AWAKE ALWAYS

February 14, 2018

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 February 7, 2018, intimating you of the Board Meeting to be held today and pursuant to Regulation 33 of SEBI (Listing Obligations and/ Disclosure Requirements) Regulations, 2015, kindly be informed that the Board of Directors at its said meeting has inter-alia approved the following matters:

1. Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2017, both, on standalone and consolidated basis (as enclosed);
2. Limited Review Reports, on standalone and consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2017, issued by the Statutory Auditors of the Company (as enclosed);

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

The said Unaudited 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.

The Board Meeting concluded at 15:00 hours (3:00 p.m.).

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

Thanking you,

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

Kunjan Trivedi
Company Secretary

Encl: as above

Zicom Electronic Security Systems Limited

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

PART I : STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rs. in Lakhs)

	Particulars	Quarter Ended 31/12/2017	Quarter Ended 30/09/2017	Quarter Ended 31/12/2016	Nine Months Ended 31/12/2017	Nine Months Ended 31/12/2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	**Income**					
	(a) Revenue from Operations	420.08	1,042.66	4,863.64	2,967.81	16,943.92
	(b) Other Income	3.48	358.60	331.08	711.22	983.19
	Total Income	423.56	1,401.26	5,194.72	3,679.03	17,927.11
2	**Expenses**					
	(a) Cost of Materials consumed	---	---	---	---	---
	(b) Purchases of Stock-in-Trade	445.33	95.92	4,557.41	1,950.44	14,801.81
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	119.51	806.66	53.24	1,040.95	532.80
	(d) Employee Benefits Expense	121.43	155.49	161.64	426.37	511.45
	(e) Finance Costs	1,181.51	557.00	519.81	2,516.14	1,803.64
	(f) Depreciation and Amortisation Expense	44.12	33.00	101.06	131.91	304.70
	(g) Other Expenses	6,696.20	2,830.39	308.01	9,679.17	620.39
	Total Expenses	8,608.10	4,478.46	5,701.17	15,744.98	18,574.79
3	**Profit / (Loss) before Exceptional Items and Tax (1-2)**	(8,184.54)	(3,077.20)	(506.45)	(12,065.95)	(647.68)
4	Exceptional Items	---	---	---	3,025.77	---
5	**Profit / (Loss) Before Tax (3 ± 4)**	(8,184.54)	(3,077.20)	(506.45)	(15,091.72)	(647.68)
6	**Tax Expense**					
	Current Tax	---	---	---	---	---
	Deferred Tax	198.06	193.66	(46.57)	187.39	(61.29)
7	**Profit / (Loss) for the period from continuing operations (5 ± 6)**	(8,382.60)	(3,270.86)	(459.88)	(15,279.11)	(586.39)
8	Profit / (Loss) from discontinuing operations	---	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---	---
10	**Profit / (Loss) from discontinuing operations (after tax) (8 ± 9)**	---	---	---	---	---
11	**Profit / (Loss) for the Period (after tax) (7 ± 10)**	(8,382.60)	(3,270.86)	(459.88)	(15,279.11)	(586.39)
12	Other Comprehensive Income (OCI)	6.66	---	---	43.14	---
13	**Total Comprehensive Income (11+12)**	(8,375.94)	(3,270.86)	(459.88)	(15,235.97)	(586.39)
14	**Earnings Per Share (EPS) (Face Value of Rs. 10/- each):**					
	(a) Basic	(20.43)	(7.93)	(2.28)	(37.06)	(2.90)
	(b) Diluted	(20.43)	(7.93)	(2.28)	(37.06)	(2.90)

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Notes:

1. The above financial results of the Company for the quarter and nine months ended December 31, 2017, have been reviewed by the Audit Committee on February 14, 2018 and approved by the Board at its meeting held on even date. The Statutory Auditors have conducted the limited review of the current quarter and nine months financial results as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

2. The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind-AS with a transition date of April 1, 2016. The impact of transition to Ind-AS has been accounted for in the opening Reserves and the comparative previous period figures have been restated accordingly.

3. The format for above financial results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.

4. The Ind-AS compliant financial results of the corresponding quarter and nine months of the previous year have been subjected to limited review.

5. The above financial results do not include Ind-AS compliant results for the previous year ended March 31, 2017, as the same are not mandatory as per SEBI's circular dated July 5, 2016.

6. There is a possibility that these financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

7. During the quarter, the Company has written off Rs. 6,506 lakhs on account of bad debts, advances to suppliers and loans and advances based on assessment of recovery, legal action and one time settlement agreement reached with the parties. As a result, the loss has increased to that extent for the aforesaid period.

8. There is a reduction in Sales for the quarter under review as compared to previous quarters as 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.

9. The Company is working debt resolution plans in India with its Bankers.

10. Considering the present financial situation of its subsidiaries in Middle East, during the quarter under review, the Company has discontinued the practice of levying 1% Corporate Guarantee charge on the guarantees given to Bankers of subsidiaries and interest payable by the subsidiaries on the loans availed from the parent company.

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

12. Exceptional Items for the nine months under review represents following considered on adoption of Ind-AS w.e.f. April 1, 2017 (i) Impairment Loss in Property Plant & Equipment of Rs. 605.57 lakhs due to change in technology; (ii) Provision towards doubtful recovery of certain Loans & Advances of Rs. 1,292.40 lakhs given to foreign wholly owned subsidiary company in connection with investment in joint venture in Brazil, which went for bankruptcy; (iii) Provision towards Advances and Trade Receivables due from a group company for Rs.1,106.08 lakhs due to deterioration in financial health caused by reduction in business and (iv) Write-off of long overdue recoverable of Rs. 21.72 lakhs from technology service provider.

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13. The Earning Per Share (EPS) for the quarter under review, for the immediately preceding quarter and nine months under review are not comparable with the corresponding quarter and nine months of the previous year as the EPS for the former periods have been calculated based on enhanced paid-up share capital.

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

15. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.

16. **Reconciliation of Net Profit for the quarter and nine months ended December 31, 2016 reported under IGAAP to Ind-AS:**

(Rs. in Lakhs)

Particulars	Standalone	
	Quarter Ended 31/12/2016	Nine Months Ended 31/12/2016
Net Profit / (Loss) after tax as per Indian GAAP	(459.88)	(586.39)
Add / (Less): Ind-AS adjustments		
1. Actuarial Gain / (loss) on employee defined benefit fund recognized in OCI (Net of Tax)	(3.97)	1.55
2. Amortization of Goodwill (Net of Tax)	34.83	104.49
Net Profit / (Loss) as per Ind-AS before OCI / Reserve	(429.02)	(480.35)

For Zicom Electronic Security Systems Ltd.

Manohar Bidaye
Chairman

Place: Mumbai
Date: February 14, 2018

S M M P & Associates
Chartered Accountants

LIMITED REVIEW REPORT

To,
The Board of Directors
Zicom Electronic Security Systems Limited
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai - 400 063

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Zicom Electronic Security Systems Limited** ("the Company") for the quarter and nine months ended 31st December, 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, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS-25/IndAS-34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Emphasis of Matter

Refer Note No. 7 of Unaudited Standalone Financial Results of the Company which states that the Company has written off Rs. 65.06 lakhs on account of bad debts, advances to suppliers and loans and advances based on assessment of recovery, legal action, and one time settlement agreement reached with the parties. As a result, the loss has increased to that extent for the aforesaid period

Refer Note No. 8 of Unaudited Standalone Financial Results of the Company which states that the there is a reduction in Sales for the quarter under review as compared to previous quarters as the Company has taken conscious decision to reduce its focus on box moving / 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.



307, Chartered House, 297/299, Dr. C. H. Street, Near Marine Lines Church, Mumbai - 400 002, India.
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S M M P & Associates
Chartered Accountants

Based on our review conducted and except for the effects of the matter stated in the Basis for Qualified Opinion paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

S Parekh

Sonal Parekh
Partner
Membership No. 139852



Mumbai, dated 14th February, 2018

Zicom Electronic Security Systems Limited

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PART I : STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rs. in Lakhs)

	Particulars	Quarter Ended 31/12/2017	Quarter Ended 30/09/2017	Quarter Ended 31/12/2016	Nine Months Ended 31/12/2017	Nine Months Ended 31/12/2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	**Income**					
	(a) Revenue from Operations	4,982.01	10,062.14	20,602.46	23,963.75	63,560.35
	(b) Other Income	0.83	(33.49)	8.97	25.17	64.03
	Total Income	4,982.84	10,028.65	20,611.43	23,988.92	63,624.38
2	**Expenses**					
	(a) Cost of Materials consumed	---	---	---	---	---
	(b) Purchases of Stock-in-Trade	2,969.00	6,724.12	15,307.57	15,794.08	47,575.57
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	396.04	530.13	174.40	1,040.95	89.24
	(d) Employee Benefits Expense	1,072.64	920.78	1,657.48	3,256.13	4,903.09
	(e) Finance Costs	2,433.68	1,644.29	1,825.86	6,021.54	6,171.17
	(f) Depreciation and Amortisation Expense	938.60	969.74	1,056.92	2,894.80	3,179.47
	(g) Other Expenses	7,202.83	3,813.47	1,436.00	12,107.61	3,920.38
	Total Expenses	15,012.79	14,602.53	21,458.23	41,115.11	65,838.92
3	**Profit / (Loss) before Exceptional Items and Tax (1-2)**	(10,029.95)	(4,573.88)	(846.80)	(17,126.19)	(2,214.54)
4	Exceptional Items	---	---	---	---	---
5	**Profit / (Loss) Before Tax (3 ± 4)**	(10,029.95)	(4,573.88)	(846.80)	(17,126.19)	(2,214.54)
6	**Tax Expense**					
	Current Tax	189.94	(79.10)	83.06	189.94	360.91
	Deferred Tax	(76.56)	324.04	(70.76)	(36.47)	(241.89)
7	**Profit / (Loss) for the period from continuing operations (5 ± 6)**	(10,143.33)	(4,818.82)	(859.10)	(17,279.66)	(2,333.56)
8	Profit / (Loss) from discontinuing operations	---	---	---	---	---
9	Tax expense of discontinuing operations	---	---	---	---	---
10	**Profit / (Loss) from discontinuing operations (after tax) (8 ± 9)**	---	---	---	---	---
11	**Profit / (Loss) for the Period (after tax) (7 ± 10)**	(10,143.33)	(4,818.82)	(859.10)	(17,279.66)	(2,333.56)
12	Share of Profit / (Loss) of Associates	---	---	---	---	---
13	Non-controlling Interests	(82.22)	43.77	7.10	(187.93)	(20.92)
14	**Profit / (Loss) for the Period (after Taxes, Minority Interest and Share of Profit / (Loss) of Associates) (11±12±13)**	(10,061.11)	(4,775.05)	(866.20)	(17,091.73)	(2,312.64)
15	Other Comprehensive Income (OCI)	9.06	---	---	45.54	---
16	**Total Comprehensive Income (14+15)**	(10,052.05)	(4,775.05)	(866.20)	(17,046.19)	(2,312.64)
17	**Earnings Per Share (EPS) (Face Value of Rs. 10/- each):**					
	(a) Basic	(24.41)	(11.58)	(4.29)	(48.80)	(11.45)
	(b) Diluted	(24.41)	(11.58)	(4.29)	(48.80)	(11.45)

Notes:

1. The above financial results of the Company for the quarter and nine months ended December 31, 2017, have been reviewed by the Audit Committee on February 14, 2018 and approved by the Board at its meeting held on even date. The Statutory Auditors have conducted the limited review of the current quarter and nine months financial results as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

   Based on unaudited management drawn accounts of two Singapore subsidiary companies, the Management has drawn attention that these subsidiary companies have net capital deficit Rs. 5,363.41 lakhs. The financial statements of these subsidiary companies have been prepared on a going concern basis as the holding company and related parties have undertaken to provide continuing financial support until such time the subsidiary companies are able to operate on its own financial resources.

   Term Loans to one of wholly owned Indian subsidiary from the Banks have 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 these term loans from the date of these becoming NPA. As a result, the Company has also not provided interest of Rs. 265 lakhs for the quarter under review and Rs. 789 lakhs for nine months under review on accrual basis on these term loans.

2. The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind-AS with a transition date of April 1, 2016. The impact of transition to Ind-AS has been accounted for in the opening Reserves and the comparative previous period figures have been restated accordingly.

3. The format for above financial results, as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November, 2015, has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III to the Companies Act, 2013.

4. The Ind-AS compliant financial results of the corresponding quarter and nine months of the previous year have been subjected to limited review.

5. The above financial results do not include Ind-AS compliant results for the previous year ended March 31, 2017, as the same are not mandatory as per SEBI's circular dated July 5, 2016.

6. There is a possibility that these financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

7. During the quarter, the Company has written off Rs. 6,506 lakhs on account of bad debts, advances to suppliers and loans and advances based on assessment of recovery, legal action, and one time settlement agreement reached with the parties. As a result, the loss has increased to that extent for the aforesaid period.

8. There is a reduction in Sales for the quarter under review as compared to previous quarters as 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. The service business under Zicom SaaS is going steady.

9. The Company is working debt resolution plans in India and restructuring of debts of its subsidiaries abroad with its Bankers.

Zicom Electronic Security Systems Ltd.

10. Considering the present financial situation of its subsidiaries in Middle East, during the quarter under review, the Company has discontinued the practice of levying 1% Corporate Guarantee charge on the guarantees given to Bankers of subsidiaries and interest payable by the subsidiaries on the loans availed from the parent company.

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

12. Exceptional Items for the nine months under review represents following considered on adoption of Ind-AS w.e.f. April 1, 2017 (i) Impairment Loss in Property Plant & Equipment of Rs. 605.57 lakhs due to change in technology; (ii) Provision towards doubtful recovery of certain Loans & Advances of Rs. 1,292.40 lakhs given to foreign wholly owned subsidiary company in connection with investment in joint venture in Brazil, which went for bankruptcy; (iii) Provision towards Advances and Trade Receivables due from a group company for Rs.1,106.08 lakhs due to deterioration in financial health caused by reduction in business and (iv) Write-off of long overdue recoverable of Rs. 21.72 lakhs from technology service provider.

13. The Earning Per Share (EPS) for the quarter under review, for the immediately preceding quarter and nine months under review are not comparable with the corresponding quarter and nine months of the previous year as the EPS for the former periods have been calculated based on enhanced paid-up share capital.

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

15. The Consolidated Financial Results for the quarter and nine months consists unaudited 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

16. Previous period figures have been regrouped / rearranged wherever necessary to facilitate comparison.

17. 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.

18. **Reconciliation of Net Profit for the quarter and nine months ended December 31, 2016 reported under IGAAP to Ind-AS:**

(Rs. in Lakhs)

Particulars	Consolidated	
	Quarter Ended 31/12/2016	Nine Months Ended 31/12/2016
Net Profit / (Loss) after tax as per Indian GAAP	**(859.10)**	**(2,333.56)**
Add / (Less): Ind-AS adjustments		
1. Actuarial Gain / (loss) on employee defined benefit fund recognized in OCI (Net of Tax)	**(2.73)**	**3.99**
2. Amortization of Goodwill (Net of Tax)	**34.83**	**104.49**
Net Profit / (Loss) as per Ind-AS before OCI / Reserve	**(827.00)**	**(2,225.08)**

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19. Standalone Details:

(Rs. in Lakhs)

Particulars	Quarter Ended 31/12/2017 (Unaudited)	Quarter Ended 30/09/2017 (Unaudited)	Quarter Ended 31/12/2016 (Unaudited)	Nine Months Ended 31/12/2017 (Unaudited)	Nine Months Ended 31/12/2016 (Unaudited)
Turnover	**420.08**	1,042.66	4,863.64	**2,967.81**	16,943.92
Profit Before Tax	**(8,184.54)**	(3,077.20)	(506.45)	**(15,091.72)**	(647.68)
Profit After Tax and Extraordinary Items	**(8,382.60)**	(3,270.86)	(459.88)	**(15,279.11)**	(586.39)

For Zicom Electronic Security Systems Ltd.

Manohar Bidaye
Chairman

Place: Mumbai
Date: February 14, 2018

S M M P & Associates
Chartered Accountants

LIMITED REVIEW REPORT

To,
The Board of Directors
Zicom Electronic Security Systems Limited
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai - 400 063

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Zicom Electronic Security Systems Limited** ("the Company") and its subsidiaries (together referred to as "the Group") for the quarter and nine months ended 31st December 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, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS-25/IndAS-34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410' Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Basis of Qualified Opinion

Refer Note No. 1 for non-provision of interest on accrual basis amounting to Rs. 265 Lakhs for the quarter ended and Rs. 789 Lakhs for the nine months ended, in respect of one of the Indian Subsidiaries' of the Company with respect to term loans taken from Banks by the said subsidiary Company as the said loans have become Non-Performing Assets.

4. Qualified Opinion

Based on our review conducted and *except for the effects* of the matter stated in the Basis for Qualified Opinion paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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5. Emphasis of Matter

a. Refer Note No. 7 of Unaudited Consolidated Financial Results of the Company which states that during the quarter, the Company has written off Rs. 65.06 lakhs on account of bad debts, advances to suppliers and loans and advances based on assessment of recovery, legal action, and one time settlement agreement reached with the parties. As a result, the loss has increased to that extent for the aforesaid period.

b. Refer Note No. 1 of Unaudited Consolidated Financial Results management drawn accounts of two foreign Subsidiary Companies of Singapore, where in we mentioned the fact that these subsidiary companies have net capital deficit Rs. 5,363.41 Lakhs. 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 companies are able to operate on its financial resources.

c. Refer Note No. 8 of Unaudited Consolidated Financial Results of the Company which states that the there is a reduction in Sales for the quarter under review as compared to previous quarters as the Company has taken conscious decision to reduce its focus on box moving / 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.

6. Other Matter

The Consolidated Financial Results includes for the quarter and nine months ended 31st December 2017, Revenue amounting to Rs. 4,559.28 Lakhs and Rs. 19,006.08 Lakhs respectively and Net Profit/ (Loss) for the quarter and nine months ended 31st December 2017 amounting to Rs. (1,676.11) Lakhs and Rs (1,810.22) Lakhs, of the six subsidiaries, which have not been reviewed by us or any other auditors and are based on the management drawn accounts.

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 ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Mumbai, dated 14th February, 2018