ZICOM

Feel Safe

May 26, 2017

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

Stock Code: 531404

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

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: Outcome of Board Meeting

Further to our letter dated May 19, 2017, intimating you of the Board Meeting to be held today and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have to inform you that the Board of Directors at its said meeting has approved, inter alia, the following matters in relation to the audited accounts and dividend:

1. Audited Financial Results, both Standalone and Consolidated, for the year ended March 31, 2017 (as enclosed);
2. In view of losses incurred by the Company and its subsidiaries, the Board has decided not to recommend any dividend for the financial year.

Further, the Board has also noted the Auditors' Report on the Audited Financial Results, both Standalone and Consolidated (as enclosed).

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2016, we hereby declare that the Statutory Auditors have expressed an unmodified audit opinion in respect of Standalone Results and have expressed an unmodified audit opinion with matter of emphasis in respect of the reports of the Auditors of two Singapore subsidiary companies, and have drawn attention that these subsidiary companies have net capital deficit Rs. 4,037.66 lakhs. The financial statements of these subsidiary companies have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companies are able to operate on its financial resources.

Please note that pursuant to Regulation 33(3) of SEBI (Listing Obligations and/ Disclosure Requirements) Regulations, 2015, the Company has already opted for publication of financial results on consolidated basis for the Financial Year ending March 31, 2017.

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

Zicom Electronic Security Systems Ltd.

Zicom Electronic Security Systems Ltd.
501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai - 400 063.
Tel.: +91 22 4290 4290 | Fax.: +91 22 4290 4291 | www.zicom.com | Toll Free: 1-800-270-4567
CIN : L32109MH1994PLC083391

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Further, pursuant to Regulation 33(3) of SEBI (Listing Obligations and/ Disclosure Requirements) Regulations, 2015, please note that the Company has opted for publication of financial results on consolidated basis for the Financial Year 2017-2018. The financial results on standalone basis will also be made available on the website of the Company viz. www.zicom.com.

The Board Meeting concluded at 17:15 p.m.

Kindly take on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

Kunjan Trivedi
Company Secretary

Encl: as above

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Zicom Electronic Security Systems Limited

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PART I : STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lakhs)

	Particulars	Quarter Ended 31/03/2017 (Audited) Refer Note 2	Quarter Ended 31/12/2016 (Unaudited)	Quarter Ended 31/03/2016 (Audited) Refer Note 2	Year Ended 31/03/2017 (Audited)	Year Ended 31/03/2016 (Audited)
1	**Income**					
	(a) Revenue from Operations	**3,239.56**	4,863.64	11,764.01	**20,183.48**	42,287.77
	(b) Other Income	**297.27**	331.08	326.89	**1,280.46**	1,213.52
	Total Income	**3,536.83**	5,194.72	12,090.90	**21,463.94**	43,501.29
2	**Expenses**					
	(a) Cost of Materials consumed	---	---	---	---	---
	(b) Purchases of Stock-in-Trade	**4,365.79**	4,557.41	13,059.10	**19,167.60**	40,609.06
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**(206.14)**	53.24	(597.77)	**326.66**	(1,195.39)
	(d) Employee Benefits Expense	**211.02**	161.64	200.03	**722.47**	716.08
	(e) Finance Costs	**1,781.51**	519.81	604.49	**3,585.15**	1,792.19
	(f) Depreciation and Amortisation Expense	**96.81**	101.06	(38.84)	**401.51**	443.95
	(g) Other Expenses	**2,905.85**	308.01	312.32	**3,526.23**	901.86
	Total Expenses	**9,154.84**	5,701.17	13,539.33	**27,729.62**	43,267.75
3	**Profit / (Loss) before Exceptional and Extraordinary Items and Tax (1-2)**	**(5,618.01)**	(506.45)	(1,448.43)	**(6,265.68)**	233.54
4	Exceptional Items	---	---	---	---	---
5	**Profit / (Loss) before Extraordinary Items and Tax (3 ± 4)**	**(5,618.01)**	(506.45)	(1,448.43)	**(6,265.68)**	233.54
6	Extraordinary Items	---	---	---	---	---
7	**Profit / (Loss) Before Tax (5 ± 6)**	**(5,618.01)**	(506.45)	(1,448.43)	**(6,265.68)**	233.54
8	**Tax Expense**					
	Current Tax	---	---	(525.10)	---	134.00
	Deferred Tax	**(18.79)**	(46.57)	18.58	**(80.08)**	(72.09)
	Earlier Year Tax	**124.44**	---	---	**124.44**	---
9	**Profit / (Loss) for the period from continuing operations (7 ± 8)**	**(5,723.66)**	(459.88)	(941.91)	**(6,310.04)**	171.63
10	Profit / (Loss) from discontinuing operations	---	---	---	---	---
11	Tax expense of discontinuing operations	---	---	---	---	---
12	**Profit / (Loss) from discontinuing operations (after tax) (10 ± 11)**	---	---	---	---	---
13	**Profit / (Loss) for the Period (9 ± 12)**	**(5,723.66)**	(459.88)	(941.91)	**(6,310.04)**	171.63
14	**Earnings Per Share (EPS) (Face Value of Rs. 10/- each):**					
	(a) Basic	**(24.67)**	(2.28)	(4.66)	**(27.62)**	0.85
	(b) Diluted	**(24.67)**	(2.28)	(4.43)	**(27.62)**	0.81

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Standalone Audited Statement of Assets and Liabilities as per Regulation 33(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017

(Rs. in Lakhs)

	Particulars	As at 31/03/2017	As at 31/03/2016
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	(a) Share Capital	**4,122.41**	2,019.98
	(b) Reserves and Surplus	**20,257.26**	19,077.21
	(c) Money received against Share Warrants	**---**	420.00
	Sub-total – Shareholders' Funds	**24,379.67**	21,517.19
2	**Share application money pending allotment**	**---**	---
3	**Non-Current Liabilities**		
	(a) Long-Term Borrowings	**---**	---
	(b) Deferred Tax Liabilities (Net)	**369.43**	449.51
	(c) Other Long-Term Liabilities	**99.59**	103.38
	(d) Long-Term Provisions	**10.86**	16.80
	Sub-total - Non-Current Liabilities	**479.88**	569.69
4	**Current Liabilities**		
	(a) Short-Term Borrowings	**17,378.38**	14,349.50
	(b) Trade Payables	**3,689.96**	5,592.85
	(c) Other Current Liabilities	**1,846.42**	819.54
	(d) Short-Term Provisions	**21.32**	126.41
	Sub-total - Current liabilities	**22,936.08**	20,888.30
	TOTAL - EQUITY AND LIABILITIES	**47,795.63**	42,975.18
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed Assets		
	i. Tangible Assets	**1,151.12**	1,337.96
	ii. Intangible Assets	**717.13**	931.26
	iii. Capital work-in-progress	**---**	---
	(b) Non-Current Investments	**6,344.22**	6,344.22
	(c) Deferred Tax Assets (Net)	**---**	---
	(d) Long-Term Loans and Advances	**7,408.47**	6,662.52
	(e) Other Non-Current Assets	**---**	---
	Sub-total - Non-current assets	**15,620.94**	15,275.96
2	**Current assets**		
	(a) Current Investments	**---**	---
	(b) Inventories	**6,172.35**	6,499.00
	(c) Trade Receivables	**9,868.84**	11,679.78
	(d) Cash and Cash Equivalents	**584.33**	1,559.32
	(e) Short-Term Loans and Advances	**15,521.42**	7,707.52
	(f) Other Current Assets	**27.75**	253.60
	Sub-total - Current assets	**32,174.69**	27,699.22
	TOTAL - ASSETS	**47,795.63**	42,975.18

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Notes:

1. The above financial results of the Company for the year ended March 31, 2017, have been reviewed by the Audit Committee on May 26, 2017 and approved by the Board at its meeting held on even date. The Statutory Auditors have expressed an unmodified audit opinion.

2. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

3. During the quarter, upon receipt of Shareholders approval through Postal Ballot, results of which were declared on February 8, 2017, the Company increased its Authorised Share Capital from existing Rs. 2,500 lakhs divided into 250 lakhs Equity Shares of Rs. 10 each to Rs. 5,000 lakhs divided into 500 lakhs Equity Shares of Rs. 10 each, by way of creation of 250 lakhs new Equity Shares of Rs. 10 each, aggregating to Rs. 2,500 lakhs.

4. During the quarter, upon receipt of Shareholders approval through Postal Ballot, results of which were declared on February 8, 2017, the Company, on February 14, 2017, allotted 2,10,24,312 Equity Shares, of Rs. 10 each, pursuant to the Strategic Debt Restructuring (SDR) Scheme, on preferential basis, at a conversion price of Rs. 43.05 per Equity Share to the Joint Lenders Forum (JLF) Lenders. As a result of which, there has been increase in Paid-up Capital by Rs. 2,102 lakhs and in Securities Premium by Rs. 6,949 lakhs. This compulsory conversion resulted in the JLF Lenders holding 51% equity stake in the Company.

5. As part of conservative accounting practices, the Company has decided to make provision for bad and doubtful debts in view of delay / default in recovery from dealers and distributors experienced by the Company despite rigorous follow-up. As a result, the Other Expenses have increased by Rs. 2,624.37 lakhs which is mainly on account of bad debts of Rs. 2,713.78 lakhs.

6. The Finance Cost includes effect of gain / loss in foreign exchange fluctuations.

7. The Company has a single reportable business segment of "Security and Safety".

8. Previous quarter / year figures have been regrouped / rearranged wherever necessary.

For **Zicom Electronic Security Systems Ltd.**

Manohar Bidaye
Chairman

Place: Mumbai
Date: May 26, 2017

S M M P & Associates
Chartered Accountants

Independent Auditors Report

To The Board of Directors
Zicom Electronic Security Systems Limited

We have audited the accompanying Statement of Standalone Financial Results of **Zicom Electronic Security Systems Limited**(" the Company")for the year ended 31st March 2017 (" the Statement") , being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financials statements which are in accordance with Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes valuating the appropriateness of the accounting policies used and reasonableness of the significant accounting estimates made by Management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Refer Note No 5 to the Audited Financial results for the year ended March 2017 which states that the Company has made provision for bad and doubtful debt in view of delay / defaults in recovery from dealers and distributors experienced by the Company despite rigorous follow-up. As a result the other expense has increased by Rs. 2,624.37 Lakhs which is mainly on account of bad debts of Rs. 2,713.78 lakhs.

In our opinion and to the best of our information and according to the explanations given to us the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ; and

(ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March 2017.

The statement includes the results for the Quarter ended 31st March 2017 being the balancing figure between audited figure in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which are subject to limited review by us.

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

S Parekh

Sonal Parekh
Partner
Membership No. 139852

S.M.M.P. & ASSOCIATES ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Mumbai, dated 26th May, 2017

307, Chartered House, 297/299, Dr. C. H. Street, Near Marine Lines Church, Mumbai - 400 002, India.
Tel. : 91-22-4031 1900 • Fax : 91-22-4031 1901• E-mail : malpani_s@smalpani.com • Website : www.smalpani.com

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PART I : STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lakhs)

	Particulars	Quarter Ended 31/03/2017 (Audited) Refer Note 2	Quarter Ended 31/12/2016 (Unaudited)	Quarter Ended 31/03/2016 (Audited) Refer Note 2	Year Ended 31/03/2017 (Audited)	Year Ended 31/03/2016 (Audited)
1	**Income**					
	(a) Revenue from Operations	**7,760.93**	20,602.46	25,955.51	**71,321.28**	111,787.44
	(b) Other Income	**91.88**	8.97	344.77	**155.91**	404.03
	Total Income from Operations (Net)	**7,852.81**	20,611.43	26,300.28	**71,477.19**	112,191.47
2	**Expenses**					
	(a) Cost of Materials consumed	**4,016.67**	10,991.83	9,503.43	**36,531.83**	47,422.60
	(b) Purchases of Stock-in-Trade	**6,983.63**	4,315.74	12,445.30	**22,044.04**	41,564.66
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**(944.94)**	174.40	607.06	**(855.70)**	(1,195.09)
	(d) Employee Benefits Expense	**1,820.10**	1,657.48	2,082.56	**6,723.19**	7,815.35
	(e) Finance Costs	**2,617.24**	1,825.86	2,551.02	**8,788.41**	7,068.89
	(f) Depreciation and Amortisation Expense	**1,085.88**	1,056.92	1,135.24	**4,265.35**	3,633.24
	(g) Other Expenses	**12,353.67**	1,436.00	2,944.38	**16,274.05**	6,763.07
	Total Expenses	**27,932.25**	21,458.23	31,268.99	**93,771.17**	113,072.72
3	**Profit / (Loss) before Exceptional and Extraordinary Items and Tax (1-2)**	**(20,079.44)**	(846.80)	(4,968.71)	**(22,293.98)**	(881.25)
4	Exceptional Items	---	---	---	---	---
5	**Profit / (Loss) before Extraordinary Items and Tax (3 ± 4)**	**(20,079.44)**	(846.80)	(4,968.71)	**(22,293.98)**	(881.25)
6	Extraordinary Items	---	---	---	---	---
7	**Profit / (Loss) Before Tax (5 ± 6)**	**(20,079.44)**	(846.80)	(4,968.71)	**(22,293.98)**	(881.25)
8	**Tax Expense**					
	Current Tax	**(310.91)**	83.06	(638.77)	**50.00**	355.82
	Earlier Years Tax	**124.44**			**124.44**	
	Deferred Tax	**(114.29)**	(70.76)	75.34	**(356.18)**	(201.59)
9	**Profit / (Loss) for the period from continuing operations (7 ± 8)**	**(19,778.68)**	(859.10)	(4,405.28)	**(22,112.24)**	(1,035.48)
10	Profit / (Loss) from discontinuing operations	---	---	---	---	---
11	Tax expense of discontinuing operations	---	---	---	---	---
12	**Profit / (Loss) from discontinuing operations (after tax) (10 ± 11)**	---	---	---	---	---
13	**Profit / (Loss) for the Period (after tax) (9 ± 12)**	**(19,778.68)**	(859.10)	(4,405.28)	**(22,112.24)**	(1,035.48)
14	Share of Profit / (Loss) of Associates	---	---	---	---	---
15	Minority Interest	**(644.51)**	7.10	(144.52)	**(665.43)**	31.13
16	**Profit / (Loss) for the Period (after Taxes, Minority Interest and Share of Profit / (Loss) of Associates) (13±14±15)**	**(19,134.17)**	(866.20)	(4,260.76)	**(21,446.81)**	(1,066.61)
17	**Earnings Per Share (EPS) (Face Value of Rs. 10/- each):**					
	(a) Basic	**(82.41)**	(4.29)	(21.09)	**(93.86)**	(5.28)
	(b) Diluted	**(82.41)**	(4.29)	(20.05)	**(93.86)**	(5.02)

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Consolidated Audited Statement of Assets and Liabilities as per Regulation 33(3)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017

(Rs. in Lakhs)

	Particulars	As at 31/03/2017	As at 31/03/2016
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	(a) Share Capital	**4,122.41**	2,019.98
	(b) Reserves and Surplus	**20,314.91**	33,970.60
	(c) Money received against Share Warrants	**---**	420.00
	Sub-total – Shareholders' Funds	**24,437.32**	36,410.58
2	**Share application money pending allotment**	**---**	---
3	**Minority Interest**	**3,383.47**	4,118.42
4	**Non-Current Liabilities**		
	(a) Long-Term Borrowings	**17,938.69**	11,795.75
	(b) Deferred Tax Liabilities (Net)	**(133.43)**	222.75
	(c) Other Long-Term Liabilities	**137.56**	131.95
	(d) Long-Term Provisions	**882.82**	819.20
	Sub-total - Non-Current Liabilities	**18,825.64**	12,969.66
5	**Current Liabilities**		
	(a) Short-Term Borrowings	**49,622.68**	47,430.86
	(b) Trade Payables	**18,270.87**	22,914.38
	(c) Other Current Liabilities	**10,627.60**	9,981.88
	(d) Short-Term Provisions	**2,600.45**	2,146.11
	Sub-total - Current liabilities	**81,121.60**	82,473.23
	TOTAL - EQUITY AND LIABILITIES	**127,768.03**	135,971.89
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed Assets		
	i. Tangible Assets	**8,856.86**	9,949.76
	ii. Intangible Assets	**762.50**	980.10
	iii. Capital work-in-progress	**4,609.77**	4,912.67
	(b) Goodwill on consolidation	**3,533.19**	4,381.00
	(c) Non-Current Investments	**737.25**	1,011.46
	(d) Deferred Tax Assets (Net)	**---**	---
	(e) Long-Term Loans and Advances	**6.99**	6.99
	(f) Other Non-Current Assets	**---**	---
	Sub-total - Non-current assets	**18,506.56**	21,241.98
2	**Current assets**		
	(a) Current Investments	**---**	---
	(b) Inventories	**15,825.76**	17,353.39
	(c) Trade Receivables	**50,548.52**	57,394.42
	(d) Cash and Cash Equivalents	**7,737.76**	8,774.62
	(e) Short-Term Loans and Advances	**34,547.02**	30,264.73
	(f) Other Current Assets	**602.41**	942.75
	Sub-total - Current assets	**109,261.47**	114,729.91
	TOTAL - ASSETS	**127,768.03**	135,971.89

Notes:

1. The above financial results of the Company for the year ended March 31, 2017, on consolidated basis, have been reviewed by the Audit Committee on May 26, 2017 and approved by the Board at its meeting held on even date.

   The Statutory Auditors have without qualifying expressed an unmodified audit opinion with matter of emphasis in respect of the reports of the Auditors of two Singapore subsidiary companies, and have drawn attention that these subsidiary companies have net capital deficit Rs. 4,037.66 lakhs. The financial statements of these subsidiary companies have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companies are able to operate on its financial resources.

2. As per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

3. During the quarter, upon receipt of Shareholders approval through Postal Ballot, results of which were declared on February 8, 2017, the Company increased its Authorised Share Capital from existing Rs. 2,500 lakhs divided into 250 lakhs Equity Shares of Rs. 10 each to Rs. 5,000 lakhs divided into 500 lakhs Equity Shares of Rs. 10 each, by way of creation of 250 lakhs new Equity Shares of Rs. 10 each, aggregating to Rs. 2,500 lakhs.

4. During the quarter, upon receipt of Shareholders approval through Postal Ballot, results of which were declared on February 8, 2017, the Company, on February 14, 2017, allotted 2,10,24,312 Equity Shares, of Rs. 10 each, pursuant to the Strategic Debt Restructuring (SDR) Scheme, on preferential basis, at a conversion price of Rs. 43.05 per Equity Share to the Joint Lenders Forum (JLF) Lenders. As a result of which, there has been increase in Paid-up Capital by Rs. 2,102 lakhs and in Securities Premium by Rs. 6,949 lakhs. This compulsory conversion resulted in the JLF Lenders holding 51% equity stake in the Company.

5. As part of conservative accounting practices, the Company has decided to make provision for bad and doubtful debts in view of long and rigorous process of recovery of outstandings from customers experienced in the Middle East market due to slump in economy caused by fall in the oil prices, resulted in slowdown / delay in project execution which has been reported to the investors from time to time. Also, in India, the Company is experiencing delay / default in recovery from dealers and distributors despite rigorous follow-up. As a result, the Other Expenses have increased by Rs. 9,510.98 lakhs which is mainly on account of provision for doubtful debt of Rs. 8,036.40 lakhs and bad debts of Rs. 3,134.68 lakhs.

6. The Finance Cost includes effect of gain / loss in foreign exchange fluctuations.

7. The Company has a single reportable business segment of "Security and Safety".

8. The Consolidated Audited Financial Results for the year consists audited financial results of the Company and its following subsidiaries:

   (a) Unisafe Fire Protection Specialists LLC, Dubai, U.A.E. (Consolidated)
   (b) Phoenix International WLL, Qatar
   (c) Zicom SaaS Private Limited
   (d) Unisafe Fire Protection Specialists India Private Limited
   (e) Unisafe Fire Protection Specialists Singapore Pte. Ltd., Singapore
   (f) Zicom Security Projects Pte. Ltd., Singapore

9. The standalone results will be available on the Company's website www.zicom.com and Stock Exchanges websites www.bseindia.com and www.nseindia.com.

10. Previous quarter / year figures have been regrouped / rearranged wherever necessary.

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11. Standalone Details:

(Rs. in Lakhs)

Particulars	Quarter Ended 31/03/2017	Quarter Ended 31/12/2016	Quarter Ended 31/03/2016	Year Ended 31/03/2017	Year Ended 31/03/2016
	(Audited) Refer Note 2	(Unaudited)	(Audited) Refer Note 2	(Audited)	(Audited)
Turnover	**3,239.56**	4,863.64	11,764.01	**20,183.48**	42,287.77
Profit / (Loss) Before Tax	**(5,618.01)**	(506.45)	(1,448.43)	**(6,265.68)**	233.54
Profit / (Loss) After Tax	**(5,723.66)**	(459.88)	(941.91)	**(6,310.04)**	171.63

For **Zicom Electronic Security Systems Ltd.**

Manohar Bidaye
Chairman

Place: Mumbai
Date: May 26, 2017

S M M P & Associates
Chartered Accountants

Independent Auditors Report

To The Board of Directors
Zicom Electronic Security Systems Limited

1. We have audited theaccompanying statement of Consolidated Financial Results of **Zicom Electronic Security Systems Limited** ("the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred as "the Group"), for the year ended31st March, 2017("the Statement"), being submitted by the Holding pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which are in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the significant accounting estimates made by Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. **Emphasis of Matter**

   1) On the basis of the reports of the auditors of two foreign subsidiary companies of Singapore, where in without qualifying their opinion they have mentioned the fact that these subsidiary companies have net capital deficit Rs. 4,037.66 Lacs. The Companies' financial statements have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companiesare able to operate on its financial resources.

   2) Refer Note No 5 to the Audited Financial results for the year ended March 2017 which states that the Company has made provision for bad and doubtful debt in view of long and rigorous process of recovery of outstanding from customers experienced in the middle east market due to slump in economy caused by fall in the oil prices resulted in slowdown / delay in projects execution which has been reported to the investors from time to time. Also in India the company is experiencing delay / defaults in recovery from dealers and distributors despite rigorous follow-up. As a result the other expenses has increased by Rs. 9510.98 Lakhs which is mainly on account of provision for doubtful debt of Rs.8,036.40 Lakhs and bad debts of Rs. 3,134.68 lakhs.

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Chartered Accountants

4. **Other Matter**

We did not audit the financial statements of any subsidiaries, whose financial statements reflect total assets of Rs. 7,9972.39Lacs as at 31stMarch, 2017, total revenues of Rs. 50,013.25Lacs and net cash flows amounting to Rs. 7,153.43Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors.

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors referred to in paragraph 4 above, the Statement:

(i) Includes the results of entities as given below :

List of Subsidiaries

1) Unisafe Fire Protection Specialists LLC, Dubai 2) Phoenix International WLL, Qatar 3) ZicomSaaS Private Limited 4) Unisafe Fire Protection Specialists India Pvt. Ltd. 5) Unisafe Fire Protection Specialists Singapore Pte Ltd., Singapore 6) Zicom Security Projects Pte. Ltd., Singapore

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group for the year ended 31stMarch 2017.

The statement includes the results for the Quarter ended 31st March 2017 being the balancing figure between audited figure in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which are subject to limited review by us.

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

S Parekh

Sonal Parekh
Partner
Membership No. 139852

Mumbai, dated 26th May, 2017