

INTELLIGENT COMMUNICATION SYSTEMS INDIA LIMITED

CHAPTER IX ORGANISATIONAL SET UP AND FINANCIAL MANAGEMENT

9.1 Introduction

Intelligent Communication Systems India Limited (Company) a joint venture of Telecommunications Consultants India Limited (TCIL) and Delhi State Industrial Development Corporation (DSIDC) was incorporated in April 1987. The main objective of the Company was to manufacture computer based communication systems and equipment to meet the new demands in communication and Information Technology sectors. The Company also provided engineering technical and management consultancy services for computers and communication systems in India and abroad.

However, the Company ceased to conduct manufacturing activities and surrendered its manufacturing license to excise authorities in April 1995 for manufacture of excisable goods. At present the Company is engaged in trading of computers and other telecommunication systems.

9.2 Organisational setup

The administrative and overall functional control is vested with the Board of Directors headed by the Managing Director on deputation from TCIL. He is assisted in day-to-day affairs of the Company by Joint General Manager, General Manager (Finance) and Company Secretary who were also on deputation from TCIL. The Board of Directors consists of seven Members (three from TCIL, three from DSIDC and one from Falcom Cables, USA).

9.3 Investment and Returns

The authorised and paid up capital of the Company, as on 31 March 2007, was Rs 100.00 lakh contributed by the following companies:

TCIL	36 per cent
DSIDC	40 per cent
Orison Infocom Pvt. Ltd.	09 per cent
Falcom Cable TV Ltd.	15 per cent
TOTAL	100 per cent

The company has earned profit (after tax) of Rs 1.85 lakh during the year 2006-07. As the Company had accumulated losses, it did not declare any dividend during the (past five) years. As of 31st March 2007 the accumulated loss of the Company was Rs 26.06 lakh.

9.4 Physical and Financial Performance

The Company discontinued manufacturing business and is concentrating mainly on trading of computers and telecommunication systems, turnkey sales of cables, annual maintenance contracts, repairs of E-10B, C-DOT, New Tech cards and Franchise business Project.

9.5 Financial Performance

The financial results of the Company for the five year ending 31 March 2007 were as follows:

Particulars	(Rs in lakh)				
	2002-03	2003-04	2004-05	2005-06	2006-07
i) Income from Projects (Sales & Services)	1671.09	2286.40	2394.18	3261.66	493.87
ii) Net Sales	1671.09	2286.40	2394.18	3261.66	493.67
iii) Other or Misc. Income	20.89	111.45	39.95	14.99	66.27
iv) Profit / Loss before tax and prior period adjustments and extraordinary items	12.03	5.37	15.58	9.91	5.98
v) Prior period adjustments (Net) Credit.(+) / Debit (-)	(-) 0.01	(-)0.19	(-) 0.07	(-)0.15	(-) 0.12
vi) Extraordinary items (Net)	(+)44.61	(+)27.71	(-)4.98	(+)0.14	-
vii) Tax provision	(-)1.47	(+)0.57	(-)2.29	(-)4.97	(-)4.01
viii) Profit after tax	55.16	33.46	8.24	4.93	1.85
ix) Dividend	-	-	-	-	-

It would be seen from the above table that the profit of the company have substantially decreased to Rs 1.85 lakh as on 31 March 2007 over the years from the highest Rs 55.16 lakh earned by the Company in 2002-03.

9.6 Manpower

The total manpower of the Company as on 31 March 2007 was 13 in 'C' and 'D' cadres other than staff on deputation.