on behalf of the Board of Directors

For S M M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place: Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2020

(₹ in Lakhs)

(A) Equity Share Capital	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	412	4,122	202	2,020
Add: Forfeited Shares	-	-	-	-
Add: Investments in Shares	-	-	210	2,102
Balance at the end of the reporting period	412	4,122	412	4,122

(B) Other Equity	Reserves & Surplus						Equity Instruments through Other Comprehensive Income	Trust for Investment in Shares	Total
	Capital Reserve	Debenture Redemption Reserve	Share Premium	General Reserve	Retained Earnings	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)			
Balance as at 31st March 2019	1,155	-	18,658	296	(36,800)	-	339	-	(16,352)
Profit for the year	-	-	-	-	(3,490)	-	-	-	(3,490)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	1,155	-	18,658	296	(40,290)	-	339	-	(19,842)
Balance as at 1st April 2018	1,155	-	18,658	296	(36,634)	-	338	-	(16,188)
Profit for the year	-	-	-	-	(165)	-	-	-	(165)
Other Comprehensive Income for the year	-	-	-	-	-	-	2	-	2
Dividends	-	-	-	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-	-	-	-
Tax of Earlier Years	-	-	-	-	(1)	-	-	-	(1)
Premium Received on Allotment of Shares	-	-	-	-	-	-	-	-	-
Forfeit of Warrants	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	1,155	-	18,658	296	(36,800)	-	339	-	(16,352)

As per our attached report of even date
See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

For S M M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place : Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
A. Cash Flow From Operating Activities		
Net Profit / (Loss) Before Extraordinary Items And Tax	(2,907)	(6,458)
Adjustments For:		
Depreciation, Impairment And Amortisation	46	51
Finance Costs	4	4
Interest Received	(4)	(5)
Sundry Balances Written Off / (Written Back)	668	3,291
Remeasurements Of Defined Benefit Plans through OCI	-	2
Tax of Earlier Year	-	-
(Profit) / Loss On Sale / Write Off Of Fixed Assets	971	-
Profit / (Loss) On Sale / Write Off Of Investment	(271)	6,039
Subtotal	1,414	9,382
Operating Profit / (Loss) Before Working Capital Changes	(1,493)	2,924
Changes In Working Capital:		
<i>Adjustments For (Increase) / Decrease In Operating Assets:</i>		
Inventories	345	2,287
Trade Receivables	272	(373)
Other Current Assets	27	788
<i>Adjustments For Increase / (Decrease) In Operating Liabilities:</i>		
Trade Payables	159	74
Other Current Liabilities	(81)	(863)
Other Long-Term Liabilities	749	1,326
Short-Term Provisions	(5)	4
Long-Term Provisions	4	(3)
Subtotal	1,471	3,239
Cash Generated From Operations	(22)	6,163
Net Income Tax (Paid) / Refunds	(3)	(7)
Net Cash Flow From / (Used In) Operating Activities (A)	(26)	6,156
B. Cash Flow From Investing Activities		
Capital Expenditure On Fixed Assets	-	(4)
Impairment of Asset	(62)	-
Short-Term Loans And Advances	(9)	6
Long-Term Loans And Advances	4	0
Loans To Subsidiaries And Other Body Corporate	-	-
Interest Received	4	5
(Purchase) / Sale Of Long-Term Investments		
Purchase of Investment	-	-
Net Cash Flow From / (Used In) Investing Activities (B)	(63)	8
C. Cash Flow From Financing Activities		
Net Increase / (Decrease) In Working Capital Borrowings	84	(6,265)
Increase / (Decrease) In Short Term Borrowing	-	-
Increase in Share Capital including Securities Premium	-	-
Fluctuation Gain	-	-
Finance Cost	(4)	(4)
Dividends Paid	-	-
Net Cash Flow From / (Used In) Financing Activities (C)	80	(6,268)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(9)	(105)
Cash And Cash Equivalents At The Beginning Of The Year	101	206
Cash And Cash Equivalents At The End Of The Year	92	101

See accompanying notes forming part of the financial statements
As per our attached report of even date

For and on behalf of the Board of Directors

For S M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place: Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

Note 1: Significant Accounting Policies and Notes on Accounts**1 Corporate Information**

Zicom Electronic Security Systems Ltd. is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the marketing and selling of Electronic security systems and equipments. The company also provides annual maintenance services for Electronic security products.

2 Significant Accounting Policies:**2.1 Basis of preparation, measurement and significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). These are the Company's first Ind AS financial statements and accordingly, Ind AS 101, 'First-time Adoption of Indian Accounting Standards' has been applied. The policies set out below have been consistently applied during the year presented.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These financial statements for the year ended March 31, 2018 are for the first time the Company has prepared in accordance with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in note 3 below.

b. Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- ▶ Land and buildings classified as property, plant and equipment
- ▶ Derivative financial instruments,
- ▶ Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- ▶ Contingent consideration, and
- ▶ Non-cash distribution liability

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

c. Recent accounting pronouncements

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The amendments do not have any material impact on the financial statements of the Company.

d. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

e. Current versus non-current classification

The assets and liabilities reported in the Balance Sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the Balance Sheet date; Current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

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

An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

f. Cost Recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in purchase of goods, employee benefit expenses,

g. Foreign currency translation:**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency

ii. Transactions and balances

- (I) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (II) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (III) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Companies (Accounting Standards) (Second Amendment) Rules 2011, wherein:
 - Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
 - An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of twelve months or more at the date of origination of the asset or the liability, which is determined taking into consideration the terms of the payment/settlement as defined under the respective agreement/ memorandum of understanding.
- (IV) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

h. Property, plant and equipment

Under the previous GAAP (Indian GAAP), Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:

On transition to Ind AS (1st April 2016), all of its property, plant and equipment whose fair value can be measured reliably are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

i. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

j. Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss.

k. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

n. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

► Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

► Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

o. Revenue recognition

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty provisions for general repairs on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold.

Amount received from the customers for admitting them as member of Company's various schemes are credited to revenue account in the year in which membership is allotted.

Rendering of Services

Revenue from the installation of safety equipments is recognised based on the terms of the contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. This is generally during the early stages of installation where the equipment and fabrics needs to pass through the customer's quality testing procedures as part of the installation.

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income from Banks and Fixed Deposits are booked as and when accrued. Interest income is included in finance income in the statement of profit and loss.

Guarantee Commission Income

Guarantee Commission Income on Corporate Guarantee given by holding company on behalf of its foreign subsidiaries is recognised as at the end of the reporting period and is included in revenue in the statement of profit and loss.

Dividend Income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

p. Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
-
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Investments in subsidiaries are measured at cost less impairment.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

- I. the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the
- II. received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

q. Financial liabilities**I. Classification as debt or equity**

- a. Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.
- b. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

II. Initial recognition and measurement

- a. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
- b. The Company's financial liabilities include borrowings, dues to holding company and creditors for capital expenditure.

III. Subsequent measurement

The measurement of financial liabilities depends on their classification.

IV. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

r. Provisions, Contingent Liabilities and Contingent Assets:**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

s. Income tax

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Advance Tax and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and the income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

t. Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

u. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v. Employee Benefits**i. Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in Other Comprehensive Income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii. Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

iii. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

3 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017. The Company's opening Ind AS Balance Sheet has been prepared as at April 01, 2016, the date of transition to Ind AS.

3.1 Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

(a) Ind AS optional exemptions**Deemed cost**

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS at fair value or previous GAAP carrying value and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets". Accordingly, the company has elected to measure Land class in its Property and Plant at their fair values and all other assets at deemed cost. The company has elected to use previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38 "Intangible Assets".

Investments in subsidiaries and associates

The Company has elected to adopt the fair values for its investments as on the date of transition to IND AS i.e. April 1, 2016 in its financial statements

(b) Ind AS mandatory exemptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

(₹ in Lakhs)								
2	Property, Plant And Equipment	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvements
	Cost Or Valuation							
	At 31 March 2018	1,188	228	3,580	86	19	355	119
	Additions						4	
	Disposals							
	Revaluation Recognised In OCI							
	At 31 March 2019	1,188	228	3,580	86	19	358	119
	Additions			1				
	Disposals							
	Revaluation Recognised In OCI							
	At 31 March 2020	1,188	228	3,581	86	19	358	119
	Depreciation And Impairment							
	At 31 March 2018	-	86	3,423	76	18	346	119
	Depreciation Charge For The Year		3	33	4	0	7	
	Additional Depreciation							
	Disposals							
	At 31 March 2019	-	89	3,456	80	19	353	119
	Depreciation Charge For The Year		3	33	3	0	3	
	Additional Depreciation/ Impairment			62				
	Disposals/Impairment							
	At 31 March 2020	-	92	3,552	83	19	356	119
	Net Book Value							
	At 31 March 2020	1,188	136	30	3	0	2	-
	At 31 March 2019	1,188	139	124	6	0	6	-
	At 31 March 2018	1,188	143	157	10	1	9	-
3	Intangible Assets	Goodwill	Computer Software	Total				
	At 31 March 2018	2,019	96	2,116				
	Additions	-	-	-				
	At 31 March 2019	2,019	96	2,116				
	Additions	(2,019)	-	(2,019)				
	At 31 March 2020	-	96	96				
	Amortisation And Impairment							
	At 31 March 2018	1,111	89	1,200				
	Amortisation		3	3				
	Revalued in OCI	-	-	-				
	At 31 March 2019	1,111	92	1,203				
	Amortisation		3	3				
	Impairment	(1,111)						
	At 31 March 2020	-	95	95				
	Net Book Value							
	At 31 March 2020	-	1	1				
	At 31 March 2019	909	4	913				
	At 31 March 2018	909	7	916				

Revaluation of plant & machinery

The revalued assets consist of plant and machineries with the Company. The management determined that this constitute a separate class of asset under Ind AS 113, based on the nature, characteristics and risks of the machines. Fair value of the assets was determined by estimating their useful life and capacity. As at the date of revaluation 6th December 2017, the said assets' fair value is based on valuations performed by Anmol Sekhri Consultants Pvt. Ltd., an accredited independent valuer who has relevant valuation experience for last many years. Method for calculating fair value has been provided in Note 28.1(i). Further during the year under review the Company has indentified certain asset as obsolete and no longer usable based on it written down value of the asset is impaired and the same has been charged off to profit and loss account under the head impairment of Asset amounting to Rs 62 Lacs.

Impairment Testing of Goodwill

The Company does not considers the value of goodwill shown in the books to be of any future economic value and thus decided to revalue the said asset, based on the above an impariment of Rs 909 lacs has been done which is shown under the head Impariment of Asset.

Notes forming part of the Financial Statements

(₹ in Lakhs)

4(i) Investments In Subsidiaries, Joint Ventures and Associates	March 31, 2020	March 31, 2019
Investments at fair value through OCI (fully paid)		
Unquoted Equity Instruments		
Investment in Group Company		
120,000 (2019: 120,000) Equity Shares having Face Value of ₹ 10 Per Share in ASTM Skills Pvt. Ltd (Formerly Known as Institute of Advanced Security Training & Management Pvt. Ltd.)	12	12
Less : Provision for Dimunition in Value of Investment	(12)	(12)
Total	-	-
Unquoted Preference Instruments		
Investment in Group Company		
7,250,000 (2019: 7,250,000) 1% Non-Cumulative Optionally Convertible Preference Shares having Face Value of ₹ 10 Per Share in ASTM Skills Pvt. Ltd (Formerly Known as Institute of Advanced Security Training & Management Pvt. Ltd.)	725	725
Less : Provision for Dimunition in Value of Investment	(725)	(725)
Total	-	-
Total FVTOCI investments	-	-
Investments at fair value through P&L (fully paid)		
Unquoted equity shares		
Investment in Subsidiaries		
2,450 (2019: 2,450) Shares having Face Value of AED 1,000 per share in Unisafe Fire Protection Specialists LLC, Dubai	1,722	1,722
50 (2019: 50) Shares having Face Value of QAR 1000 per share in Phoenix International WLL, Qatar	885	885
20,000,000 (2019: 20,000,000) Equity Shares having Face Value ₹ 10 per share in Zicom SaaS Pvt. Ltd. (Refer Note No.28.27)	2,500	2,500
5,000,000 (2019: 5,000,000) Equity Shares having Face Value ₹ 10 per share in Unisafe Fire Protection Specialists India Pvt. Ltd.	500	500
5 (2019: 5) Ordinary Shares having Face Value SGD 1 per share in Unisafe Fire Protection Specialists Singapore Pte Ltd., Singapore	0	0
1 (2019: 1) Ordinary Share having Face Value SGD 1 per share in Zicom Security Projects Pte. Ltd., Singapore	0	0
Less : Provision for Dimunition in Value of Investment	(3,107)	(3,107)
Total FVTPL investments	2,500	2,500
Total (A)	2,500	2,500
4(ii) 313		
Un-Quoted Equity Instrument		
2,500 (2019: 2,500) Equity Shares having Face Value of ₹ 10 Per Share in Saraswat Co-op Bank Ltd.	0	0
Total (B)	0	0
Total Investments	2,500	2,500
Current	-	-
Non-Current	2,500	2,500
Aggregate amount of quoted investment (Market value: Nil (2019 - Nil))	-	-
Unquoted Investments	2,500	2,500
Aggregate amount of impairment in value of investments	3,844	3,844

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity and preference securities.

Impairment on FVTOCI investments

In the current year, the company has identified but does not require any impairment of investment on FVTOCI equity securities and preference securities.

Impairment on FVTPL investments

The Company in its previous year has made provision towards Investments made in respect of its subsidiary Companies amounting to Rs. 3,106.97 Lakhs as due to financial stress in subsidiary Companies, they were unable to repay loan given to them. Further the networth of the said Subsidiary Companies have also been eroded. The above impairment losses is mainly on account of investment made in Middle East subsidiaries and resultant losses caused to subsidiaries on account of slow-down in economic situation in UAE and Qatar.

5 Loans	March 31, 2020	March 31, 2019
Loans (Unsecured considered good unless otherwise stated)		
Security Deposit		
Deposits	78	129
Loans (Unsecured considered doubtful)		
Loans to related party		
Loan to subsidiaries	15,530	15,528
Less : provision for doubtful loans	(15,530)	(15,528)
Total Loans	78	129
(i) Non-Current	3	7
(ii) Current	76	122
Total	78	129

Loans and Advances

The Company had during the previous year has made provision towards doubtful recovery of Loans & Advances to subsidiary and group companies amounting to Rs. 15,530 Lakhs as due to financial stress in those Companies, they were unable to repay loan given to them further the networth of the said Companies have also been eroded. The above impairment losses is mainly on account of loan given to Middle East subsidiaries and resultant losses caused to subsidiaries on account of slow-down in economic situation. Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company although the Company has not recognised any interest income during the current year due to the provision made.

6 Inventories	March 31, 2020	March 31, 2019
Raw materials (at cost)	-	-
Work in progress (at cost)	-	-
Finished goods (at lower of cost and net realisable value)	18	362
Total inventories at the lower of cost and net realisable value	18	362

7 Trade Receivables	March 31, 2020	March 31, 2019
Trade Receivables (Refer Note 28.26)	216	1,156
Total Trade Receivables	216	1,156
Break-up for security details:		
Trade Receivables		
Unsecured, considered good	216	1,156
Total	216	1,156
Unsecured, considered doubtful	0	95
Impairment Allowance (allowance for bad and doubtful debts)	(0)	(95)
Total	-	-
Total Trade Receivables	216	1,156

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For terms and conditions relating to related party receivables, Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

8 Cash and Cash Equivalent	March 31, 2020	March 31, 2019
Balance With Bank		
In Current Accounts	13	8
Cash on Hand	2	8
	16	16

9 Bank Balance other than Cash and Cash Equivalent	March 31, 2020	March 31, 2019
Other Bank Balance		
Unpaid Dividend	8	8
Deposits with original maturity of less than three months*	68	78
Cheques/ drafts on hand	-	-
	77	86

The FDs are margin money towards the bank guarantees issued by the company. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

10 Other Financial Assets	March 31, 2020	March 31, 2019
Advances Recoverable in Cash or Kind	-	1
GST Unutilised Input Credit	57	
Total	57	1

11 Other Current Assets	March 31, 2020	March 31, 2019
Unsecured, considered good		
Advance Recoverable from Statutory Authority	-	-
Loans and advances to Employees	-	2
Advance to Suppliers	17	43
Prepaid Expenses	-	0
Unsecured, considered doubtful		
Advance to Suppliers	2	2
Less : Provision for doubtful advances	(2)	(2)
Total	17	45



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12 Equity Share Capital

(₹ in Lakhs)

Authorised Share Capital	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Equity Shares				
Opening Balance	500	5,000	500	5,000
Increase/(decrease) during the year	-	-	-	-
Closing Balance	500	5,000	500	5,000
Issued Equity Capital				
Equity shares of INR 1 each issued, subscribed and fully paid				
Opening Balance	412	4,122	412	4,122
Increase/(decrease) during the year	-	-	-	-
Closing Balance	412	4,122	412	4,122

Shares Held By Each Shareholder Holding More Than 5% Of Equity Share Capital

	March 31, 2020		March 31, 2019	
	Number	Percentage	Number	Percentage
IDBI Bank Limited ^{\$}	86.39	20.96%	87.73	21.28%
Bank of Baroda ^{\$}	64.47	15.64%	64.47	15.64%
Union Bank of India ^{\$}	32.58	7.90%	32.58	7.90%
Central Bank of India ^{\$}	18.83	4.57%	18.83	4.57%
Allahabad Bank ^{\$}	6.63	1.61%	6.63	1.61%
Baronet Properties & Investments Pvt. Ltd	2.36	0.57%	15.36	3.73%
Coronet Properties & Investments Pvt. Ltd.	8.86	2.15%	13.86	3.36%
Aark Singapore Pte. Ltd.	0.63	0.15%	10.88	2.64%
V. Raman Kumar	Nil	Nil	3.90	0.95%
Atim Kabra	Nil	Nil	10.41	2.52%
Frontline Strategy Limited [#]	Nil	Nil	2.24	0.54%
Sudha Darab Dubash	Nil	Nil	0.69	0.17%
Arvind Darab Dubash	Nil	Nil	0.71	0.17%
Darab Dubash Private Limited [@]	Nil	Nil	0.35	0.08%

^{\$} All Banks are together holding 51% shareholding under Strategic Debt Restructuring Scheme of Reserve Bank of India

[#] Is a Company wherein Mr. Atim Kabra is a Director and Shareholder holding 100% share capital, directly and indirectly, and hence both are PAC of each other.

[@] Is a Company wherein Mrs. Sudha Darab Dubash and Mr. Arvind Darab Dubash are Directors and Shareholders holding 100% share capital, jointly, and hence all are PAC of each other.

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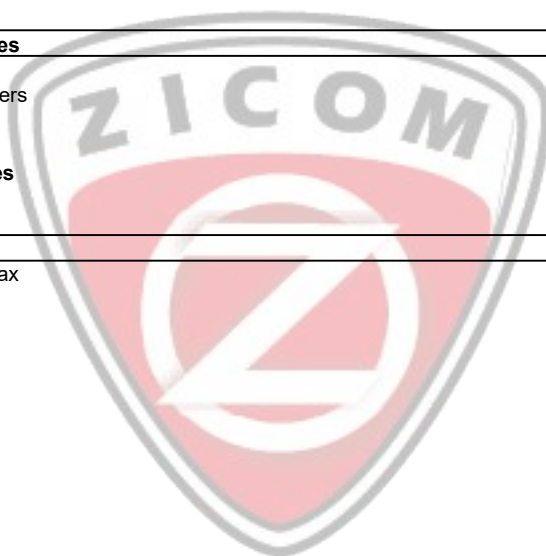
		(₹ in Lakhs)	
13	Other Equity	March 31, 2020	March 31, 2019
	Other Reserves		
	Share Premium	18,658	18,658
	Capital Reserve	1,155	1,155
	General Reserve	296	296
	OCI Reserve	339	339
	Retained Earnings	(40,290)	(36,800)
	Total	(19,842)	(16,352)
	Share Premium		
	Opening Balance	18,658	18,658
	Increase/(decrease) during the year	-	-
	Closing Balance	18,658	18,658
	Capital Reserve		
	Opening Balance	1,155	1,155
	Increase/(decrease) during the year	-	-
	Closing Balance	1,155	1,155
	General Reserve		
	Opening Balance	296	296
	Increase/(decrease) during the year	-	-
	Closing Balance	296	296
	OCI Reserve		
	Opening Balance	339	338
	Increase/(decrease) during the year	-	2
	Closing Balance	339	339
	Retained Earnings		
	Opening Balance	(36,800)	(36,634)
	Profit for the year	(3,490)	(165)
	Proposed Dividend on Equity Share	-	-
	Tax of Earlier Year	-	(1)
	Tax on Dividend	-	-
	Closing Balance	(40,290)	(36,800)
14	Borrowings	March 31, 2020	March 31, 2019
	i Non-Current Liabilities	-	-
	ii Current Liabilities		
	Term Loans		
	<u>Secured Bank Loans</u>		
	Cash Credit from Banks (Secured)	9,176	9,542
	Short Term Loan I	3,127	3,127
	Short Term Loan II	-	-
		12,303	12,669
	<u>From Other Parties</u>		
	From Directors & Others	450	-
	From Related Parties	-	-
	Total Current Borrowings	12,753	12,669

Note-

1. Cash Credit from Banks and Guarantees issued by Banks as mentioned in clause (a) of Notes 28.12 are secured by the first charge ranking pari passu on current assets of the company and second charge ranking pari passu by way of hypothecation of Plant & Machinery, and other fixed assets, Equitable Mortgage of properties situated in Mumbai and Bengaluru and Negative Lien on Office Premises at Delhi. Further secured by Personal Guarantee of Directors and Pledge of 925,000 shares of the Company held by Promoter and Promoter Group Companies.

2. Short Term Loan - I and SBLC mentioned in clause (b) of notes 28.12 are secured by the first charge by way of hypothecation of moveable Machinery and other Fixed Assets and Equitable Mortgage of properties situated in Mumbai and Bengaluru and second charge on Current Assets of the company.

15 Other Financial Liabilities	March 31, 2020	March 31, 2019
i Non-Current Liabilities		
Deposits	-	-
Deposit for Brand Zicom	2,075	1,326
Total Non-Current Liabilities	2,075	1,326
16 Provisions	March 31, 2020	March 31, 2019
i Non Current Provisions		
Leave Encashment (Refer Note 28.29)	7	8
Gratuity (Refer Note 28.29)	6	0
Total Non Current Provisions	13	9
ii Current Provisions	March 31, 2020	March 31, 2019
Gratuity (Refer Note 28.29)	21	27
Total Current Provisions	21	27
18 Trade Payables	March 31, 2020	March 31, 2019
Trade Payables	3,875	3,716
	3,875	3,716
19 Other Current Liabilities	March 31, 2020	March 31, 2019
Unpaid Dividends	8	8
Advances from Customers	10	128
Other Payable	416	478
Creditors - Statutory	248	148
Total Current Liabilities	682	763
20 Current Tax Liabilities	March 31, 2020	March 31, 2019
Provision For Income Tax	22	26
Total	22	26



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(₹ in Lakhs)

17 Deferred Tax	Balance Sheet		Statement of Profit and Loss	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax relates to the following:				
Difference in WDV as per Income Tax Act and Companies Act	(212)	(462)	(249)	254
Revaluations of land and buildings and Intangible Assets to fair value	-	-	-	-
Revaluations of FVTOCI investments to fair value	-	-	-	-
Provision for diminution of investments	-	-	-	-
Deferred tax expense/(income)			(249)	254
Net deferred tax assets/(liabilities)	(212)	(462)		
Reflected in the balance sheet as follows:				
	March 31, 2020	March 31, 2019		
Deferred tax assets	-	-		
Deferred tax liabilities	(212)	(462)		
Deferred tax liabilities (net)	(212)	(462)		
Reconciliation of deferred tax liabilities (net):				
	March 31, 2020	March 31, 2019		
Opening Balance	(367)	(621)		
Tax income/(expense) during the period recognised in profit or loss	249	254		
Tax income/(expense) during the period recognised in OCI	-	-		
Closing Balance	(118)	(367)		



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(₹ in Lakhs)

21 Revenue from Operations	March 31, 2020	March 31, 2019
Sales of Products (Refer Note 28.11)	161	785
Sale of Services	74	98
Total	235	883

(₹ in Lakhs)

22 Other Income	March 31, 2020	March 31, 2019
Rent Received	12	9
Guarantee Commission Fees	-	-
Others	2	1
Total	15	9

(₹ in Lakhs)

23 Finance Income	March 31, 2020	March 31, 2019
Interest income		
From Banks	4	5
From Subsidiaries	-	-
Total	4	5

(₹ in Lakhs)

24 Cost Of Raw Materials And Components Consumed	March 31, 2020	March 31, 2019
Cost Of Traded Goods Sold		
Inventory at the beginning of the year	362	2,649
Add: Purchases	312	889
	675	3,538
Less: Inventory at the end of the year	18	362
Cost Of Traded Goods Sold	657	3,176

(₹ in Lakhs)

25 Employee Expense	March 31, 2020	March 31, 2019
Salaries and Wages	230	317
Contribution to Provident and Other Funds	3	16
Staff Welfare Expenses	5	7
Total	238	340

(₹ in Lakhs)

26 Finance Costs	March 31, 2020	March 31, 2019
Interest	0	-
Bank Charges	3	4
Total	4	4

(₹ in Lakhs)

27 Other Expenses	March 31, 2020	March 31, 2019
Advertisement	5.43	2
Auditor's Remuneration	11.00	14
Business Promotion	7.08	12
Communication	15.12	21
Directors' Sitting Fees	2.69	2
Net (Gain) / Loss on Exchange Fluctuation	136.66	103
Insurance	1.11	5
Legal And Professional	78.96	96
Membership & Subscription	0.36	1
Power and Fuel	26.12	26
Printing And Stationery	5.67	3
Rates And Taxes	4.82	6
Rent and Compensation	142.88	154
Repairs And Maintenance - Buildings	0.88	-
Repairs And Maintenance - Machinery	-	2
Repairs And Maintenance - Others	0.16	1
Travelling And Conveyance	39.30	28
Sundry Balance Written off (Net)	668.44	3,291
Impairment of Asset (Refer Note No 2.1 and 3.1)	970.86	-
Interest on Statutory Liability	91.69	-
Miscellaneous Expenses	6.66	17
Total	2,215.88	3,785

Auditor's Remuneration	March 31, 2020	March 31, 2019
Payments to the auditors comprises (net of service tax input credit/GST, where applicable):		
As Auditors - Statutory Audit	11	14
For Other Services	-	-
Total	11	14

28.1 (i) Revaluation of Plant & Machinery

Method for fair value hierarchy disclosures for revalued assets have been provided below:

Fair value hierarchy disclosures for revalued assets.**Significant unobservable valuation input:**

- Full description of the equipment giving the capacity
- Year of purchase
- Technological obsolescence
- Total life = depend upon machinnery
- Age in life = current year - purchase year
- Residual life = total life - age in life
- **Current value = Gross block * residual life / total life**

28.2 Contingent Liabilities	March 31, 2020	March 31, 2019
Guarantees issued by Bank (Gross)	60	60
Corporate Guarantee and Indemnities	82,348	76,632
Indirect Tax Matters	5,076	4,179
Income Tax Matters	216	129
Claim Lodged by Customers Not Acknowledged as Debt	-	889

28.3 Lease:**Operating Lease**

The Company's significant leasing arrangements are in respect of office premises taken on lease. The arrangements are generally from 11 months to 36 months. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Statement of Profit and Loss for the year and included under Rent and Compensation. During the year company has not renewed the lease agreement and thus future lease payments are considered NIL.

Future minimum lease payments under non cancellable operating lease: (₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Not later than one year	-	170
Later than one year and not later than five years	-	4
Later than five years	Nil	Nil
Lease Payment for the year recognised in the Statement	143	154

28.4 Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

28.5 During the previous year, the Joint Lenders Forum (JLF) invoked Strategic Debt Restructuring (SDR) Scheme under Reserve Bank of India (RBI) Circulars thereby converting part of the outstanding dues / loans into fully paid-up equity shares constituting 51% of the paid-up capital of the Company.

Under the SDR Scheme, on February 14, 2017, the Company issued and allotted 21,024,312 Equity Shares, on preferential basis, at a conversion price of Rs.43.05 per Equity Share, to the following JLF Lenders :-

Name of Lenders	No. of Equity Shares allotted
IDBI Bank	86,39,069
Bank of Baroda	64,46,723
Union Bank of India	32,58,475
Central Bank of India	18,83,327
Allahabad Bank	6,62,676

Further, in terms of SEBI Circular, bearing no. SEBI-NRO/OIAE/GN/2015-16/003 dated May 5, 2015; the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 are not applicable to any allotments to be made to banks and financial institutions pursuant to a Strategic Debt Restructuring Scheme, subject to the fulfillment of certain conditions.

28.6 Related Party Transactions**Details of related parties:**

Names of related parties	Description of relationship
Unisafe Fire Protection Specialists LLC, Dubai	Subsidiary Company
Zicom SaaS Pvt. Ltd.	Subsidiary Company
Unisafe Fire Protection Specialists India Pvt. Ltd.	Subsidiary Company
Phoenix International WLL, Qatar	Subsidiary Company
Unisafe Fire Protection Specialists Singapore Pte. Ltd.	Subsidiary Company
Zicom Security Projects Pte. Ltd., Singapore	Subsidiary Company
ASTM Skills Pvt. Ltd. (Formerly known as Institute for Advanced Security Training and Management Pvt. Ltd.)	Group Company
GSD Properties & Trading Pvt Ltd	Other Companies (OC)
Baronet Properties & Investments Private Limited	Promoter Group Companies (PGC)
Coronet Properties & Investments Private Limited	Promoter Group Companies (PGC)
Chaitraban Farms Private Limited	Other Companies (OC)
Fastflow Consultant Pvt Ltd	Other Companies (OC)
Mr. Manohar Bidaye	Key Management Personnel (KMP)
Mr. Pramoud Rao	Key Management Personnel (KMP)
Mr. Ayalin Nadar (from 12th February 2019)	Key Management Personnel (KMP)
Ms. Kunjan Trivedi	Key Management Personnel (KMP)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended and balances outstanding:

Particulars	Subsidiaries		KMP	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions during the year				
Purchase	104	146	Nil	Nil
Sale	32	111	Nil	Nil
Corporate Guarantee	Nil	4,727	Nil	Nil
Deposit towards Brand	749	Nil	Nil	Nil
Loans / advance taken	Nil	Nil	30	Nil
Remuneration / Salary	Nil	Nil	13	67
Balances outstanding at the end of the year				
Loans and advances	15,530	15,528	30	Nil
Other Receivable / (Payable)	(2,075)	(1,314)	(53)	(59)

Particulars	Group Company		PGC / OC	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions during the year				
Unsecured Loan taken	Nil	Nil	420	Nil
Balances outstanding at the end of the year				
Unsecured Loans	Nil	Nil	420	Nil

Loans and Advances in the nature of Loans given to subsidiaries:

Name of the company	As at	Maximum Balance for the Year Ended on	As at	Maximum Balance for the Year Ended on
	March 31, 2020*		March 31, 2019*	
Unisafe Fire Protection Specialists LLC - Dubai	1,650	1,650	1,650	1,650
Unisafe Fire Protection Specialists Singapore Pte Ltd. Singapore	7,405	7,405	7,405	7,405
Zicom Security Projects Pte. Ltd., Singapore	6,205	6,205	6,205	6,205
Unisafe Fire Protection Specialist India Pvt. Ltd.	Nil	Nil	Nil	Nil
Phoenix International WLL, Qatar	267	267	267	267

* Provision for loss of non recoverable loans & advances given to subsidiaries

28.7 Segment Reporting:

The Company has only one reportable segment namely "Security and Safety".

28.8 During the year the Company has made provision towards diminution of its Long Term investments as referred in Note 4.

28.9 In the opinion of the Management, the Current Assets and Loans and Advances as shown in the books are expected to realise at their Book Values in the normal course of business and adequate provision have been made in respect of all known liabilities.

28.10 Details on unhedged foreign currency exposures

Particulars	Currency	March 31, 2020	March 31, 2019
Trade Receivable, Loans, Advances & Deposits	USD	NIL	NIL
	QAR	NIL	NIL
Trade Payable and Acceptances	USD	31,58,277	32,38,332

(` Lakhs)

Particulars	March 31, 2020	March 31, 2019
Value of imports calculated on CIF basis		
Raw Material	-	-
Expenditure in Foreign Currency		
On Payment Basis		
Travelling	0.77	0.80

28.11 Product wise details for the year ended

Sales	(₹ in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Safety Products	6	6
Security Products	155	778
Total	161	785
Inventory	(₹ in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Safety Products	1	7
Security Products	17	355
Total	18	362
Purchase	(₹ in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Safety Products	-	3
Security Products	151	495
Total	151	498

28.12 The Company has total outstanding Term Loan and working capital loan of Rs. 12303 Lakhs. The term loan and working capital loan has been classified as Non Performing Assets (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 was in advanced stage of negotiation with bankers for one time settlement (OTS) of its dues. However the OTS settlement has not materialised, 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.

28.13 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

28.14 The Company does not considers the value of goodwill shown in the books to be of any future economic value and thus decided to revalue the said asset, based on the above an impairment of Rs 909 lacs has been done which is shown under the head Impairment of Asset.

28.15 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 in fi-ashuchlre and with unbroken brand reputation; hence the accounts have been prepared on going concern basis.

28.16 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. 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.

28.17 The Company has taken conscious decision to reduce its focus on trading business due to increase in competition, reduction in margins, constraint of working capital and challenges in recovery of payments from dealers / channel partners. The Company is working out alternative business plan to substitute and add new technology driven products with service element to drive future growth of the Company.

28.18 The Company on conservative approach, has not booked interest income on loans and Corporate Guarantee given to its subsidiary companies since the Company has provided for its loans and advances and investments made in subsidiary companies as the said companies were unable to repay loan given to them further the networth of the said Companies have also been eroded.

28.19 Certain balances under the heads Trade Receivable, Loans & Advances, Trade Payables are subject to confirmations from the respective parties and consequential reconciliation which may arise on receipt of the said confirmations, amount unascertainable. However, the management has provided/written off balances not recoverable/payable.

28.20 Fair value measurements

(a)

Financial instruments by category

The carrying value of financial instruments as at March 31, 2020 is as follows:

(₹ in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	216	216
Cash and cash equivalents	-	-	16	16
Bank Balances Other Than Cash and Cash Equivalents	-	-	77	77
Loans	-	-	78	78
Investments (Other than subsidiary)	-	-	0	0
Other financial assets	-	-	57	57
Total financial assets	-	-	444	444
Financial liabilities				
Borrowings	-	-	12,753	12,753
Other financial Liability	-	-	2,075	-
Trade Payables	-	-	3,875	3,875
Total financial liabilities	-	-	18,703	18,703

The carrying value of financial instruments as at March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	1,156	1,156
Cash and cash equivalents	-	-	16	16
Bank Balances Other Than Cash and Cash Equivalents	-	-	86	86
Loans	-	-	129	129
Investments (Other than subsidiary)	-	-	0	0
Other financial assets	-	-	1	1
Total financial assets	-	-	1,388	1,388
Financial liabilities				
Borrowings	-	-	12,669	12,669
Trade Payables	-	-	3,716	3,716
Other payable	-	-	1,326	1,326
Total financial liabilities	-	-	17,711	17,711

Carrying value of all the above financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of the said assets and liabilities subsequently measured at amortised cost is not significant in each of the years presented.

(b)

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following levels:

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

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

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

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments (Other than subsidiary)		0	-	0.25
Total financial assets	-	0	-	0.25
Financial liabilities				
Derivative Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

(₹ in Lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments (Other than subsidiary)		0	-	0.25
Total financial assets	-	0	-	0.25
Financial liabilities				
Derivative Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

28.21

Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(a) Credit risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents and financial assets carried at amortised cost

Credit risk management

Credit risk is managed at company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operation of the company in accordance with practice and limits set by the company.

28.22 Maturities of financial liabilities

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

March 31, 2020	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	-	-	-	-
Trade Payable	449	3,426	-	3,875
Other financial liabilities	2,075	-	-	2,075
Total financial liabilities	2,524	3,426	-	5,950

(₹ in Lakhs)

March 31, 2019	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	-	-	-	-
Creditors for supplies and services	729	2,987	-	3,716
Other financial liabilities	1,326	-	-	1,326
Total financial liabilities	2,054	2,987	-	5,042

28.23 Capital Management(a) Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity on a periodic basis. Equity comprises all components of equity includes the fair value impact. The following table summarizes the capital of the Company:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Equity	(15,719)	(12,230)

28.24 The company has received Rs.2075 lakhs from its subsidiary company, Zicom SaaS Private limited till 31st March 2020 towards Sale of "Zicom" Brand as per agreement. The company is hopeful of receiving the balance amount and it is shown under deposits.

28.25 The Company has identified certain asset as obsolete and no longer usable based on it written down value of the asset is impaired and the same has been charged off to profit and loss account under the head impairment of Asset amounting to Rs 62 Lacs.

28.26 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 balances.

- 28.27 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 subsidiary company, Zicom SaaS Private Limited (Company) under the provisions of Insolvency and Bankruptcy Code, 2016 (Code). The value of the subsidiary company under CIRP is expected to be fully realised as per management estimate.
- 28.28 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

- 28.29 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 balances.



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28.30 Employee Benefit Plans

An Amount of Rs.0.33 Lakhs (2019: Rs.6.30 Lakhs) in respect of Gratuity and Rs. Nil (2019: Rs. Nil) In respect of Leave Encashment is recognised as expense and included in Employee Benefit Expense (Note No. 25) in the Statement of Profit and Loss.

During the current year, the Company has not made provision for leave encashment since the same was having a reversing impact.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	(₹ in Lakhs)			
	March 31, 2020		March 31, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	33	8	36	11
Interest cost	2	1	2	1
Current service cost	2	3	5	5
Past Service Cost -(vested benefits)	-	-	-	-
Actuarial (gains) / losses	(9)	(6)	(2)	(9)
Benefits paid	(1)	-	(8)	-
Present value of DBO at the end of the year	28	6	33	8
Change In Fair Value Of Assets During The Year				
Plan assets at beginning of the year	6	-	14	-
Adjust. to Opening fair value of plan assets	(5)	-	-	-
Expected return on plan assets excluding interest income	0	-	(0)	-
Interest Income	0	-	1	-
Actual company contributions	-	-	-	-
Benefits paid	(1)	-	(8)	-
Actuarial gain / (loss)	-	-	-	-
Plan assets at the end of the year	0	-	6	-
Amount Recognised in Statement of Profit and Loss				
Current service cost	2	3	5	5
Interest cost	2	1	2	1
Past service cost (vested benefits)	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial losses/(gains)	-	(6)	-	(9)
Expense recognised in the Statement of Profit and Loss	5	(2)	6	(3)
Other Comprehensive Income (OCI)				
Actuarial gain / (loss) recognised for the period	(9)	-	(2)	-
Asset limit effect	-	-	-	-
Return on Plan Assets excluding net interest	(0)	-	(0)	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(9)	-	(2)	-
Net asset / (liability) recognised in the Balance Sheet				
Opening Net Liability	27	8	23	11
Expenses as above	5	(2)	6	(3)
Adjustment to opening balance	5	-	-	-
Contribution paid	-	-	-	-
Other Comprehensive Income (OCI)	(9)	-	(2)	-
Net asset / (liability) recognised in the Balance Sheet	27	6	27	8
Actuarial assumptions				
Discount rate	6.80%	6.80%	7.67%	7.67%
Rate of increase in compensation	4.00%	4.00%	4.00%	4.00%
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Withdrawal Rates	N.A.	N.A.	N.A.	N.A.

General Description of significant defined plans**Gratuity Plan**

Gratuity is payable to all eligible employees on the completion of five years of service in the event of resignation, retirement, permanent disablement or death.

Leave Plan

Eligible employees can carry forward the leaves as per the leave policy of the company and is payable at separation on account of retirement, permanent disablement or death.

Broad Category of plan assets relating to Gratuity as a percentage of total plan assets

	March 31, 2020	March 31, 2019
Government of India Securities	Nil	Nil
High Quality Corporate bonds	Nil	Nil
Equity Shares of Listed Companies	Nil	Nil
Property	Nil	Nil
Policy of Insurance	100	100
Total	100	100

Defined contribution plans

	(₹ in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund	3	2



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28.31 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
Profit attributable to equity holders of the parent:		
Continuing operations	(3,490)	(165)
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	(3,490)	(165)
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	(3,490)	(165)
Weighted average number of Equity shares for basic EPS	412	412
Effect of dilution:	-	-
Share options	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	412	412
Earnings per share (Basic)	(8)	(0)
Earnings per share (Diluted)	(8)	(0)

For S M M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh

Partner

Place : Mumbai

Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

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INDEPENDENT AUDITOR'S REPORT

To the Members of Zicom Electronic Security Systems Limited

Report on the Audit of the Consolidated Financial Statements

Disclaimer Opinion

We were engaged to audit the Ind AS Consolidated Financial Statements of **Zicom Electronic Security Systems Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries and associate (the Holding Company and its subsidiaries and associates together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

We do not express an opinion on the accompanying Consolidated 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 Consolidated 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 Consolidated Financial Statements.

Basis for Disclaimer of Opinion

- 1) Refer Note No. 27.16 of Audited Consolidated Financial Statement of the Group 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 Rs 12,303 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 OTS approval letter from each Lender confirming the final OTS and settlement done by bank with CIRP. 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 Statement. Further, since the said loans are NPA balance appearing under the Head Borrowings and Other Current Liabilities in respect of the said loans are also unconfirmed from lenders.
- 2) Refer Note No. 27.15 of Audited Consolidated Financial Statement 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 respectively 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 amount on amount recoverable/performance.

- 3) Refer Note No. 27.25 of Audited Consolidated Financial Statement of the Group 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 Statement 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) 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 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 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.
- 5) Refer Note No. 27.20 of Audited Consolidated Financial Statement of the Group which 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. 27.17 of Audited Consolidated Financial Statement which states that 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. 27.21 of Audited Consolidated Financial Statement 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 Statement.
- 8) Refer Note No. 27.18 of Audited Consolidated Financial Statements 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) We did not audit the financial statements of any of the subsidiaries, included in the consolidated annual financial statements, whose annual financial statements reflect total assets of Rs. 25,139 Lakhs as at 31st March 2020, total revenue of Rs. 6,514 Lakhs and net loss of Rs. 13,413 Lakhs for the year ended on that date, whose annual financial statements have not been audited by us. Further, in respect of 2 Indian Subsidiary Company and one foreign Subsidiary Company, financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial Statement, to the extent they have been derived from such annual financial statements is based solely on the reports of such auditors. Further, in respect of 3 Foreign Subsidiary Companies we have been provided with Management Drawn accounts whose annual financial statements reflect total assets of Rs. 1,563 Lakhs as at 31st March 2020, total revenue of Rs. Nil Lakhs and net loss of Rs. 1170 Lakhs for the year ended on that date, whose annual financial statements have not been audited by any auditor. Hence we are unable to comment where the said financial statement may have any impact on the financial of the Group but the same is presently unascertainable.

We do not express an opinion on the accompanying Financial Statement 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 statement 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 Statement.

Emphasis of Matter

- 1) Refer Note No. 27.26 of Audited Consolidated Financial Statement 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/PA-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 Statement 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. Pramod 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 Statement 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. 27.22 of Audited Consolidate Financial Statement 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. 27.23 of Audited Consolidated Financial Statement 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. 27.27 of Audited Consolidated Financial Statement 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 Statement. Considering the continuing uncertainty, as explained, the management will continue to closely monitor any material changes to future economic conditions.
- 5) Refer Note No. 27.24 of Audited Consolidated Financial Statement 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, total Comprehensive Income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our responsibility is to conduct an audit of the entity's Consolidated Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements. We are independent of the entity in accordance with the ethical requirements of the Code of Ethics issued by ICAI and as prescribed under the laws and regulations applicable to the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

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

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations in regards to the matters described in Basis of Disclaimer Opinion which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. However, this is to be read along with the significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph and the corresponding implications on the Consolidated Financial Statements of the Company.
- c) The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated financial statements for matters other than Basis of disclaimer opinion comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This is to be read along with the significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph and the corresponding implications on the Consolidated Financial Statements of the Company.
- e) The matters described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

- i) In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year are within the limits of provisions of section 197 (16) of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the implications of pending litigations on its financial position in its Consolidated Financial Statements. However, the same should be read with the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph;
 - ii. The Company did not have any long term contracts including derivatives contract, for which there were any material foreseeable losses; and
 - iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.



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

Sonal Parekh
Partner
Membership No. 139852
UDIN : 21139852AAAACI1625

Mumbai, dated 21st January 2021

SAFETY COMES FIRST

Annexure A to the Auditors' Report*(Referred to in paragraph (g) of our report of even date)***Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Zicom Electronic Security Systems Limited** ("the Company") as of 31st March, 2020 and its subsidiary (collectively referred to as "the Group"), as at 31st March 2020 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

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

Auditor's Responsibility :

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

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

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

Meaning of Internal Financial Controls over Financial Reporting :

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting :

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

Opinion :

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as per the size of the Group and nature of its business in respect of as at March 31st, 2020, in respect of Trade Receivables, Loans and Advances, Statutory Dues, Fixed Assets and Capital Work In Progress, based on the internal control over financial reporting criteria established by the Group and hence we have considered disclaimer of opinion considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sonal Parekh
Partner
Membership No. 139852
UDIN : 21139852AAAACII625

Mumbai, dated 21st January 2021

Consolidated Balance Sheet for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	3,199	4,914
(b) Capital work-in-progress		182	6,517
(C) Goodwill	3(i)	990	2,746
(d) Other Intangible Assets	3(ii)	172	116
(e) Financial Assets			
(i) Investments	4	0	0
(ii) Loans	5(i)	230	7
Total Non-Current Assets		4,773	14,301
Current Assets			
(a) Inventories	6	683	2,938
(b) Financial Assets			
(i) Trade Receivables	7	17,238	34,305
(ii) Cash and Cash Equivalents	8	79	179
(iii) Bank Balances other than Cash and Cash Equivalents	9	530	5,370
(iv) Other Financial Assets	10	4,785	10,099
(d) Other Current Assets	11	1,388	2,059
Total Current Assets		24,705	54,950
TOTAL ASSETS		29,478	69,251
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	4,122	4,122
(b) Other Equity	13	(88,089)	(35,986)
(c) Non Controlling Interest		315	1,600
Total Equity		(83,652)	(30,263)
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(i)	13,756	10,083
(ii) Other Financial Liabilities	15(i)	2,186	98
(b) Provisions	16(i)	633	156
(c) Deferred Tax Liabilities (Net)	17	(190)	(406)
Total Non-Current Liabilities		16,385	9,930
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(ii)	76,462	54,583
(ii) Trade Payables	19	9,501	18,943
(b) Other Current Liabilities	18	10,736	15,804
(c) Provisions	16(ii)	46	254
Total Current Liabilities		96,745	89,584
Total Liabilities		1,13,129	99,514
TOTAL EQUITY AND LIABILITIES		29,478	69,251
Significant Accounting Policies			
As per our attached report of even date		For and on behalf of the Board of Directors	
For S M M P & Associates Chartered Accountants		Manohar Bidaye Chairman	Pramoud Rao Managing Director
Sonal Parekh Partner Place : Mumbai Date: 21st January 2021		Ayalin Nadar Chief Financial Officer	Kunjan Trivedi Company Secretary

Statement of Consolidated Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	March 31, 2020	March 31, 2019
Income			
Revenue from Operations	20	6,600	8,794
Other Income	21	163	26
Finance Income	22	4	5
Total Income		6,767	8,824
Expenses			
Purchase of Stock-In-Trade	23	4,241	4,961
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	345	2,287
Employee Benefits Expense	24	1,414	1,934
Finance Costs	25	1,166	4,832
Depreciation and Amortization Expense	2,3	6,443	3,431
Other Expenses	26	9,704	24,386
Total Expenses		23,313	41,832
Profit/(Loss) Before Tax & Exceptional Items		(16,546)	(33,007)
Exceptional items		333	(6,039)
Profit/(Loss) Before Tax		(16,879)	(26,969)
Tax Expense			
1. Current Tax		-	145
2. Deferred Tax		216	(464)
Total Tax Expense		216	(318)
Profit/(Loss) For The Year		(17,095)	(26,650)
Minority Interest		(192)	(1,262)
		(16,903)	(25,388)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		2	4
Income Tax Effect		-	-
		2	4
(b) Revaluation of Assets		-	-
Income Tax Effect		-	-
		-	-
(c) Equity instruments through Other Comprehensive Income- net change in fair value		-	-
Income Tax Effect		-	-
		-	-
Total Other Comprehensive Income		2	4
Total Comprehensive Income for the Year		(16,901)	(25,384)
XI. Basic and Diluted Earnings Per Share (Face value Rs. 10)		(41.00)	(61.69)

As per our attached report of even date

For and on behalf of the Board of Directors

For S M P & Associates
Chartered AccountantsManohar Bidaye
ChairmanPramoud Rao
Managing DirectorSonal Parekh
Partner
Place : Mumbai
Date: 21st January 2021Ayalin Nadar
Chief Financial OfficerKunjan Trivedi
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
A. Cash Flow From Operating Activities		
Net Profit / (Loss) Before Extraordinary Items And Tax	(16,879)	(26,969)
Adjustments For:		
Depreciation And Amortisation	6,443	3,431
(Profit) / Loss On Sale / Write Off Of Assets	(6)	10
Loss of Subsidiary of previous years	(30,514)	
Finance Costs	1,166	4,832
Interest Received	(4)	(5)
Sundry Balance Written Off / Provision for Doubtfull Debt	4,940	21,708
Remeasurements of defined benefit plans	2	4
	(17,974)	29,980
Operating Profit / (Loss) Before Working Capital Changes	(34,853)	3,012
Changes In Working Capital:		
<i>Adjustments For (Increase) / Decrease In Operating Assets:</i>		
Inventories	2,255	4,543
Trade Receivables	12,127	(14,645)
Long-Term Loans And Advances	(223)	0
Other Financial Assets	5,313	10,323
Other Current Assets	671	3,931
<i>Adjustments For Increase / (Decrease) In Operating Liabilities:</i>		
Trade Payables	(9,443)	(1,012)
Other Current Liabilities	(4,972)	6,566
Other Long-Term Liabilities	2,089	13
Short-Term Provisions	(208)	(2,246)
Long-Term Provisions	477	(492)
Subtotal	8,086	6,982
Cash Generated From Operations	(26,767)	9,993
Net Income Tax (Paid) / Refunds	(15)	(58)
Net Cash Flow From / (Used In) Operating Activities (A)	(26,783)	9,936
B. Cash Flow From Investing Activities		
Capital Expenditure On Fixed Assets, Including Capital Advances	(2,725)	(1,667)
Proceeds From Sale Of Fixed Assets	6,055	(8)
Interest Received	4	5
Net Cash Flow From / (Used In) Investing Activities (B)	3,334	(1,670)
C. Cash Flow From Financing Activities		
Minority Interest	(1,093)	181
Increase in Share Capital including Securities Premium	0	0
Net Increase / (Decrease) In Working Capital Borrowings	21,879	1,673
Net Increase / (Decrease) In Of Long Term Borrowings	3,578	(7,962)
Finance Cost	(1,166)	(4,832)
Foreign Currency Translation Reserve	(4,688)	2,271
Changes in Legal Reserve	0	50
Net Cash Flow From / (Used In) Financing Activities (C)	18,509	(8,619)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(4,939)	(354)
Cash And Cash Equivalents At The Beginning Of The Year	5,550	5,904
Cash And Cash Equivalents At The End Of The Year	610	5,550

As per our attached report of even date

For and on behalf of the Board of Directors

For S M M P & Associates
Chartered Accountants

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place : Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

Notes forming part of the Consolidated Financial Statements

Significant Accounting Policies

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, Except for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by central government in consultation and recommendation for the National Financial Reporting Authority, the existing Accounting Standards Notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be 12 month for the purpose of current- non current classification of assets and liabilities.

1.1 Basis of Accounting:

The Financial Statements are prepared in accordance with the historical cost convention.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Principles of Consolidation:

The consolidated financial statements include the financial statements of Zicom Electronic Security Systems Limited (the parent company) and its subsidiaries as detailed herein after.

The consolidated financial statements have been prepared on the basis of AS 21 – “Consolidated Financial Statements”, as notified by the Companies (Accounting Standards) Rules 2006.

Subsidiaries

The excess of cost to the parent company of its investment in the subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in such subsidiaries was made is recognised in the financial statements as goodwill. The parent company's portion of equity in such subsidiaries is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions.

The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets and liabilities as at the year end and income and expenses till the date of cessation of Holding-Subsidiary relationship or till year end, as the case may be, after eliminating Intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from Intra-group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.

The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. Goodwill arising on consolidation is amortised over its estimated useful life i.e. ten years. Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances except where it is not practicable to do so. Minority interest's share of net profit is adjusted against the income to arrive at the net income attributable to shareholders. Minority interest's share of net assets is presented separately in the balance sheet

The following subsidiary companies are considered in the consolidated financial statements:

Name of the Subsidiary Company	Country of Incorporation	% of holding as at March 31, 2020
Unisafe Fire Protection Specialists LLC, Dubai, (Consolidated)	Dubai (U.A.E.)	49% in Equity and Profit Sharing in the Ratio of 95% to Company : 5% to Minority (Subsidiary by virtue of control over composition of Board of Directors)
Phoenix International WLL	Qatar	49% in Equity and Profit Sharing in the Ratio of 95% to Company : 5% to Minority (Subsidiary by virtue of control over composition of Board of Directors)
Zicom SaaS Pvt. Ltd.	India	100% Subsidiary
Unisafe Fire Protection Specialists India Pvt. Ltd.	India	100% Subsidiary
Unisafe Fire Protection Specialists Singapore Pte. Ltd.	Singapore	100% Subsidiary
Zicom Security Projects Pte. Ltd.	Singapore	100% Subsidiary

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The significant accounting policies are as follows:

1.4 Fixed Assets, including Intangible Assets / Capital Work-in-Progress:

Fixed assets including intangible assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds relating to acquisition of fixed assets up to the date of commissioning/commercial exploitation of assets.

Capital Work-in-Progress is carried at cost, comprising direct cost related incidental expenses and interest on borrowings there against.

1.5 Depreciation / Amortisation

Tangibles:

Depreciation on fixed assets is provided on useful life in accordance with Schedule II of the Companies Act, 2013.

Leasehold improvements incurred on rented premises are written off over a period of three years.

Intangibles:

Cost of software is amortised over a period of five years Goodwill purchased is amortised on a pro-rata basis from the month of acquisition over a period of ten years.

1.6 Investments

Investments are stated at 'cost'. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments. Current investments are valued at lower of cost or net fair value.

An investment in the shares of subsidiary Companies outside India is stated at cost by converting at the rate of exchange at the time of their acquisition.

1.7 Valuation of Inventories:

Materials, Stores and Spares are valued at cost on First In First Out Basis.

Work-in-Progress, finished goods and trading goods are valued at cost or realizable value whichever is lower.

Goods-in-transit are valued at cost. In respect of goods undergoing customs clearance, no provision has been made for the customs duty liability. However, this practice does not have any impact on the profit for the period.

1.8 Foreign Exchange Fluctuations :

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rates. The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

1.9 Revenue recognition:

Sales are recognised when goods are supplied in accordance with the terms of sale and are recorded net of trade discounts, rebates and sales tax. Income from services is accrued as per terms of relevant agreement.

Income and Expenditure are accounted on an accrual basis. Dividend income is recognised when the right to receive dividend is established by the reporting date.

Amount received from the customers for admitting them as member of Company's various schemes are credited to revenue account in the year in which membership is allotted.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of Profit and Loss.

1.10 Retirement Benefits:

i. Contribution to defined contribution schemes such as Provident Fund and Employer's Pension Scheme is charged to the Statement of Profit and Loss.

ii. Payments to the employees' Gratuity Trust Fund, after taking into account the funds available with the trustees of the Gratuity Fund, is based on actuarial valuation carried out at the end of the year. Actuarial gains or losses arising from such valuation are charged to revenue in the year in which they arise.

iii. Provision for leave encashment has been accrued and provided for at the end of the financial year, on the basis of actuarial valuation. Actuarial gains or loss arising from such valuation are charged to revenue in the year in which they arise.

1.11 Taxation :

Provision for Income Tax is made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that has been enacted as of the Balance Sheet date.

Deferred Tax Assets are recognized on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

1.12 Impairment of Assets:

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

1.13 Borrowing Costs

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Statement of Profit and Loss.

1.14 Provisions for Contingencies:

A provision is recognised when:

- i. The company has a present obligation as a result of a past event;
- ii. It is probable that an outflow of resources embodying economic benefits which will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation

The Company provides for warranty cost based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

1.15 Leases

- i. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the Lease.
- ii. Assets given under operating leases are included in Fixed Assets. Lease income is recognised in the Statement of Profit and Loss on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

1.16 Accounting of Employee Stock Option Scheme:

In respect of options granted during any accounting period, intrinsic value (excess of market price of share over the exercise price or the option) is treated as employee compensation in the financial statements of the company which is amortised on a straight-line basis over the vesting period.

Notes forming part of the Consolidated Financial Statements

Notes forming part of the Consolidated Financial Statements										(₹ in Lakhs)
		Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	CWIP	Total
2	Property, Plant And Equipment									
Cost Or Valuation										
At 31 March 2019		1,188	228	15,474	1,388	1,125	1,206	189	6,517	27,315
Additions		-	-	4,640	-	-	2	-	(1)	4,642
Disposals		-	-	(3,484)	-	-	(573)	-	(6,334)	(10,391)
At 31 March 2020		1,188	228	16,629	1,388	1,125	636	189	182	21,565
Depreciation And Impairment										
At 31 March 2019		-	89	12,935	1,294	806	571	188		15,884
Depreciation Charge For The Year**		-	3	5,434	51	42	18	-		5,549
Disposals		-	-	(3,248)	-	-	-	-		(3,248)
At 31 March 2020		-	92	15,121	1,345	848	590	188		18,185
Net Book Value										
		Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	CWIP	Total
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs		
At 31 March 2020		1,188	136	1,508	43	277	47	0	182	3,381
At 31 March 2019		1,188	139	2,539	94	319	635	0	6,517	11,431

SAFETY COMES FIRST

Notes forming part of the Consolidated Financial Statements

(₹ in Lakhs)

3	Intangible Assets	Goodwill on	Computer	
		Consolidation	Goodwill	Software
				Total
	At 31 March 2019	8,462	2,019	337
	Acquisition Of A Subsidiary	-	(2,019)	102
	At 31 March 2020	8,462	-	439
	Amortisation And Impairment			
	At 31 March 2019	6,624	1,111	220
	Amortisation	848	-	47
	Impairment	-	(1,111)	-
	At 31 March 2020	7,472	-	267
	Net Book Value			
	At 31 March 2020	990	-	172
	At 31 March 2019	1,838	909	116

Revaluation of land

The revalued land consists of office property in India. The management determined that this constitute a separate class of asset under Ind AS 113, based on the nature, characteristics and risks of the property. Fair value of the property was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 14th September 2017, the property's fair value is based on valuations performed by V.S. Jadon & Co. Valuers LLP, an accredited independent valuer who has relevant valuation experience for similar office properties in India for the last five years. Fair value hierarchy disclosures for revalued land have been provided in Note

Revaluation of plant & machinery

The revalued assets consist of plant and machineries with the Company. The management determined that this constitute a separate class of asset under Ind AS 113, based on the nature, characteristics and risks of the machines. Fair value of the assets was determined by estimating their useful life and capacity. As at the date of revaluation 6th December 2017, the said assets' fair value is based on valuations performed by Anmol Sekhri Consultants Pvt. Ltd., an accredited independent valuer who has relevant valuation experience for last many years. Further during the year under review the Company has identified certain asset as obsolete and no longer usable based on it written down value of the asset is impaired and the same has been charged off to profit and loss account under the head impairment of Asset amounting to Rs 62 Lacs.

Impairment Testing of Goodwill

The Company does not considers the value of goodwill shown in the books to be of any future economic value and thus decided to revalue the said asset, based on the above an impairment of Rs 909 lacs has been done which is shown under the head Impairment of Asset.

(₹ in Lakhs)

4	Investments	At 31 March 2020 At 31 March 2019	
	Other Investments		
	Un-Quoted Equity Instrument		
	2,500 (2019: 2500) Equity Shares having Face Value of ₹ 10 Per Share in Saraswat Co-op Bank Ltd.	0.25	0.25
	Total	0.25	0.25
	Non-Current	0.25	0.25
	Aggregate amount of quoted investment (Market value: Nil)	-	-
	Unquoted Investments	0.25	0.25
	Aggregate amount of impairment in value of investments	-	-

(₹ in Lakhs)

5	Loans	At 31 March 2020	At 31 March 2019
	Loans (Unsecured considered good unless otherwise stated)		
	Security Deposit		
	Deposits	230	7
	Total loans	230	7
(i)	Non-Current	230	7
	Total	230	7

(₹ in Lakhs)

6	Inventories	At 31 March 2020	At 31 March 2019
	Finished goods (at lower of cost and net realisable value)	683	2,938
	value	683	2,938

(₹ in Lakhs)

7	Trade Receivables	At 31 March 2020	At 31 March 2019
	Trade receivables	17,238	34,305
	Total Trade receivables	17,238	34,305
	Break-up for security details:		
	Trade receivables		
	Unsecured, considered good	6,750	24,754
	Doubtful	10,487	9,551
	Total	17,238	34,305

(₹ in Lakhs)

8	Cash and Cash Equivalent	At 31 March 2020	At 31 March 2019
	Balance With Bank		
	– On current accounts	67	103
	Cash on hand	12	76
	Total	79	179

(₹ in Lakhs)

9	Bank Balance other than Cash and Cash Equivalent	At 31 March 2020	At 31 March 2019
	Other Bank Balance		
	Unpaid Dividend	8	11
	– Deposits with original maturity of less than three months	522	5,360
	Total	530	5,370

The FDs are margin money towards the bank guarantees issued by the company. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

(₹ in Lakhs)

10	Other Financial Assets	At 31 March 2020	At 31 March 2019
	(Unsecured considered good unless otherwise stated)		
	Advances recoverable in Cash or Kind	4,785	10,099
	Total	4,785	10,099

(₹ in Lakhs)

11	Other Current Assets	At 31 March 2020	At 31 March 2019
	(Unsecured considered good unless otherwise stated)		
	Advance Recoverable from Statutory Authority	75	69
	GST Credit	57	-
	Security deposits	602	306
	Loans and advances to Employees	32	32
	Advance to supplier	362	1,551
	Advance tax	172	11
	Prepaid Expenses	88	89
	Total	1,388	2,059

12	Equity Share Capital		
	Authorised Share Capital		
	Equity Shares		
		No. In lakhs	(₹ in Lakhs)
	At 31 March 2019	500	5,000
	Increase/(decrease) during the year	-	-
	At 31 March 2020	500	5,000
	Terms/ Rights Attached To Equity Shares		
	Issued Equity Capital		
	Equity shares of INR 1 each issued, subscribed and fully paid	No. In lakhs	(₹ in Lakhs)
	At 31 March 2019	412	4,122
	Changes during the period	-	-
	At 31 March 2020	412	4,122

Shares Held By Each Shareholder Holding More Than 5% Of Equity Share Capital

	March 31, 2020		March 31, 2019	
	Number	Percentage	Number	Percentage
IDBI Bank Limited ^{\$}	86.39	20.96%	87.73	21.28%
Bank of Baroda ^{\$}	64.47	15.64%	64.47	15.64%
Union Bank of India ^{\$}	32.58	7.90%	32.58	7.90%
Central Bank of India ^{\$}	18.83	4.57%	18.83	4.57%
Allahabad Bank ^{\$}	6.63	1.61%	6.63	1.61%
Baronet Properties & Investments Pvt. Ltd.	2.36	0.57%	15.36	3.73%
Coronet Properties & Investments Pvt. Ltd.	8.86	2.15%	13.86	3.36%
Aark Singapore Pte. Ltd.	0.63	0.15%	10.88	2.64%
V. Raman Kumar	Nil	Nil	3.90	0.95%
Atim Kabra	Nil	Nil	10.41	2.52%
Frontline Strategy Limited [#]	Nil	Nil	2.24	0.54%
Sudha Darab Dubash	Nil	Nil	0.69	0.17%
Arvind Darab Dubash	Nil	Nil	0.71	0.17%
Darab Dubash Private Limited [@]	Nil	Nil	0.35	0.08%

*Is a Director and Shareholder holding 100% share capital in Aark Singapore Pte. Ltd. and hence both are PAC of each other.

Is a Company wherein Mr. Atim Kabra is a Director and Shareholder holding 100% share capital, directly and indirectly, and hence both are PAC of each other.

@ Is a Company wherein Mrs. Sudha Darab Dubash and Mr. Arvind Darab Dubash are Directors and Shareholders holding 100% share capital, jointly, and hence all are PAC of each other.

13	Other Equity	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
	Other Reserves		
	Share Premium	18,658	18,658
	Capital Reserve	1,155	1,155
	General Reserve	296	296
	Legal Reserve	766	766
	OCI Reserve	347	347
	Foreign Currency Translation Reserve	773	5,462
	Retained Earnings	(1,10,084)	(62,669)
	Total	(88,089)	(35,986)
	Share premium		
	At 31 March 2019	18,658	18,658
	At 31 March 2020	18,658	18,658
	Capital Reserve		
	At 31 March 2019	1,155	1,155
	At 31 March 2020	1,155	1,155

General Reserve

At 31 March 2019	296	296
At 31 March 2020	296	296

Legal Reserve

At 31 March 2019	766	713
At 31 March 2020	766	713

OCI Reserve

At 31 March 2019	347	293
At 31 March 2020	347	293

Foreign Currency Translation Reserve

At 31 March 2019	5,462	3,191
Increase in FX reserve	(4,688)	2,271
At 31 March 2020	773	5,462

Retained Earnings

At 31 March 2019	(62,669)	(37,285)
Profit for the year	(16,901)	(25,384)
Previous years Subsidiary loss	(30,514)	-
At 31 March 2020	(1,10,084)	(62,669)

		(₹ in Lakhs)	
14	Borrowings	31-Mar-20	31-Mar-19
i Non-Current Liabilities			
Secured			
	1. Foreign Currency Bank Loan (Secured)	4,632	4,268
	2. Foreign Currency Bank Loan (Secured)	8,924	5,549
	3. Vehicle Loan	114	201
		13,670	10,017
UnSecured from Others			
	4. Loan I	86	66
		86	66
	Total Non-Current Liabilities	13,756	10,083
ii Current Liabilities			
Term Loan			
<u>Secured bank loan</u>			
	1. Cash Credit from Banks (Secured)	15,061	15,429
	2. Cash Credit from Banks (Secured)	1,225	1,385
	3. Cash Credit from Banks (Secured)	24,346	28,601
	4. Cash Credit from Banks (Secured)	8,161	7,799
	5. Cash Credit from Banks (Secured)	259	245
	6. Vehicle Loan	57	-
		49,108	53,459
<u>From other parties</u>			
	From Directors & Related Parties	27,354	1,124
	Total Current Borrowings	76,462	54,583

Note-

Cash Credit from Banks 1 and Part of Banking Facilities is secured by the (a) first charge ranking pari passu on current assets of the company (b) second charge ranking pari passu by way of hypothecation of Plant & Machinery, and other fixed assets and Equitable Mortgage of properties situated in Mumbai and Bengaluru and (c) negative lien on Delhi Property. Further secured by Pledge of 925,000 shares of the Company held by Promoter Group Companies and Personal Guarantee of two Directors

Cash Credits from Banks 2 and Part of Banking Facilities are secured by the first charge on current assets of the company and second charge by way of hypothecation of Plant & Machinery, and other fixed assets. Further secured by Personal Guarantee of one Director.

Cash Credits from Banks 3 and Part of Banking Facilities are secured by charge on inventories, assignment of contract receivables from certain customers, lien on FDR held with banks, pledge of 1,030,100 equity shares of the company held by Promoter and Promoter Group Companies, Personal Guarantees of two Directors of the Company.

Cash Credit from Banks 4 and Part of Banking Facilities are secured by first charge on entire immovable and movable assets of the company. It is further secured by the pledge of 100% share of the company and 49% of the acquired company and personal guarantee of two directors of the company.

Cash Credit from Banks 5 and Part of Banking Facilities are secured by Personal guarantee of one of the directors of the company and assignment of the Insurance Policy.

Vehicle Loan 6 above is secured against the asset funded.

		(₹ in Lakhs)	
15	Other Financial Liabilities	31-Mar-20	31-Mar-19
i	Non-Current Liabilities		
	Deposits	2,186.16	97.57
	Total Non-Current Liabilities	2,186.16	98

		(₹ in Lakhs)	
16	Provisions	31-Mar-20	31-Mar-19
i	Non Current Provisions		
	For Leave Encashment	633	156
	Total Non Current Provisions	633	156
ii	Current Provisions		
	For Gratuity	46	254
	Total Current Provisions	46	254

		(₹ in Lakhs)			
17	Deferred Tax	Balance Sheet		Statement of Profit and Loss	
	Deferred tax relates to the following:	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Difference in WDV as per Income Tax Act and Companies Act	(133)	(349)	(216)	470
	Revaluations of land and buildings and Intangible Assets to fair value	(14)	(14)	-	-
	Deferred tax expense/(income)			(216)	470
	Net deferred tax assets/(liabilities)	(147)	(363)		
	Reflected in the balance sheet as follows:				
		31-Mar-20	31-Mar-19		
	Deferred tax liabilities	(147)	(363)		
	Deferred tax liabilities, net	(147)	(363)		
	Reconciliation of deferred tax liabilities (net):				
			31-Mar-20		
	Opening balance as of 1 April		753		
			172		
	Tax income/(expense) during the period recognised in profit or loss		(216)		
	Closing balance as at 31 March		710		
	Relating to origination and reversal of temporary differences	-	514		
	Provision for Diminution in Value of Investment	-	(12)		
	Income tax expense reported in the statement of profit or loss	-	502		

18	Other Current Liabilities	31-Mar-20	31-Mar-19
	Other Current Liabilities		
	Unpaid Dividends	8	8
	Advances from Customers	(1,448)	726
	Other Payable	12,155	14,953
	Current maturities of long-term debt	21	116
	Total Current Liabilities	10,736	15,804

19	Trade Payables	31-Mar-20	31-Mar-19
	Trade payables	9,501	18,943
		9,501	18,943

Notes forming part of the Consolidated Financial Statements		
	(₹ in Lakhs)	
20 Revenue from Operation	March 31, 2020	March 31, 2019
Sales of Products (Refer Note 25.18)	3,013	4,508
Sale of Services	3,587	4,286
Total	6,600	8,794
	(₹ in Lakhs)	
21 Finance Income	March 31, 2020	March 31, 2019
Interest income		
From Banks	4	5
	4	5
	(₹ in Lakhs)	
22 Other Income	March 31, 2020	March 31, 2019
Other Non-Operating Income		
Rent Received	12	9
Other	151	17
Total	163	26
Other Comprehensive Income	1.75	4.35
	(₹ in Lakhs)	
23 Cost Of Raw Material And Components Consumed	March 31, 2020	March 31, 2019
Cost Of Traded Goods Sold		
Inventory at the beginning of the year	362	2,649
Add: Purchases	4,241	4,961
	4,603	7,611
Less: inventory at the end of the year	18	362
Cost Of Traded Goods Sold	4,585	7,248
	(₹ in Lakhs)	
24 Employee Expense	March 31, 2020	March 31, 2019
Salaries and Wages	1,345	1,825
Contribution to Provident and Other Funds (Refer Note No. 25.3)	36	71
Staff Welfare Expenses	32	38
Total	1,414	1,934
	(₹ in Lakhs)	
25 Finance Costs	March 31, 2020	March 31, 2019
Interest	1,025	4,710
Bank Charges	5	73
Net (Gain) / Loss on Exchange Fluctuation	137	49
Total	1,166	4,832
	(₹ in Lakhs)	
26 Other Expenses	March 31, 2020	March 31, 2019
Advertisement	33	19
Auditor's Remuneration	28	40
Business Promotion	30	73
Communication	162	206
Directors' Sitting Fees	3	2
Insurance	15	38
Legal And Professional	1,056	247
Membership & Subscription	0	1
Power and Fuel	50	77
Printing And Stationery	23	120
Rates And Taxes	17	21
Rent and Compensation	352	1,006
Repairs And Maintenance - Buildings	1	-
Repairs And Maintenance - Machinery	2	7
Repairs And Maintenance - Others	24	8
Training & Seminar	1	3
Travelling And Conveyance	224	332
Sundry Balance Written off (Net)	4,940	3,659
Interest on Statutory Liability	1,554	-
Provision for Doubtful Debt	-	18,049
Profit/(Loss) on Sale/Discard of Fixed Assets	(6)	10
Miscellaneous Expenses	1,197	468
Total	9,704	24,386
	(₹ in Lakhs)	
Auditor's Remuneration	March 31, 2020	March 31, 2019
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As Auditors - Statutory Audit	23	34
For Other Services	9	9
Total	32	43

Note 27 Additional information to the Consolidated Financial Statements

(₹ in Lakhs)

March 31, 2020 March 31, 2019**27.1 Contingent liabilities and commitments (to the extent not provided for)**

(a) Letters of Credit by Bank	1,782	1,782
(b) Bank Guarantee	199	202
(c) Sales Tax Matters	5,076	-
(d) Income Tax Matters	216	151
(d) Claim Lodged by Customers Not Acknowledged as Debt	5	5
(g) Corporate Guarantee and Indemnities	8,235	76,632

27.2 Earnings Per Share (EPS): Equity Shares of Rs 10, fully paid-up

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
A. Profit / (Loss) as per statement of Profit and Loss		
Basic	-16,901	-25,384
Diluted	-16,901	-25,384
B. Weighted Average No of Equity Shares		
Basic	412	412
Diluted	412	412
C. Earning Per share		
Basic	-41.00	-61.57
Diluted	-41.00	-61.57

27.3 Related Party Transactions**Details of related parties:**

Description of relationship	Names of related parties
Other Group Company (OGC)	ASTM Skills Pvt. Ltd. (Formerly Known as Institute for Advanced Security Training and Management Pvt. Ltd.)
Promoter Group Companies (PGC)	Baronet Properties & Investments Private Limited
Promoter Group Companies (PGC)	Coronet Properties & Investments Private Limited
Promoter Group Companies (PGC)	GSD Properties & Trading Pvt Ltd
Promoter Group Companies (PGC)	Chaitrban Farms Private Limited
Key Management Personnel (KMP)	Mr. Manohar Bidaye
Key Management Personnel (KMP)	Mr. Pramoud Rao
Relative of Key Management Personnel (KMP)	Mr. Gauri Pramoud Rao (Wife of MD)
Key Management Personnel (KMP)	Mr. Ayalin Nadar
Key Management Personnel (KMP)	Ms. Kunjan Trivedi

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended and balances outstanding:

(₹ in Lakhs)

	OGC		KMP	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions during the year				
Rent	Nil	24	Nil	Nil
Advances	Nil	88	Nil	Nil
Interest	Nil	Nil	12	6
Loans taken	Nil	Nil	30	167
Remuneration Paid	Nil	Nil	34	140
Balances outstanding at the end of the year				
Unsecured Loans	Nil	Nil	189	167
Advances	1,106	1,106	Nil	Nil
Trade Receivables / Payable	Nil	Nil	-57	-59

	PGC	
	March 31, 2020	March 31, 2019
Transactions during the year		
Interest	90	43
Loans & Advances	420	216
Balances outstanding at the end of the year		
Loans & Advances	1,735	1,206

27.4 Lease:

Disclosure as required by AS 19 - "Leases" issued by The Institute of Chartered Accountants of India are as follows:

Operating Lease:

The Company's significant leasing arrangements are in respect of office premises and residential flats taken on lease. The arrangements are generally from 11 months to 36 months. Under these agreements, generally refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are recognised in the Statement of Profit and Loss for the year and included under Rent and Compensation (Disclosed under Schedule 26).

Future minimum lease payments under non cancellable operating lease:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Not later than one year	65	162
Later than one year and not later than five years	Nil	334
Later than five years	Nil	Nil
Lease Payment made during the year recognised in the statement of profit and loss account	319	206

27.5 Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

27.6 During the previous year, the Joint Lenders Forum (JLF) invoked Strategic Debt Restructuring (SDR) Scheme under Reserve Bank of India (RBI) Circulars thereby converting part of the outstanding dues / loans into fully paid-up equity shares constituting 51% of the paid-up capital of the Company.

Under the SDR Scheme, on February 14, 2017, the Company issued and allotted 21,024,312 Equity Shares, on preferential basis, at a conversion price of Rs.43.05 per Equity Share, to the following JLF Lenders :-

Name of Lenders	No. of Equity Shares allotted
IDBI Bank	86,39,069
Bank of Baroda	64,46,723
Union Bank of India	32,58,475
Central Bank of India	18,83,327
Allahabad Bank	6,62,676

Further, in terms of SEBI Circular, bearing no. SEBI-NRO/OIAE/GN/2015-16/003 dated May 5, 2015; the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 are not applicable to any allotments to be made to banks and financial institutions pursuant to a Strategic Debt Restructuring Scheme, subject to the fulfillment of certain conditions.

27.7 Segment Reporting:

The Company has only one reportable segment namely "Security and Safety".

27.8 Details on unhedged foreign currency**exposures**

Particulars	Currency	March 31, 2020	March 31, 2019
Trade Receivable, Loans, Advances & Deposits	USD	NIL	NIL
	QAR	NIL	NIL
Trade Payable and Acceptances	USD	31,58,277	32,38,332

27.9 Product wise details for the year ended

Sales & Service

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Safety Products	2,931	3,828
Security Products	155	778
Monitoring and Maintenance Services	345	446
Surveillance Services	3,168	3,743
Total	6,599	8,795

Inventory

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Safety Products	666	2,583
Security Products	17	355
Total	683	2,938

Purchase

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Safety Products	4,090	4,467
Security Products	151	495
Total	4,240	4,962

27.10 Fair value measurements

(a) Financial instruments by category

The carrying value of financial instruments as at March 31, 2020 is as follows:

(₹ in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	17,238	17,238
Cash and cash equivalents	-	-	79	79
Bank Balances Other Than Cash and Cash	-	-	530	530
Loans	-	-	230	230
Investments (Other than subsidiary)	-	-	-	-
Other financial assets	-	-	4,785	4,785
Total financial assets	-	-	22,864	22,864
Financial liabilities				
Borrowings	-	-	90,218	90,218
Other financial Liability	-	-	2,186	2,186
Trade Payables	-	-	9,501	9,501
Total financial liabilities	-	-	1,01,905	1,01,905

The carrying value of financial instruments as at March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	34,305	34,305
Cash and cash equivalents	-	-	179	179
Bank Balances Other Than Cash and Cash	-	-	5,370	5,370
Loans	-	-	7	7
Investments (Other than subsidiary)	-	-	-	-
Other financial assets	-	-	10,099	10,099
Total financial assets	-	-	49,960	49,960
Financial liabilities				
Borrowings	-	-	64,666	64,666
Other financial Liability	-	-	98	98
Trade Payables	-	-	18,943	18,943
Total financial liabilities	-	-	83,707	83,707

Carrying value of all the above financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of the said assets and liabilities subsequently measured at amortised cost is not significant in each of the years presented.

(b) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following levels:

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

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

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

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments (Other than subsidiary)		-	0.25	0.25
Total financial assets	-	-	0.25	0.25
Financial liabilities				
Derivative Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

(₹ in Lakhs)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments (Other than subsidiary)		-	0.25	0.25
Total financial assets	-	-	0.25	0.25
Financial liabilities				
Derivative Liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

27.11 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(a) Credit risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents and financial assets carried at amortised cost

Credit risk management

Credit risk is managed at company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operation of the company in accordance with practice and limits set by the company.

27.12 **Maturities of financial liabilities**

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

March 31, 2020	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	27,354	-	-	27,354
Trade Payable	1,535	7,966	-	9,501
Other financial liabilities	2,186	-	-	2,186
Total financial liabilities	31,076	7,966	-	39,041

(₹ in Lakhs)

March 31, 2019	Less than 1 years	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	1,124	-	-	1,124
Creditors for supplies and services	1,977	2,987	-	18,943
Other financial liabilities	98	-	-	98
Total financial liabilities	3,198	2,987	-	20,165

27.13 **Capital Management**(a) **Risk Management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity on a periodic basis. Equity comprises all components of equity includes the fair value impact. The following table summarizes the capital of the Company:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Equity	(83,652)	(30,263)

27.14 Certain balances under the heads Sundry Debtors, Loans & Advances, Sundry Creditors are subject to confirmations from the respective parties and consequential reconciliation, if any.

27.15 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

27.16 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.

- 27.17 One of the Indian Subsidiary has during the year capitalised 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.
- 27.18 One of the Indian Subsidiary company has a Deffered 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 using the balance in future
- 27.19 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.
- 27.20 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
- 27.21 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.
- 27.22 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. 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.
- 27.23 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
- 27.24 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
- 27.25 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.
- 27.26 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 subsidiary company, Zicom SaaS Private Limited (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 Company. In terms of the Section 25 of the Code, the Company continue to operate as a going concern and accordingly the Financial Statements are presented on a going concern basis.

Further, the Resolution Professional vide letter dated December 15, 2020, has authorized the Suspended Directors, to sign the Audited Statements of the Company for financial year ended March 31, 2020, being a period prior to initiation of CIRP.

27.27 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

27.28 Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.

In terms of our report attached.

For S M M P & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Manohar Bidaye
Chairman

Pramoud Rao
Managing Director

Sonal Parekh
Partner
Place : Mumbai
Date: 21st January 2021

Ayalin Nadar
Chief Financial Officer

Kunjan Trivedi
Company Secretary

SAFETY COMES FIRST