September 13, 2019

The Manager – Listing
National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
MUMBAI – 400 051
Tel : +91 22 26598235/36
Fax : +91 22 26598237/38

STOCK CODE: ICDSLTD

The Manager - Listing
Bombay Stock Exchange Ltd
Regd. Office: Floor 25
P J Towers
Dalal Street
MUMBAI – 400 001

Tele : +01 22 2272 1234

STOCK CODE: 511194

Sub: Submission of Annual Report for the financial year 2018-19.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we hereby submit the Annual report of ICDS LIMITED for F.Y 2018-19.

Kindly take it on record.

Thanking you,

Yours faithfully
For ICDS Ltd.

Veena Hegde
Company Secretary & Compliance Officer
M.No.A45746

Date : 13.09.2019
Place: Manipal

Encl: As above.

ICDS LIMITED
MANIPAL
Regd. Office

ICDS LIMITED

Regd. Office: Syndicate House, Manipal – 576 104

48th Annual Report

2018 – 2019

Chairman	:	Mr. T. Mohandas Pai
Managing Director	:	Mr. Bharath Krishna Nayak
Directors	:	Mr. Sujir Prabhakar Mr. T. Sachin Pai Mr. Harish P. Shenoy Mr. Airody Giridhar Pai Mrs. Vimal C. Kamath
Company Secretary	:	Mrs. Veena Hegde
CFO	:	Mr. G. R. Nayak
Auditors	:	M/s. Pathak H. D. & Associates *Chartered Accountants, Mumbai*
Registered Office	:	Syndicate House, Upendra Nagar Manipal – 576 104 CIN - L65993KA1971PLC002106
Bankers	:	SYNDICATEBANK CORPORATION BANK ICICI BANK LTD.
Registrar and **Share Transfer Agent** (For Physical and Demat Shares)	:	Cameo Corporate Services Ltd. Subramanian Building No. 1, Club House Road Chennai – 600 002

NOTICE

NOTICE is hereby given that the 48th ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Thursday**, the 26th September, 2019 at 4.00 p.m.** at Rotary Hall, Ananth Nagar, Manipal 576 104, Udupi District to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance sheet as at 31st March, 2019 and Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors.

2. To appoint a Director in place of Sri T. Mohandas Pai [DIN 00104336] who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr.Tonse Sachin Pai (DIN: 00795780) who was appointed as an additional director of the company, by the Board of Directors in their meeting held on 5th December 2018 under Section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and Clause 49 of the Listing Agreement and applicable provisions of Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting, and being eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying its intention to propose his candidature for the office of Director, be and is hereby appointed as director of the company, liable to retire by rotation."

4. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Sujir Prabhakar (DIN 02577488) who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 5, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

   "RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Sujir Prabhakar who meets the criteria for independence as provided in Section149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years upto December 4, 2024, be and is hereby approved."

5. To consider and if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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. Vimal Chandrashekhar Kamath (DIN 07182821), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed asan Independent Director of the Company, not liable to retireby rotation and to hold office for a term of 5 (five) consecutive years upto December 04, 2024."

6. To consider and if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time totime, Mr. Airody Giridhar Pai (DIN 00109985), who was appointed as an Independent Director at the forty third Annual General Meeting of the Company and who holds office up to the date of this Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years upto September 26, 2024.”

7. To consider and if thought fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

   “RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. U. Harish P. Shenoy (DIN 00109884), who was appointed as an Independent Director at the forty third Annual General Meeting of the Company and who holds office up to the date of this Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years upto September 26, 2024.”

8. To consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:

   “RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration committee and approval of Board of Directors, and pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of Articles of Association of the company, approval of members be and hereby accorded to appoint Mr. Bharath Krishna Nayak, Director (DIN 00776729) as Managing Director of the company without remuneration for a period of 3 years with effect from 5th December, 2018 to 4th December, 2021.

General Terms:

a) The Managing Director will perform his duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

b) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

c) The Managing Director shall satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

   RESOLVED FURTHER THAT in the absence of or inadequacy of net profit in any financial year remuneration, if any, payable to Mr. Bharath Krishna Nayak, shall be governed by Section II of the Part II of Schedule V of the Act or any statutory modification thereof.

   RESOLVED FURTHER THAT the aforesaid terms shall be deemed to be the extract of the terms and conditions of the contract of employment between the company and Mr. Bharath Krishna Nayak.

   RESOLVED FURTHER THAT Mr. Bharath Krishna Nayak shall not be paid any fees for attending the meetings of the Board or Committees so long as he holds the position of Managing Director.

   RESOLVED FURTHER THAT Mr. Bharath Krishna Nayak shall not, while he continues to hold office as Managing Director be liable to retire by rotation as a Director of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Act.

RESOLVED FURTHER THAT any one director of the Company be and is here by authorised to make necessary entry in the register of directors and file the intimation of appointment in prescribed form with the Registrar of Companies, Karnataka and issue a letter of appointment to Mr. Bharath Krishna Nayak in this regard."

	By Order of the Board
Registered Office:	*Sd/-*
Syndicate House	**T. Mohandas Pai**
Manipal 576 104	*Chairman*
Date : 28.05.2019	DIN-00104336

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2019 may visit the Company's corporate website www.icdslimited.com or send their queries at least 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.
7. Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting : [Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

(A)	Name	:	Mr. Tonse Mohandas Pai
	Date of Birth	:	20.06.1933
	Expertise in specific functional areas	:	Mr. T. Mohandas Pai, Bachelor of Law (BL) from University of Pune, aged about 86 years has joined ICDS Ltd. as Joint Managing Director during 1989. He is an Industrialist having vast experience in the fields of Administration, Management, Finance and Education.
	List of other directorships held	:	Manipal Media Network Ltd. Manipal Prakashana Limited
	Chairman/Member of the Committees of the Board	:	Chairman: Stakeholders Relationship Committee.
	Chairman/Member of the Committees of the Board of other Companies in which he is Director	:	Nil

(B)	Name	:	Mr. Tonse Sachin Pai
	Date of Birth	:	10.03.1976
	Expertise in specific functional areas	:	Mr. Tonse Sachin Pai (Bachelor of Computer Engineering and Mathematics), aged about 43 years, has got an overall 20 years' experience in the field of business, Industrial management and administration with a proven track record.
	List of other directorships held	:	Best Sellers Apparels Pvt. Ltd., Manipal Technologies Ltd.
	Chairman/Member of the Committees of the Board:	:	Nil
	Chairman/Member of the Committees of the Board of other Companies in which he is Director	:	Nil
(C)	Name	:	Mr. Sujir Prabhakar
	Date of Birth	:	01.11.1952
	Expertise in specific functional areas	:	Mr. Sujir Prabhakar, (B.Com.; CAIIB), aged about 66 years is a Retd. Dy. G.M. of Syndicate Bank. He is an astute Banking Professional with an overall solid experience of 38 years in Syndicate Bank and over 5 years of Teaching as visiting Professor and as Guest Lecturer in several Prestigious Business Schools. Demonstrated excellence in all the verticals of Banking industry with a proven track record. He is Good in Mentoring and Counseling, while in Bank.
	List of other directorships held	:	Nil
	Chairman/Member of the Committees of the Board:	:	Chairman – Audit Committee
	Chairman/Member of the Committees of the Board of other Companies in which he is Director.	:	Nil
(D)	Name	:	Mrs. Vimal Chandrashekar Kamath
	Date of Birth	:	21.06.1944
	Expertise in specific functional areas	:	Basically Mrs. Vimal C. Kamath is a social worker and donor to various cultural, social and educational associations and is deeply involved in their activities. Worked as Chemist in British Drug House, Bombay, worked as Life Insurance Agent and Consultant for nearly 20 years in Goa. She was AIR Panaji, Goa and Panaji Doordarshan artist for 20 years. She was a member of SAG (Sports Authority of Goa) for 2 years and was Goa State tennis player and represented in Nationals for nearly 15 years. Presently she is a Trustee in Bharathiya Vikas Trust, Manipal.
	List of other directorships held	:	Nil
	Chairman/Member of the Committees of the Board	:	Member – Nomination & Remuneration Committee.
	Chairman/Member of the Committees of the Board of other Companies in which she is Director	:	Nil

(E)	Name	:	Mr. Airody Giridhar Pai
	Date of Birth	:	08.06.1952
	Expertise in specific functional areas	:	Businessman Member of Supreme Governing Body, Academy of General Education, Manipal.
	List of other directorships held	:	Airody Jewellers Pvt. Ltd.
	Chairman/Member of the Committees of the Board	:	Member : Audit Committee and Nomination & Remuneration Committee
	Chairman/Member of the Committees of the Board of other Companies in which he is Director	:	Nil
(F)	Name	:	Mr. U. Harish P. Shenoy
	Date of Birth	:	03.06.1968
	Expertise in specific functional areas	:	Businessman Member of Karnataka Konkani Sahitya Academy, (Govt. of Karnataka)
	List of other directorships held	:	Sri Ramakrishna Theatre Ltd TRGP Enterprices Pvt. Ltd.
	Chairman/Member of the Committees of the Board:	:	Member : Audit Committee & Stakeholders Relationship Committee
	Chairman/Member of the Committees of the Board of other Companies in which he is Director	:	Nomination & Remuneration Committee
(G)	Name	:	Mr. Bharath Krishna Nayak
	Date of Birth	:	11.04.1964
	Professional Qualification	:	Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analysts of India, Hyderabad, A.P.
	Membership	:	Member of the Council of Chartered Financial Analysts
	Expertise in specific functional areas	:	He has got vast experience in Financial Management, Forex Management Fund raising and Fund Management, Financial Accounting, Budgeting, Tax Planning and Administration. He is also advising the Top Management on strategic planning and implementation. He has experience of over 25 years in the field and has served many Companies in various capacities.
	List of other directorships held	:	Manipal Business Solutions Pvt. Ltd. Manipal Energy & Infratech Ltd. Blue Cross Builders and Investors Ltd. Manipal Digital Systems Pvt. Ltd.

8. The register of members and Share Transfer Book will remain closed from Monday, 23rd September, 2019 to Thursday, 26th September, 2019 (both days inclusive) in connection with 48th Annual General Meeting.

9. **The instructions for shareholders voting electronically are as under:**
   (i) The voting period begins on 23.09.2019 10.00 a.m. and ends on 25.09.2019 upto 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
   (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
   (iv) Click on Shareholders.
   (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.
   (vi) Next enter the Image Verification as displayed and Click on Login.
   (vii) If you are holding shares in demat 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 Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	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. • 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 (iv).

   (ix) After entering these details appropriately, click on "SUBMIT" tab.
   (x) Members holding shares in physical form will then directly reach 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 for the relevant <Company Name> 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 & enter the details as prompted by the system.
   (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **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 as Corporates.
- 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.

(xxi) In case you have any queries or issues regarding e-voting, 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.

Explanatory Note pursuant to Section 102(1) of the Companies Act, 2013

Item No. 3

Mr. Tonse Sachin Pai has been appointed as an Additional Director at the Board Meeting held on 5th December, 2018. In terms of the provisions of Section 161 of the Companies Act, 2013 Mr. Tonse Sachin Pai holds office upto the date of ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received in writing from a member together with requisite deposit signifying its intention to propose his candidature for the office of the Director of the Company.

The Board considers that the appointment of Mr. Tonse Sachin Pai on the Board of the Company would be beneficial for the Company. Hence, it is proposed to appoint him as a Director, liable to retire by rotation.

The Company has received from Mr. Tonse Sachin Pai (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (2) intimation in Form DIR-8 in terms the said Rules to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

Brief profile of Mr. Tonse Sachin Pai in terms of Clause 49 of the Listing Agreement is provided at the end of this Notice.

The Board recommends the passing of the Ordinary Resolution at item No. 3 of the accompanying Notice for approval of the members of the Company.

Save and except, Mr. Tonse Sachin Pai, to whom the Resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

Item No. 4

It is proposed to appoint Mr. Sujir Prabhakar, who was appointed as Additional Director and Independent Director at the Board meeting held on 5th December, 2018 of the Company under Section 149 of the Companies Act, 2013 to hold the office for a period of 5 (Five) consecutive years i.e., for a term upto 04th December, 2024.

The Company has received declaration from the said Director stating that he meets all the criteria of Independence, as prescribed under Section 149(6) of the Companies Act, 2013.

The information as required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 regarding the Director who is proposed to be appointed as Independent Director is given in the Notes forming part of the Notice convening the Annual General Meeting.

Only Mr. Sujir Prabhakar is interested in the respective resolution for his own appointment under item No. 4 of the Notice.

The Board recommends the passing of the Ordinary Resolution at item No. 4 of the accompanying Notice for approval of the members of the Company.

Save and except the above, none of the other Directors of the Company and their respective relatives are in any way interested financially or otherwise, in the resolutions under Item No. 4 of the Notice.

Item No. 5

It is proposed to appoint Mrs. Vimal Chandrashekar Kamath, who was appointed as an Independent Director at the Board meeting held on 5th December, 2018 of the Company under Section 149 of the Companies Act, 2013 to hold the office for a period of 5 (Five) consecutive years i.e., for a term upto 04th December, 2024.

The Company has received declaration from the said Director stating that she meets all the criteria of Independence, as prescribed under Section 149(6) of the Companies Act, 2013.

The information as required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director who is proposed to be appointed as Independent Director is given in the Notes forming part of the Notice convening the Annual General Meeting.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for appointment of Independent Director beyond the age of seventy-five years.

Only Mrs. Vimal Chandrashekar Kamath is interested in the respective resolution for her own appointment under item No. 5 of the Notice.

The Board recommends the passing of the Special Resolution at item No. 5 of the accompanying Notice for approval of the members of the Company.

Save and except the above, none of the other Directors of the Company and their respective relatives are in any way interested financially or otherwise, in the resolutions under item No. 5 of the Notice.

Item No. 6 & 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Airody Giridhar Pai and Mr. U. Harish P. Shenoy as Independent Directors, for a second term of five years upto September 26, 2024, not liable to retire by rotation. Mr. Airody Giridhar Pai and Mr. U. Harish P. Shenoy was appointed as Independent Directors at the forty third Annual General Meeting ("AGM") of the Company and holds office up to AGM held in 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Airody Giridhar Pai and Mr. U. Harish P. Shenoy would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge their duties.

In the opinion of the Board, they fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Directors and is independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday and Sunday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Airody Giridhar Pai is a Member of Supreme Governing Body, Academy of General Education, Manipal and Mr. U. Harish P. Shenoy is a Member of Karnataka Konkani Sahitya Academy, (Govt. of Karnataka). Further details and current directorships have been given in the Notes to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Airody Giridhar Pai and Mr. U. Harish P. Shenoy as Independent Directors is now being placed before the Members for their approval by way of Special Resolution.

Save and except the above, none of the other Directors of the Company and their respective relatives are in any way interested financially or otherwise, in the resolutions under Item No.6 and 7 of the Notice.

Your Directors commend the resolutions set out under item Nos. 6 & 7 of the Notice for the appointment of Independent Directors.

Item No. 8

The Board of Directors at its meeting held on December 5, 2018 appointed Mr. Bharath Krishna Nayak (holding DIN 00776729) as Managing Director of the Company with immediate effect for the period of three years subject to approval of shareholders in ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Bharath Krishna Nayak should be available to the Company for a period of 3 (Three) years with effect from 5th December, 2018.

For the purpose, contract of employment has been entered into by the Company with the Managing Director on December 5, 2018.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment of Mr. Bharath Krishna Nayak require approval of members by passing Ordinary Resolution. Hence, the members are requested to pass the Ordinary Resolution accordingly.

The Board therefore recommends the resolution for approval of shareholders.

Except Mr. Bharath Krishna Nayak, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.

BOARDS' REPORT – 2018-19

To,
The Members,

Your Board of Directors have pleasure in presenting their 48th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

FINANCIAL SUMMARY

The following table brings out the financial performance of the Company during the F.Y. 2018-19:

(Rs. in '000)

	31-Mar-2019	31-Mar-2018
Income from Operations	**2,77,84**	6,09,06
Other Income	**72,85**	64,84
Total Income	**3,50,69**	6,73,90
Less: Operating Expenses	**1,99,68**	1,62,92
Less: Fair value loss on Investments	**3,17,61**	18,14
Less: Interest	**3,06**	3,35
Profit/(loss) before Depreciation	**(1,69,66)**	4,89,49
Less: Depreciation	**12,65**	12,05
Profit after Depreciation before Tax	**(1,82,31)**	4,77,44
Less: Provision for Income Tax	**1,43**	1,17,10
Profit/(Loss) after Tax	**(1,83,74)**	3,60,34
Opening balance of retained earnings	**5,19,04**	1,62,58
Profit / (loss) for the year[a]	**(1,83,74)**	3,60,34
Other comprehensive income/(loss) [b]	**(3,67)**	(3,88)
Total comprehensive income/(loss) [a+b]	**(1,87,41)**	3,56,46
Closing balance of retained earnings	**3,31,63**	5,19,04

COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned income of Rs. 3,50,69 thousand as against Rs. 6,73,90 thousand in the corresponding previous year. The income for the current year is not comparable with that of the previous year due to the fact that the Previous Year income included sale of telephone handsets and accessories and the reduction of stock in trade comprising of shares to the extent of Rs. 3,38,26 thousand. The income for the year basically consists of recovery of dues, commission from Insurance related activities, dividend and interest. The operating expense for the year is Rs. 1,99,68 thousand as against Rs. 1,62,92 thousand in the previous year. The provision for the fair value of investments (reduction in the value of investments is Rs. 3,17,61 thousand as against Rs. 18,14 thousand in the previous year. The profit/(loss) after tax for the year after adjusting the provision stands at Rs. (1,83,74) thousand as against Rs. 3,60,34 thousand in the Previous year. On account of the losses incurred during the year there is erosion in the net worth of the company. The Net worth of the company as at March 31, 2019 stands at Rs. 19,67,64 thousand as against Rs. 21,55,05 thousandas at March 31, 2018.

FUTURE BUSINESS PLANS:

The Company has stopped NBFC business subsequent to the filing of scheme of arrangement with the Hon'ble High Court of Karnataka Bangalore. As the Company had repaid the entire public liabilities (subject to Note No. 23(a) of the financials) has applied for fresh Certificate of Registration (COR) with Reserve Bank of India, as Non deposit taking NBFC. Reserve Bank of India has made certain suggestions most of which the Company has complied with and requested Reserve Bank of India to issue the COR with the assurance that the other suggestions will be implemented post issuance of COR. Reserve Bank of India vide its letter dated 26th December, 2018, informed the company that the company's request for the COR has been rejected and advised the company to approach the Appellate Authority for redressal of grievances if any. The company accordingly has filed an application before the Appellate Authority and the same is presently pending with the said authority.

LISTING OF COMPANY'S SHARES IN NSE & BSE:

The Company shares were listed in BSE and NSE. The trading in shares were suspended by BSE in the year 1999 and by NSE in 2002. The Company started pursuing removal of suspension of trading in both the Stock Exchanges for the last few years by visiting the Stock Exchanges in person and through consultants. The Company has been putting in its best efforts to get the suspension revoked at the earliest and we are hopeful of getting suspension revoked shortly.

FEE BASED ACTIVITIES

In order to generate some income to partly meet the establishment expenses, your Company is engaged as Corporate Agent for Life and General Insurance Companies. The company is also focusing on collecting over dues from HP/Lease/Loans/Bills discounted portfolios.

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves during the financial year.

DIVIDEND

In view of the losses incurred during the year and in order to conserve the resources for future business your directors expressed their inability to recommend dividend during the year under report.

SHARE CAPITAL

The paid up Share Capital as on 31st March, 2019 was Rs. 13,02,67 thousand. During the year under review, the Company has not issued any shares and also has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

DEPOSITS:

The Company has not accepted any deposits from the public/ shareholders during the year under review as per Section 73 of the Companies Act, 2013.

CORPORATE GOVERNANCE

Pursuant to the Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report and Auditor's Certificate regarding Compliance of conditions of Governance are made a part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Directors

Mr. H. N. S. Rao (DIN 00106953) and Mr. K. M. Udupa (DIN 00104309) resigned from the Board owing to personal reasons. Board wishes to place on records its appreciation of valuable services rendered by both of them during their tenure as Directors.

Mr. T. Mohandas Pai, [DIN 00104336] Chairman and Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

Mr. T. Sachin Pai (DIN 00795780) Mr. Sujir Prabhakar (DIN 02577488) were appointed as additional Directors on the Board of the Company. They continued to be Directors till the date of forthcoming Annual General Meeting. Company has received notice from members proposing them to the position of Directors at the meeting.

Mrs. Vimal C. Kamath (DIN 07182821) and Mr. Sujir Prabhakar (DIN 02577488) were appointed as Independent Directors of the Company subject to approval of the members in the ensuing annual general meeting.

Mr. Bharath Krishna Nayak (00776729) resigned from the post of Independent Director and appointed as Managing Director of the Company subject to approval of the members in the ensuing annual general meeting.

Details of remuneration paid to the Directors and Key Managerial Personnel are given in the Form MGT-9 which is available in the Company's website www.icdslimited.com (link: http://www.icdslimited.com/sites/default/files/ICDS_MGT-9%20Extract%20of%20Annual%20Return%202019.pdf).

A brief profile of the Directors seeking confirmation/appointment, nature of expertise in specific functional area, name of other public companies in which he/she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS 2 on General Meetings) is appended to the Notice.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings were convened and held on 29.05.2018, 08.08.2018, 05.11.2018, 05.12.2018, 13.02.2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

The Audit Committee comprises independent directors namely Mr. Sujir Prabhakar, (Chairman), Mr. Airody Giridhar Pai and Mr. U. Harish P. Shenoy as other members. All the recommendations made by the Audit Committee were accepted by the Board. Details of Audit Committee meetings are enumerated in the Corporate Governance Report.

The role and terms of reference of Audit Committee cover the areas mentioned in Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 29.05.2018, 08.08.2018, 05.11.2018 and 13.02.2019.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as per the provisions of Section 135(1) of the Companies Act, 2013 as the said provisions are not applicable to the Company for the time being.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto.

Particulars of top ten employees of the Company in terms of remuneration drawn during the year 2018-19 presented as an annexure to the Board Report during the Board Meeting is preserved separately and the same will be made available to any shareholders on request made to the company in writing.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner.

Your Company through its risk management process strives to contain impact and likelihood of the risks from time to time.

SUBSIDIARY/ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiary Manipal Properties Limited, prepared in accordance with Indian Accounting Standard issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual Accounts of the subsidiary company and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the subsidiary company and will be available to investors seeking information at any time.

Salient features of financial statements of subsidiary company pursuant to Section 129(3) of the Companies Act, 2013 have been covered in the Financial Statements in Form AOC-1.

RELATED PARTY TRANSACTION:

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant related party transactions made by the Company during the year that would have required shareholders approval under the provisions of the Act. Details of the transactions with related parties are provided in the Note No. 38 of accompanying standalone financial statements. Form AOC-2 pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith marked as **Annexure I**.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Board has carried out an annual performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out are detailed below:

The performance evaluation of Chairman and Non Independent Directors was carried out by the Independent Directors. The Independent Directors evaluated the parameters viz., level of engagement, duties, responsibilities, performance, obligations and governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

AUDITORS

Pursuant to the provisions of the Companies Act, 2013, the Company at its 46th AGM held on 25th September, 2017 had appointed M/s Pathak H D & Associates, Chartered Accountants, Mumbai (FRN: 107783W) as the Statutory Auditors of the Company for period of five years till the conclusion of the 51st annual general meeting to be held in the year 2022.

AUDITORS' REPORT:

Auditors report does not contain any qualifications, reservations or adverse remarks.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, CS. Shrinivas M. Devadiga, Practicing Company Secretary (Membership No. 22381 CoP No.10372) from Bangalore has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure II to this report. Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks. However, in respect of the comments made by the Secretarial Auditor in the Report with respect to show cause notice issued by the Registrar of Companies, Karnataka, the necessary explanation given by the Directors under Note Nos. 35(c) and 36(c) of the Notes to Standalone Financial Statement and Consolidated Financial Statement respectively are self explanatory.

INTERNAL FINANCIAL CONTROL

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information complying with applicable statutes and policies safeguarding of assets prevention and detection of frauds, accuracy and completeness of accounting records. The Company has appointed Internal Auditor with dedicated internal audit team. The Internal Audit Reports were reviewed periodically by the Audit Committee. Further the Audit Committee annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) and adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is available on the Company's website www.icdslimited.com (link: http://www.icdslimited.com/sites/default/files/ICDS_MGT-9%20Extract%20of%20Annual%20Return%202019.pdf)

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

There are no such material changes to be reported in this regard.

Change in nature of Business:

There is no change in nature of business.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

Your Directors wish to state that there have been no significant or material orders that were passed by the Regulators or Courts or Tribunals which may impact the going concern status and operations of the Company in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans: Nil

Details of Guarantee/Security Provided: Company has not provided any guarantee/Security during the financial year.

Investments made are of the nature quoted/unquoted equity shares and investment in property. Particulars of such investments are provided in the financial statements vide Note No. 10.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of Women at work place, a new Act The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 has been notified on 9th December, 2013. In terms of the said Act, Your Company has constituted an Internal Complaints Committee to look into complaints of sexual harassment at work place of any women employee. The company has adopted a policy for prevention of sexual harassment of women at work place and has set up internal committee for implementation of the said policy. During the year, your Company has not received any complaint of sexual harassment of any women employee.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

a. No. of complaints received : Nil

b. No. of complaints disposed off : Nil

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

The company did not have any activity in relation to conservation of energy or technology absorption. The company had no foreign exchange earnings or outgoings during the year under report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on website www.icdslimited.com

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, that:

(a) in the preparation of the annual accounts, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures;

(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 at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 25.09.2018), with the Ministry of Corporate Affairs. The Company has since transferred the unclaimed amounts under the Scheme of Arrangement to IEPF, subject to Note No. 23 (a) of the Balance Sheet.

DETAILS OF FRAUD REPORT BY AUDITOR:

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

VIGIL MECHANISM

The Company has a Whistle Blower Policy for Directors and employees and adopted the Whistle Blower Policy in terms of Section 177 (9) and (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to report genuine concerns, if any about unethical behavior, wrongful conduct and violation of Company's code of conduct or ethics. The Whistle Blower Policy is available on the Company's website: www.icdslimited.com.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the services and co-operation extended by our Bankers, Investors and Members of Staff of the Company, during the year under report. Your directors also wish to thank the shareholders for their support.

Your directors also wish to place on record their deep sense of appreciation of the services rendered by the staff members at all levels.

For and on behalf of the Board of Directors

Sd/-

(T. Mohandas Pai)

Chairman

(DIN-00104336)

Place : Manipal

Date : 28.05.2019

Annexure – I

FORM NO. AOC – 2

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil
2. Details of contracts or arrangements or transactions at Arm's length basis : All related party transactions as covered u/s 188 of the Act were entered into during the period prior to 1.4.2015. Therefore making any further disclosures in Form AOC-2 does not arise.

For and on behalf of the Board of Directors
Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Place : Manipal
Date : 28.05.2019

Annexure – II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ICDS Ltd.
Regd. Office : "Syndicate House"
Manipal – 576 104

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICDS Limited (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 ICDS Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 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 ICDS Limited ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(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) Foreign Exchange Management Act, 1999 and the rules and 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the clients.

(vi) Other laws applicable to the Company as per representation made by the Management.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting are applicable to company during the year.

(ii) The Listing agreements entered into by company with Bombay Stock Exchange and National Stock exchange

I further report that, there were no action/events in pursuance of:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) 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; and

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

During the period under review and as per the explanations and clarifications given to me and representations made by the Management, Shares trading has suspended from NSE since 27th June 2002 and from BSE since 5th July 1999, However Company has generally complied with listing Requirements and process of listing Shares in BSE and NSE are under progress.

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, on 9th October 2002 RBI had cancelled NBFC licence of the Company; hence Company is not complying with RBI regulation, guidelines and Direction to NBFC since suspension of its Licence.

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, company was received show cause notice by ROC for violation of Section 203(1) R/W Section 203(4) of the Companies Act, 2013 for non-appointment of Company Secretary from 01.04.2014 to 08.08.2016. However, company has made an application for Adjudication of penalties with Registrar of Companies, Karnataka and the matter is pending with Registrar of Companies, Karnataka.

I further report that

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that as per explanation given to me and representation made by the management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no other specific events/actions in pursuance to above referred laws, rules, regulations, guidelines etc., having major bearing on the Company's affairs.

Sd/-
Shrinivas Mutta Devadiga

Place : Manipal — Membership No.: 22381
Date : 24.05.2019 — C P No.: 10372

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

'ANNEXURE A'

To,
The Members,
ICDS Limited
Regd Office : "Syndicate House"
Manipal – 576 104

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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 management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

Sd/-
Shrinivas Mutta Devadiga

Place : Manipal — Membership No.: 22381
Date : 24.05.2019 — C P No.: 10372

CIN - L65993KA1971PLC002106

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31st March, 2019 as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. **Philosophy:**
   The Company believes in good corporate governance and has taken efforts to implement the same wherever possible in the present circumstances.

2. **Board of Directors:**
   The Board comprised of seven Directors, of which one is executive and two non-executives and four Independent Directors including a woman director.

   The non-executive and Independent Directors are eminent personalities with experience in Banking, Management and Finance etc. The Board oversees as to how the management serves and protects the long-term interest of all the stakeholders.

   i) Number of Board Meeting and Attendance of Directors:
   The Board met 5 times during financial year 2018-2019. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
29th May, 2018	7	7
8th August, 2018	7	6
5th November, 2018	7	5
5th December, 2018	7	7
13th February, 2019	7	6

   The last AGM was held on 25th September, 2018 and out of 7 Directors of the Company, 5 Directors were attended the AGM.

   ii) The Composition of Board of Directors, their Directorships in other companies and memberships in committees and the details of their attendance at the Board Meetings are given below:

Sl. No.	Name of the Directors	Category of Director-ships	No. of Meetings attended	Atten-dance at last AGM	No.of other director-ship	No.of Board committees in which Chairman (C)Member (M)
1.	Sri T. Mohandas Pai	Promoter Non-Executive	4	Yes	4	1 (C)
2.	Sri H. N. S. Rao **#**	Non-Executive	4	Yes	4	-
3.	Sri Bharath Krishna Nayak	Managing Director	4	Yes	4	-
4.	Sri K. M. Udupa **#**	Non-Executive Independent	4	No	0	-
5.	Sri Airody Giridhar Pai	Non-Executive Independent	2	No	1	3 (M)
6.	Sri U. Harish P. Shenoy	Non-Executive Independent	3	Yes	2	1 (C) 2 (M)
7.	Mrs. Vimal C. Kamath	Non-Executive Independent	4	Yes	0	1 (M)
8.	Mr. T. Sachin Pai	Non-Executive	2	No	2	-
9.	Mr. Sujir Prabhakar	Non-Executive Independent	2	No	0	1 (C)

Resigned effective from the close of business hours of December 05, 2018.

3. **Audit Committee:**

   The Audit Committee comprised of the following members of the Board:

   Sri Sujir Prabhakar, Chairman
   Sri Airody Giridhar Pai, Member
   Sri U. Harish P. Shenoy, Member

   The role and terms of reference of Audit Committee cover the areas mentioned under Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 29th May, 2018, 8th August, 2018, 5th November, 2018 and 13th February, 2019. Mrs. Veena Hegde, Company Secretary is the Compliance Officer.
   Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members present
29th May, 2018	4
8th August, 2018	3
5th November, 2018	2
13th February, 2019	3

4. **Nomination and Remuneration Committee:**
   This Committee will attend to the function relating to review of remuneration policy, changes to be effected in the policy from time to time and other aspects of remuneration to the Directors and Key Managerial Personnel from time to time.

   Sri Bharath Krishna Nayak is the Managing Director of the Company and he does not draw any remuneration.

Details of remuneration for the year ended 31st March, 2019:

i) Managing Director: Nil

ii) Non-Executive Directors & Independent Directors: Non-Executive Directors and Independent Directors were paid remuneration by way of sitting fees for attending Board Meetings.

iii) Key Managerial Personnel: Details of remuneration paid to Company Secretary and Chief Financial Officer of the Company has been furnished in the Form MGT-9 which is available in the company's website www.icdslimited.com under link: http://www.icdslimited.com/sites/default/files/ICDS Form_MGT-9_Extract_of_Annual_Return_2019.pdf

5. Stakeholders Relationship Committee:

The Committee review and redress shareholders grievances / complaints on matters relating to transfer/transmission of shares, non-receipt of Annual Report etc. Minor grievances are redressed by the Company Secretary/Share Transfer Agents. The Committee met 4 times during the year under report.

The Composition of Stakeholders Relationship Committee and attendance of the members in the meeting is given below:

Name	Status	No. of Meetings attended
Mr. T. Mohandas Pai	Non-Executive Chairman	4
Mr. U. Harish P. Shenoy	Independent Director	4
Mr. Airody Giridhar Pai	Independent Director	4

Mrs. Veena Hegde, Company Secretary is the Compliance Officer.

Number of Shareholders Complaints received : Nil

Number of Shareholders Complaints settled : Nil

Number not solved to the satisfaction of the shareholders : Nil

Number of pending Share transfers : Nil

6. Annual General Meetings:

The last three Annual General Meetings were held in Rotary Hall, Manipal – 576 104.

AGM No.	Date	Time	Special Resolution required
45	26.09.2016	4.00 p.m.	Adoption of new set of Articles of Association of the Company inter-alia pursuant to the Companies Act, 2013.
46	25.09.2017	4.00 p.m.	NIL
47	25.09.2018	4.00 p.m.	NIL

All the resolutions as set out in the respective notices were passed by the shareholders.

Postal Ballot:

The Notice of 48th Annual General Meeting does not contain any item which required approval by Postal Ballot.

7. Disclosures :

Related Party Transactions:

None of the transactions with the directors or their relatives, management personnel and / or subsidiaries conflicts with the interest of the Company. Attention of the members is drawn to the disclosure of transaction with related parties set out in Notes to Financial Statements forming part of the Annual Report.

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant related party transactions made by the Company during the year that would have required shareholders' approval under the provisions of the Act.

Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provided for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company www.icdslimited.com. Your company hereby affirms that no complaints were received during the year under review.

Compliance with Accounting Standards:

In the preparation of 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.

8. Means of Communication:

a. Quarterly/Half yearly Financial Results of the Company are forwarded to National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., and are made available on the company's Website www.icdslimited.com and also published in News Papers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Company has not made any presentations to any Institutional Investors/Analyst during the year.

Management Discussion and Analysis Report:

Review of Operations:

At present your company is engaged in recovery of over dues of Hire Purchase installments/Lease Installments, Loans and other dues. Your Company is Corporate Agent for Life and General Insurance Companies and generating some income to supplement the income from recovery of dues.

Business Review:

During the year under review, your company recovered/earned an amount of Rs. 283.37 Lakhs from various sources such as Rs. 119 lakhs as recovery of Bad and Doubtful Debts, Rs. 50 lakhs from demerger Receivables from Manipal Properties Ltd, the income from other activities like service charges under Insurance Agency, Dividend Income and rental income is Rs.114.37 lakhs.

Payment of Public Liabilities:

The Final installment payable under the Scheme of Arrangement was on 30th June, 2010. In spite of sending letters, reminders to various investors, some Investors have not surrendered the original certificates of investments to take back their investment and interest. Further some of the investors have not either presented the cheque issued in their favour in settlement of their dues or the instruments were lost in transit.

Transfer of Unclaimed Public Liabilities to Investors Education & Protection Fund (IEPF) [Pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Your Company has remitted unclaimed/un-encashed amounts to IEPF during the period under report subject to note number 23(a) of the Balance sheet.

Discussion on Financial Performance:

The discussion on financial performance and future business plan of the Company are covered in the Director's Report.

Human Resource Development:

There has been no material development on the Human Resources front. The number of people employed as on 31st March, 2019 was 27 as against the previous year's figure of 33.

General Shareholder Information

a) Annual General Meeting : 48th Annual General Meeting
Day & Date : Thursday, 26th day of September, 2019
Time : 4.00 p.m.
Venue : Rotary Hall, Ananth Nagar Manipal – 576 104, Udupi District

b) Financial Calendar : 1st April to 31st March

c) Date of Book Closure : 23-09-2019 to 26-09-2019 (both days inclusive)

d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31st March, 2019.

e) Registered Office : Syndicate House, Manipal – 576 104.

f) Listing on Stock Exchanges : The equity shares are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. However shares are being suspended from both Exchanges, application for revocation of suspension have been filed and same are under process with both the Exchanges.

Note: Annual Listing Fee has been paid upto date.

g) a) Stock Code : ICDS LTD. EQ. (NSE) 511194 (BSE)
b) Dematerialization of Shares : ISIN No.INE 613B01010
c) website : www.nseindia.com & www.bseindia.com

As on 31st March, 2019, 1,03,82,439 No. Equity Shares forming 79.71% of the share capital of the Company stands dematerialized (Previous Year: 86,29,181 No. of equity shares forming 66.24% of the Share Capital).

h) Market Price Data : Not Available.

Note: There had been no trading in our Equity Shares in National Stock Exchange from June, 2002.

i) Registrar and Share Transfer Agent for Physical and Demat Shares:
Cameo Corporate Services Ltd.,
Subramanian Building
No. 1, Club House Road
Chennai – 600 002
Phone : (044-28460390), Email : investor@cameoindia.com

j) **Share Transfer System:**

As directed by SEBI, Company has appointed Cameo Corporate Services Ltd., V Floor, Subramanian Building, No.1 Club House Road, Chennai – 600 002, as Registrar and Share Transfer Agent under demat and physical form effective March, 2003. Till this date Share Transfers etc. were done in-house once in two weeks. The Stakeholders Relationship Committee approves all share transfer and transmission upon its receipt from the Registrars.

k) **Distribution of Equity Shareholding as on 31st March, 2019**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4513	83.0817	722219	7222190	5.5441
5001 - 10000	499	9.1863	347172	3471720	2.6650
10001 - 20000	214	3.9396	300051	3000510	2.3033
20001 - 30000	59	1.0861	146638	1466380	1.1256
30001 - 40000	31	0.5706	110835	1108350	0.8508
40001 - 50000	15	0.2761	67632	676320	0.5191
50001 - 100000	25	0.4602	182027	1820270	1.3973
100001 - And Above	76	1.3991	11150126	111501260	85.5944
Total	**5432**	**100.00**	**1,30,26,700**	**13,02,67,000**	**100.00**

l) **Pattern of Equity Shareholding as on 31st March, 2019**

Shareholders	No. of Shares held	Percentage
Foreign Body Corporate	400,000	3.07
Directors, Relatives, Friends and Associates	669,439,6	51.39
Financial Institutions	684,813	5.26
Banks	1172	0.01
Other Corporate Bodies	338,457	2.60
Others	4,907,862	37.67
TOTAL	**13,026,700**	**100.00**

m) **Plant Locations: NIL**

n) **Company's Website : www.icdslimited.com**

o) **Address for Investor's Correspondence:**

Secretarial Department

ICDS Ltd.

Regd. Office: Syndicate House, MANIPAL – 576 104

Phone: (0820) 2701500

Email: veenahegde@icdslimited.com

DECLARATION

As provided under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all Board Members and Senior Management Personnel affirmed compliance with ICDS Ltd., Code of Conduct and Ethics for the year ended 31st March, 2019.

For ICDS Ltd.

Sd/-

T. Mohandas Pai

Chairman

(DIN – 00104336)

Place : Manipal
Date : 28.05.2019

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To: The Members of ICDS Limited

I have examined the Compliance of the conditions of Corporate Governance by ICDS Ltd. ("the Company") for the year ended 31st March, 2019 as per the relevant provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

In my opinion and to the best of our information and explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above during the year ended March 31, 2019.

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

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

Sd/-

Shrinivas Mutta Devadiga

Membership No.: 22381

C P No.: 10372

Place : Bengaluru
Date : 28.05.2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICDS LIMITED

Report on the Audit of the Standalone Financial Statement

Opinion

We have audited the accompanying Standalone Financial Statements of **ICDS LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2019, and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) is not reported, in view of the cancellation of Certificate of Registration of Non-Banking Financial Company by the Reserve Bank of India on October 9, 2002.
3. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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;
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, the statement of Cash Flows dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) 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'; and
   g) In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its Directors during the year and accordingly further reporting in accordance with the requirements of Section 197(16) of the Act is not required;
   h) 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 impact of pending litigations on its financial position in its standalone

financial statements – Refer Note No. 35 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The Company during the year has remitted with delay an amount of Rs. 30,114 thousand, which was due to the Investor Education and Protection Fund (IEPF).Further, as represented by the Company, an amount of Rs. 739 thousand is not remitted to IEPF in view of the dispute between legal heirs of the deceased instrument holders which is pending before the Honourable Courts/ Appropriate Authorities.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 28.05.2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF ICDS LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act')

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments (PPE).

b) All the property, plant and equipments and investment properties of the Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no discrepancies were noticed on such verification.

c) According to the information and explanations 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.

ii) The Company does not carry any inventories at any time during the year. Accordingly, Clause 3(ii) of the Order is not applicable.

iii) As per the information and explanation given to us, the Company during the year has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of Clauses 3(iii)(a), (b) and (c) of the order are not applicable to the Company.

iv) As per the information and explanation given to us, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties covered under Section 185 and Section 186 of the Act. Accordingly, Clause 3(iv) of the Order is not applicable.

v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public after the enactment of this Act. Hence, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, is not applicable the Company.

The Company's liabilities existing prior to enactment of this Act, (including public deposits along with interest accrued thereon) were restructured as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka vide its order dated October 15, 2004. Accordingly, the Company had repaid its public liabilities, except to the extent of unclaimed/cheques issued but not encashed by the instrument holders as explained in note No. 23 (a) of the standalone financial statements. We are informed by the management of the Company that there are no other orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the Company.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise. According to the information and explanations given to us, there are no undisputed statutory dues which were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

ICDS LIMITED

b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, value added tax or cess which have not been deposited on account of any dispute except the following:-

Nature of the Statute	Nature of Dues	Year to which it pertains	Amount Demanded (Rs. in thousand)	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of depreciation on leased assets	Block assessment year 1987-88 to 1997-98	38,376*	Special Leave Petition filed before Hon'ble Supreme Court of India

* - net of amount paid under protest/refund adjusted aggregating to Rs. 64,028 thousands.

viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to financial institution/banks/Government. In respect of matured debentures and interest accrued thereon upto July 15, 2002, the Company has repaid all the installments to debenture holders as per the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Karnataka on October 15, 2004, except to the extent unclaimed/cheques issued but not encashed by the instrument holders as explained in note No. 23 (a) of the standalone financial statements.

ix) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.

x) During the course of examination of Books of Account 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 not come across with any material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. Accordingly, Clause 3(xi) of the Order is not applicable

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, Clause 3(xiv) of the Order is not applicable.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause 3(xv) of the Order is not applicable.

xvi) The Company was registered as Non-Banking Financial Company (NBFC) under the provisions of the Reserve Bank of India (RBI) Act, 1934 and the certificate of registration had been cancelled by the RBI vide its order dated October 9, 2002.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 28.05.2019

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF ICDS LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **ICDS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 judgement, 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 standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 28.05.2019

ICDS LIMITED

CIN - L65993KA1971PLC002106

Standalone Balance Sheet as at March 31, 2019

Rupees in Thousands

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipments	2	**498**	301
Investment property	3	**45,215**	46,330
Financial Assets:			
Investments	4	**12,201**	12,030
Long term loans	5	**5,784**	5,301
Other Non-current financial assets	6	**18,709**	18,807
Other Non-current assets	7	**40,013**	41,824
Non-current tax assets (Net)	8	**66,641**	59,896
Deferred tax assets (net)	9	**–**	–
		189,061	184,489
Current Assets			
Financial Assets:			
Investments	10	**29,004**	60,818
Trade receivable	11	**759**	872
Cash and cash equivalents	12	**1,100**	992
Bank balances other than above	13	**19,331**	38,209
Short term loans	14	**3,753**	3,787
Other current financials assets	15	**449**	1,906
Other current assets	16	**2,531**	2,623
		56,927	109,207
Total		**245,988**	293,696
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	17	**130,267**	130,267
Other Equity	18	**100,485**	119,226
		230,752	249,493
Non-Current Liabilities			
Financial Liabilities			
Other financial liabilities	19	**5,034**	5,776
Other Non-current liabilities	20	**529**	–
		5,563	5,776
Current Liabilities			
Financial Liabilities			
Short term borrowings	21	**7,166**	5,404
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	**–**	–
b) Total outstanding dues of creditors other than (a) above	22	**690**	460
Other financials liabilities	23	**1,245**	31,312
Other current liabilities	24	**572**	1,251
		9,673	38,427
Total		**245,988**	293,696

Significant Accounting Policies 1

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited
Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Managing Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

CIN - L65993KA1971PLC002106

Standalone Statement of Profit and Loss for the year ended March 31, 2019

Rupees in Thousands

Particulars	Notes	2018-19	2017-18
Income			
Revenue from operations	25	**27,784**	60,906
Other income	26	**7,285**	6,484
Total		**35,069**	67,390
Expenses			
Employee benefits expense	27	**7,820**	7,526
Finance costs	28	**306**	335
Depreciation expense	29	**1,265**	1,205
Other Expenses	30	**43,909**	10,580
Total		**53,300**	19,646
Profit/(loss) before tax		**(18,231)**	47,744
Less: Tax expense			
Current tax	9	**–**	11,560
Deferred tax	9	**143**	150
		143	11,710
Profit/(loss) for the year		**(18,374)**	36,034
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Re-measurement gains (losses) on defined benefit plans	36	**(510)**	(538)
Income tax effect	9	**143**	150
Total Other Comprehensive income (net of tax)		**(367)**	(388)
Total Comprehensive Income for the year		**(18,741)**	35,646
Earnings per equity share of face value of Rs.10/- each			
Basic and Diluted (in Rupees)	33	**(1.41)**	2.77

Significant Accounting Policies 1

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited
Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-
Sudhir Prabhu K.
Partner
Membership No.: 209589

Sd/-
Bharath K. Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

ICDS LIMITED

CIN : L65993KA1971PLC002106

Standalone Statement of changes in equity for the year ended March 31, 2019

A. Equity Share Capital *Rupees in Thousands*

Particulars	Notes	March 31, 2019	March 31, 2018
Balance at the beginning of the year	**17**	**130,267**	130,267
Changes in equity share capital during the year	**17**	**–**	–
Balance at the end of the year	**17**	**130,267**	130,267

B. Other Equity *Rupees in Thousands*

Particulars	Securities Premium	Other Reserve	Retained Earnings	Total other equity
Changes in equity for the year ended March 31, 2018				
Balance as at April 1, 2017	**33,334**	**33,988**	**16,258**	**83,580**
Profit/(loss) for the year	–	–	36,034	36,034
Other comprehensive income				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	(388)	(388)
Balance as at March 31, 2018	**33,334**	**33,988**	**51,904**	**119,226**
Changes in equity for the year ended March 31, 2019				
Balance as at April 1, 2018	**33,334**	**33,988**	**51,904**	**119,226**
Profit/(loss) for the year	–	–	(18,374)	(18,374)
Other comprehensive income				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	(367)	(367)
Balance as at March 31, 2019	**33,334**	**33,988**	**33,163**	**100,485**

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-
Sudhir Prabhu K.
Partner
Membership No.: 209589

Sd/-
Bharath K. Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

CIN : L65993KA1971PLC002106

Standalone Statement of Cash Flows for the year ended March 31, 2019

Rupees in Thousands

	Particulars	2018-19	2017-18
(A)	**Cash flow from Operating Activities**		
	Profit/(loss) before tax	**(18,231)**	47,744
	Adjustments for:		
	Depreciation and amortization expense	**1,265**	1,205
	Interest expenses	**217**	133
	Profit on sale of fixed assets	**(2)**	(9)
	Profit on sale of shares and securities	**–**	(33,641)
	Fair value loss on financial instruments	**31,761**	182
	Unwinding interest income	**(564)**	(579)
	Unwinding interest expenses	**64**	182
	Unwinding rental expenses	**1,807**	1,612
	Loss on disposal of subsidiary	**200**	–
	Interest on term deposits	**(1,709)**	(3,639)
	Dividends	**(850)**	(2,182)
	Reversal of provisions no longer required	**(9,773)**	(2,557)
	Bad debts written off	**1,874**	–
	Operating profit before working capital changes	**6,059**	10,083
	Adjustments for change in working capital		
	(Increase)/decrease in Trade receivables	**(1,761)**	(205)
	(Increase)/decrease in loans & advances and other assets	**8,977**	(2,466)
	Increase/(decrease) in Trade Payables and other liabilities	**(18,460)**	(10,887)
	Cash generated from operations	**(5,185)**	(3,475)
	Less: Interest paid	**(12,476)**	(6,483)
	Income Tax (paid)/refunded	**(6,745)**	(18,826)
	Net cash from/(used in) operating activities	**(24,406)**	(28,784)
(B)	**Cash flow from Investing Activities**		
	Purchase of fixed assets	**(347)**	(112)
	Sale of fixed assets	**2**	9
	Sale of investment in subsidiary	**300**	–
	Sale proceeds of current investment	**–**	42,893
	Purchase of investment for trading	**–**	(23)
	Purchase of investment in subsidiary	**(119)**	–
	Decrease/(increase) in restricted deposits/bank balances	**18,920**	(23,547)
	Interest received	**3,146**	2,767
	Dividend received	**850**	2,182
	Net cash from/(used in) investing activities	**22,752**	24,169

Standalone Statement of Cash Flows for the year ended March 31, 2019 (*contd...)*

(C)	**Cash flow from Financing Activities**		
	Increase/(decrease) of Bank Borrowing	**1,762**	4,168
	Net Cash from/(used in) Financing Activities	**1,762**	4,168
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	**108**	(447)
	Cash and Cash Equivalents at Beginning of the Year	**992**	1,439
	Cash and Cash Equivalents at End of the Year	**1,100**	992

Rupees in Thousands

Particulars	2018-19	2017-18
Break-up of cash and cash equivalents		
Cash on hand	**20**	32
Cheques, drafts and stamps on hand	**298**	63
Balances with banks in current accounts	**782**	897
Cash and Cash Equivalent as at end of the year	**1,100**	992

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.
2. Changes in liabilities arising from financing activities:

Rupees in Thousands

Particulars	2018-19	2017-18
Short Term Borrowings		
Opening Balance	**5,404**	1,236
Proceeds / (repayment) of short term borrowings (net)	**1,762**	4,168
Non-cash fair value charges	**–**	–
Closing Balance	**7,166**	5,404

3. The previous year figures have been regrouped and rearranged wherever necessary.

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited
Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-
Sudhir Prabhu K.
Partner
Membership No.: 209589

Sd/-
Bharath K. Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

CIN : L65993KA1971PLC002106

Significant Accounting Policies and Notes to Financial Statements

1 Company Overview and Significant Accounting Policies:

1.1 Company overview

ICDS Limited ("the Company") is incorporated on October 21, 1971 and registered as a Non Banking Financial Company (NBFC). The Company had filed the Scheme of Arrangement during August 2002, and stopped its fund based business and surrendered its certificate of registration as Non Banking Finance Company to RBI. The Company is presently concentrating on the recovery of its dues and repaying its liabilities and is also engaged in trading activities of shares and securities, mobiles and accessories, rental revenue from investment properties, marketing of the insurance products of life and general insurance companies. The Company is diversifying into more fee based activities.

Information on other related party relationship of the Company is provided in Note No. 38.

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on May 28, 2019.

1.2 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are called Ind AS financial statements.

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Thousands with no decimals (INR 000), except when otherwise indicated.

1.3 Significant accounting policies

a. Use of estimates:

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Current versus non-current classification:

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:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) 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 treated as current when:

a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified 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.

c. Revenue Recognition:

i. The Company derives its revenues, mainly from recovery of its dues which was written off/provided during earlier years and is also engaged in trading activities of shares and securities, mobiles and accessories, rental revenue from investment properties, marketing of the insurance products of life and general insurance companies.

Brokerage/commission received from insurance agency services has been accounted on accrual basis on certainty of realisation.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

Effective April 01, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 “Revenue”.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company determines whether it is a principal or agent on a contract to contract basis based on the parameters specified in Ind AS 115 and recognises revenue to the extent of margin/commission in contracts where the Company is an agent. For other contracts which does not meet the parameters and where the risk and controls are with the Company, the Company considers itself as a principal and revenue and cost are accounted at gross.

Revenue from insurance agency services where the Company is entitled only to brokerage/commission is recognised to the extent of brokerage/commission received where the risk and rewards of the transaction lies with the principal.

Any claims, which the Company is entitled, are recognised on reasonable certainty to expect ultimate collection and on acceptance by the third party.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 are as follows:

Rupees in Thousands

Particulars	2018-19	2017-18
Financial Services (includes recovery of debts charged/income reversed for earlier)	16,143	15,632
Trading Activities	-	33,826
Rent Received	11,168	10,862
Service charges and commission	473	586

Disaggregated revenue information:
The Company has presented disaggregated revenue from offerings with customers for the year ended March 31, 2019 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

Particulars	2018-19	2017-18
Financial Services (includes recovery of debts charged/income reversed for earlier)	16,143	15,632
Profit on sale of shares and securities	-	33,641
Sale of mobiles and accessories	-	185
Rent Received	11,168	10,862
Service charges and commission	473	586

The Company has not identified any disaggregated revenues based on Contracts separately as the disaggregation based on offerings detail the revenue aggregation.

The performance obligation disclosure requires to provide the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. The Company during the year has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on March 31, 2019 has not identified any remaining performance obligations, as the revenue recognised corresponds directly with the value to the customer in terms of the contract.

ii. Interest and other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii. Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

d. Property, Plant & Equipments:

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs if the recognition criteria are met.

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 assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
a) it is probable that future economic benefits associated with the item will flow to the entity; and
b) the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation on property, plant and equipments are provided on the Straight Line Method over the useful lives of the assets which is equal to those specified under Schedule II to the Companies Act, 2013.

Further, the management has estimated the useful lives of asset individually costing Rs. 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Investment properties:

Property that is held for long-term rental yields or for capital appreciations or both, and that is not occupied by the company, is classified as Investment property. Investment property is measured initially at its cost, including the related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefit associated with the expenditure flow to the Company and the cost of the same can be measured reliably. All other repairs and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of replaced property is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties generally have useful life of 60 years. The useful life has been determined based on the technical evaluation performed by the management's expert.

The Company on transition to Ind AS, has elected to continue with the carrying value (including previous GAAP revalued amount) of all of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and use that carrying value as the deemed cost of the investment property.

f. Investments in subsidiaries and associates:

Investment in subsidiaries are carried at cost less impairment as per Ind AS 27.

g. Borrowing cost:

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.

h. Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

i. Impairment of non-financial assets:

Property, plant and equipment and investment property are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

j. Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract: A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

Provisions and contingent liability are reviewed at each balance sheet.

k. Employee Benefits:

i) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

iii) Short-term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc.,are recognised in the statement of profit and loss in the period in which the employee renders the related service.

iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

I. Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction price and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss ('FVTPL')) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Effective Interest Method :

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i) Financial Assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected Credit Loss (ECL) : In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

ii) Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

  Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

  Fair values are determined in the manner described in note no. 31

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Loans and borrowings : After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition of Financial liabilities

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. Taxes on income:

Current income tax

Tax expense comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative 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 recognized 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 realized.

p. Earnings per share:

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. The company does not have potential dilutive equity shares outstanding during the period.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

A) Critical Accounting Estimates and Assumptions :

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) **Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

ii) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured at Discounted cash flows where available or face value when it closely approximates the fair value where reliable financial and other information available and all other cases measured at nominal value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk ,volatility and inputs on average borrowing rate applicable to company.

iii) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

Further details about gratuity obligations are given in note no.36(b)

B) Significant judgements:

i) **Property Plant and Equipment and Investment properties**

Property, plant and equipment and Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

ii) **Fair value measurement of financial instruments**

The fair value of unquoted financial instruments are measured at the value in which it is being transacted in the unquoted market as per the reliable financial and other information is available with the management. All other cases fair value is taken at nominal value.

iii) **Taxes**

Deferred tax assets recognised to the extent of the corresponding deferred tax liability on remeasurement of net defined benefit plans. (refer note no. 9.04).

1.5 New and amended Ind AS effective as on April 1, 2018

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after April 01, 2018:

i. **Ind AS 115, 'Revenue from Contracts with Customers':** Ind AS 115 was notified by the Ministry of Corporate Affairs on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 is effective from reporting periods beginning on or after April 01, 2018. The Company has applied the Accounting Standard for the first time during the year, using the cumulative catch-up transition method for the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant.

ii. Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.

iii. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses: The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment.

1.6 Introduction of new standards and amendments to existing standards issued but not effective

i. Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

> Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

> Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

> Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

> An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

ii. *Ind AS 19 Employee Benefits - plan amendment, curtailment or settlement:*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

> to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

> to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iii. *Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:*

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition:

a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
b. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iv. *Amendment to Ind AS 12 – Income taxes:*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

v. Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments: This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be ‘reasonable compensation for early termination of the contract’.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

vi. *Annual Improvements to Ind AS :*

Ind AS 23, ‘Borrowing Cost’- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 103, ‘Business Combination’- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

Ind AS 111, ‘Joint arrangements’- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

Ind AS 12, ‘Income Taxes’- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

2. Property, Plant and Equipment

Rupees in Thousands

Description of the Assets	Tangible Assets: Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	Total
Owned assets:					
Gross carrying amount					
As at April 01, 2017	**188**	**63**	**–**	**104**	**355**
Additions during the year	55	–	3	54	112
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**243**	**63**	**3**	**158**	**467**
Additions during the year	106	89	13	139	347
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2019	**349**	**152**	**16**	**297**	**814**
Accumulated Depreciation:					
As at April 01, 2017	**44**	**10**	**–**	**22**	**76**
Charge for the year	40	10	3	37	90
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**84**	**20**	**3**	**59**	**166**
Charge for the year	66	16	1	67	150
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2019	**150**	**36**	**4**	**126**	**316**
Net block					
As at March 31, 2018	159	43	–	99	301
As at March 31, 2019	**199**	**116**	**12**	**171**	**498**

Notes:

i) Deemed Cost: The Company on transition to Ind AS during Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the property, plant and equipment.

3. Investment Properties

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Building:		
Gross Carrying amount		
Opening balance	**48,560**	48,560
Additions during the year	**–**	–
Disposals/Adjustments	**–**	–
Closing balance	**48,560**	48,560

Particulars	March 31, 2019	March 31, 2018
Accumulated depreciation		
Opening balance	**2,230**	1,115
Depreciation charge for the year	**1,115**	1,115
Disposals/Adjustments	**–**	–
Closing balance	**3,345**	2,230
Net carrying amount	**45,215**	46,330

Notes:

a) The Company on transition to Ind AS during Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the investment property.

b) Investment property includes shares of the face value of Rs. 511/- (March 31, 2018 : Rs. 511/-) in Co-operative Housing Society.

c) **Fair Value:** Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Investment properties	**293,341**	293,341

Estimation of fair value

The Company has obtained an independent valuation for its significant portion of investment properties for the year ended March 31, 2019. The best evidence of fair value is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

The fair value of investment properties have been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

d) **Amount recognised in Profit or Loss for investment properties:** Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Rental Income	**4,615**	4,417
Direct operating expenses from property that generated rental income	**2,736**	1,329
Direct operating expenses from property that not generated rental income	**–**	–
Profit from Investment properties before Depreciation	**1,879**	3,088
Depreciation	1,115	1,115
Profit from investment properties	**764**	1,973

4. Non-current investments Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Non-Current:		
Investment carried at cost:		
Wholly owned Subsidiary Companies		
Unquoted Equity shares (fully paid-up)		
Manipal Properties Limited	**1,118**	999
[10,000 (March 31, 2018 : 9,989) shares of face value Rs. 100/- each]		
Manipal Hotels Limited	**–**	500
[Nil (March 31, 2018 : 50,000) shares of face value Rs. 10/- each]		
Less: Allowance for impairment loss Manipal Hotels Limited	**–**	(500)

Particulars	March 31, 2019	March 31, 2018
Investment carried at Fair Value through Profit or Loss		
In other Body Corporates:		
Unquoted Equity shares (fully paid-up)		
Lingapur Estates Limited *	**1,734**	1,734
[153,392 (March 31, 2018 : 153,392) shares of face value Rs. 10/- each]		
Manipal Housing Finance Syndicate Limited *	**9,103**	9,103
[729,000 (March 31, 2018 : 729,000) shares of face value Rs. 10/- each]		
Manipal Finance Corporation Limited	**9,181**	9,181
[449,163 (March 31, 2018 :449,163) shares of face value Rs. 10/- each]		
Less: Allowance for impairment loss Manipal Finance Corporation Limited	**(9,181)**	(9,181)
Quoted Equity shares (fully paid-up)		
Development Cooperative Bank Ltd.	**246**	194
[1,200 (March 31, 2018 : 1,200) shares of face value Rs. 10/- each]		
Total	**12,201**	12,030

*The management of the Company considers the fair value of investment in equity shares to approximate their carrying value at the balance sheet date based on the information available with the Company.

Rupees in Thousands

Break-up of financial Investments	March 31, 2019	March 31, 2018
Investments carried at		
– cost	**1,118**	999
– fair value through profit or loss	**11,083**	11,031
Total	**12,201**	12,030
Aggregate cost amount of quoted investments	**18**	18
Aggregated market Value of quoted investments	**246**	194
Aggregate amount of unquoted investments (gross)	**21,136**	21,517
Aggregate amount of impairment in value of investments	**(9,181)**	(9,681)

5. Long term loans

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at amortised cost		
Loan Receivables - considered good - secured	**–**	–
Loan Receivables - considered good - unsecured		
Rent and other deposits	**467**	420
Security deposit for lease	**5,162**	4,672
Loan to staff	**155**	209
Loan Receivables which have significant increase in credit risk [Refer note (a)]	**–**	–
Loan Receivables - credit impaired [Refer note (a)]	**–**	–
Total	**5,784**	5,301

Notes:

a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

b) The fair value of non-current loans are not materially different from the carrying value presented.

6. Other non-current financial assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at atmortised Cost		
Unsecured, considered good		
Deposit with banks maturing after 12 months	**2,807**	2,848
Margin Deposit with banks [pledged as security against working capital loan]	**15,500**	15,500
Interest accrued on term deposits	**224**	280
Deposit with government departments	**178**	179
Total	**18,709**	18,807

Note:
a) The fair value of other financial assets are not materially different from the carrying value presented.

7. Other non-current assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Indirect tax input credit available	**144**	144
Prepaid Lease deposit	**39,869**	41,680
Total	**40,013**	41,824

8. Non-current tax assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Advance income tax (net)	**2,613**	1,368
Amount paid under protest [refer Note No. 35(a)]	**64,028**	58,528
Total [refer Note No. 9.03]	**66,641**	59,896

9. Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

9.01 Income tax expense in the statement of profit and loss comprises:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Profit or loss section		
Current Tax	**–**	11,560
Deferred Tax	**143**	150
Tax expense/(credit) to Statement of Profit and Loss	**143**	11,710
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during the year:		
Tax effect on re-measurement gains (losses) on defined benefit plans	**(143)**	(150)
Tax expense/(credit) to Other Comprehensive Income	**(143)**	(150)
Tax expense/(credit) to Total Comprehensive Income	**–**	11,560

9.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Profit /(Loss) before tax	**(18,231)**	47,744
Applicable tax rate	**27.82%**	27.55%
Tax effect of income / (loss)	**(5,072)**	13,155
Adjustments:		
Tax effect on non-taxable income	**(382)**	(731)
Tax effect on non-deductible expenses	**521**	494
Deferred tax not recognised on deductible expenses (net)	**5,076**	(1,157)
Effect on tax rate changes	**–**	2
Utilisation of unused tax allowances	**–**	(11,613)
Increase in minimum alternate tax over regular tax	**–**	11,560
Tax expense / (credit) to Statement of Profit and Loss	**143**	11,710
Tax expense / (credit) to Other Comprehensive Income	**(143)**	(150)
Tax expense / (credit) to Total Comprehensive Income	**–**	11,560
Effective Tax Rate	**–**	24.21%

9.03 Non-current tax assets (net)

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Opening Balance receivable/(Payable)	**59,896**	52,630
Current tax payable for the year	**–**	(11,560)
Refund received during the year	**–**	(325)
Tax paid under protest	**5,500**	6,000
Current taxes paid	**1,245**	13,151
Closing balance of Non-current tax assets (net)	**66,641**	59,896
	–	–

9.04 Major component of deferred tax assets and liabilities

Rupees in Thousands

Particulars		Ast at March 31, 2019	Ast at March 31, 2018	For the year 2018-19	For the year 2017-18
Deferred tax liability on					
Accelerated depreciation for tax purposes		**3,381**	3,672	**(291)**	(856)
Fair valuation of investments		**8,082**	16,918	**(8,836)**	(3,149)
Gratuity Plan asset over liability		**146**	174	**(28)**	147
	(a)	**11,609**	**20,764**	**(9,155)**	**(3,858)**

Particulars		Ast at March 31, 2019	Ast at March 31, 2018	For the year 2018-19	For the year 2017-18
Deferred Tax assets on:					
Income offered for income tax deductible in future on account of income not recognised in books		**677**	2,068	**(1,391)**	(1,906)
but offered for tax and deductible in future period unused business losses		**–**	–	**–**	(3,334)
unused depreciation allowance		**4,313**	4,021	**292**	(10,735)
Provision for doubtful debts		**43,613**	46,593	**(2,980)**	(7,752)
	(b)	**48,603**	52,682	**(4,079)**	(23,727)
Net deferred tax asset	**(a-b)**	**(36,994)**	(31,918)	**(5,076)**	19,869
Deferred tax (expense)/credit not recognised during the year				**5,076**	(19,869)
Less: Net deferred tax asset not recognised [refer note (a)]		**36,994**	31,918		
Net deferred tax asset		**–**	–		

Note: (a) The Company has not recognised deferred tax assets amounting to Rs. 36,994 thousand (March 31, 2018 : Rs.31,918 thousand) in respect of unused business loss, unused depreciation allowances and provision for doubtful debts (net) in view of prudence.

9.05 The unused business loss and allowances is allowable in future period against taxable profit as follows:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Unused business loss	**–**	–
The unused depreciation allowances available for future taxable profit for unlimited period	**15,504**	14,452
Unused deductible temporary allowances available for future taxable profit [No expiry date]	**117,472**	100,278

9.06 Reconciliations of deferred tax (liabilities) /assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Opening balance	**–**	–
Tax income/(expense) during the period recognized in profit or loss	**143**	150
Tax income/(expense) during the period recognized in OCI	**(143)**	(150)
Closing balance	**–**	–

9.07 Tax amount recognized in other comprehensive income

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Opening balance	**319**	169
Add: Deferred tax asset / (liability) recognized during the year	**143**	150
Closing balance of deferred tax asset netted off with Other Comprehensive income	**462**	319

9.08 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

10. Current Investments

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Investment carried at fair value through Profit or Loss		
Held for trading		
Quoted equity shares, fully paid-up*		
Aspinwall & Company Ltd. [155,988 (March 31, 2018 : 155,988) shares of face value Rs. 10/- each]	**26,252**	59,034
Reliance Industries Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**2,727**	1,765
Investment carried at fair value through Profit or Loss		
Held for trading		
Quoted equity shares, fully paid-up*		
Perfect-Octave Media Projects Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**–**	–
Uniworth Ltd. [750 (March 31, 2018 : 750) shares of face value Rs. 10/- each]	**–**	1
Mukesh Steels Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**3**	–
Precision Electronics Ltd. [25 (March 31, 2018 : 25) shares of face value Rs. 10/- each]	**1**	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**12**	15
Nova Iron & Steel Ltd. [240 (March 31, 2018 : 240) shares of face value Rs. 10/- each]	**1**	2
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Adam Comsof Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**1**	–
ICES Software Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**2**	–
J K Pharmachemicals Pvt. Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Jalpac India Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**1**	–
Namtech Electronic Devices Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**1**	–
Sanghi Polyesters Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**2**	–
SM Dyechem Ltd. [6 (March 31, 2018 : 6) shares of face value Rs. 10/- each]	**–**	–
CMS Infotech Ltd. [500 (March 31, 2018 : 500) shares of face value Rs. 10/- each]	**1**	–

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Investment carried at fair value through Profit or Loss		
Held for trading		
Unquoted equity shares, fully paid-up*		
Absolute Aromatics Ltd. [1,600 (March 31, 2018 : 1,600) shares of face value Rs. 10/- each]	**–**	–
Adhunik Synthetics Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**–**	–
ATN International Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Genelec Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**–**	–
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2018 : 320,000) shares of face value Rs. 10/- each]	**–**	–
Jayant Vitamins Ltd. [563 (March 31, 2018 : 563) shares of face value Rs. 10/- each]	**–**	–
Parsurampuria Synthetics Ltd. [624 (March 31, 2018 : 624) shares of face value Rs. 10/- each]	**–**	–
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2018 : 10,000) shares of face value Rs. 10/- each]	**–**	–
Praman Capital Market Services Ltd. [191,500 (March 31, 2018 : 191,500) shares of face value Rs. 10/- each]	**–**	–
The Vijaykumar Mills Ltd. [8,000 (March 31, 2018 : 8,000) shares of face value Rs. 10/- each]	**–**	–
Wartyhully Estates Ltd. [1,100 (March 31, 2018 : 1,100) shares of face value Rs. 10/- each]	**–**	–
Datar Switch Gears Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Mega Centre Super Markets Ltd. [20,000 (March 31, 2018 : 20,000) shares of face value Rs. 10/- each]	**–**	–
Nagarjuna Granites Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Pampasar Distilleries Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Quoted Debentures, fully paid-up*		
Jayant Vitamins Ltd. [5,403 (March 31, 2018 : 5,403) debentures of face value Rs.10/- each]	**–**	–
Total	**29,004**	60,818
*shares and securities where market price / financial and other information is not available is considered at nominal value of Rupee One. Quoted shares and securities where market quotes are available are fair valued at Level 1 category as per Ind AS 113.		
Aggregate amount of Quoted Investment	**29,004**	60,818
Aggregate gross value of Unquoted Investment	**–**	–

11. Trade receivables

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Trade Receivables -		
Considered good - secured	–	–
Considered good - unsecured	**759**	872
Which have significant increase in credit risk	–	–
Credit impaired	–	–
Total	**759**	872

Notes:

a) No charge is created against trade receivables.

b) The credit period on rent receivable is generally 15-30 days from the date of bill.

c) Credit concentration : As on balance sheet date trade receivables from 6 tenants constitutes 85% (March 31, 2018 : 99%) total trade receivables as per the terms of lease / rent agreement.

d) Expected credit loss (ECL) : The majority of outstanding receivables are from tenants towards letting out of immovable properties. The Company is generally regular in recovering its receivables. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.

e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company.

f) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. There are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.

g) The fair value of trade receivables are not materially different from the carrying value presented.

12. Cash and Cash Equivalents

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Cash on hand	**20**	32
Cheques, drafts and stamps on hand	**298**	63
Balances with banks in current accounts	**782**	897
Total	**1,100**	992

Note:

a) The fair value of cash and cash equivalents are not materially different from the carrying value presented.

13. Other bank balances

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Restricted balances with banks in current account	**1**	374
Deposit with banks maturing between 3 to 12 months	**19,330**	37,835
Total	**19,331**	38,209

14. Short term loans

Rupees in Thousands

Particulars		March 31, 2019	March 31, 2018
Carried at amortised cost			
Loan Receivables - considered good - secured			
Demerger Receivables			
from wholly owned subsidiaries [Refer note (a)]	(a)	**1,266**	1,266
Loan Receivables - considered good - unsecured			
Loan to staff		**330**	298
Other receivables		**2,157**	2,223
	(b)	**2,487**	2,521
Loan Receivables which have significant increase in credit risk	(c)	**–**	–
Loan Receivables - credit impaired			
i. Demerger Receivables			
from wholly owned subsidiaries [Refer note (a)]		**3,799**	3,799
from others		**101,006**	101,006
Less: Allowance for impairment loss		**(104,805)**	(104,805)
	(d)	**–**	–
ii. Receivables under hire purchase agreement		**130,174**	139,506
Less: Allowance for impairment loss		**(130,174)**	(139,506)
	(e)	**–**	–
iii. Other Loan receivables		**62,709**	62,650
Less: Allowance for impairment loss		**(62,709)**	(62,650)
	(f)	**–**	–
Total	(a+b+c+d+e+f)	**3,753**	3,787

Notes:

a) Demerger receivable of Rs. 5,065 thousands (March 31, 2018: Rs. 5,065 thousands) represents amount due from Manipal Properties Limited a subsidiary, on account of scheme of arrangements sanctioned by Hon'ble High Courts of Karnataka and Madras vide its Order dated April 09, 1999 and August 25, 2000. The amount of Rs.1,266 thousands out of the above, is considered good for recovery (March 31, 2018 : Rs.1,266 thousands) in the opinion of the management, as the present market value of the property vested in Manipal Properties Limited is adequate considering long term involvement with the said Company. Balance amount of Rs.3,799 thousands (March 31, 2018 : Rs.3,799 thousands) is provided for impairment loss as a matter of prudence.

b) Credit impaired Hire purchase receivables and other loan receivables mainly relates to Company's erstwhile fund based business, which was discontinued from July 2002. Allowances for doubtful receivables are recognized during the earlier years based on Prudential Norms issued by Reserve Bank of India. The Company is presently concentrating on the recovery of its dues.

c) There are no loans receivables which have a significant increase in credit risk based on the information available with the Company.

d) The fair value of current loans are not materially different from the carrying value presented.

15. Other Current Financial Assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at amortised cost		
Unsecured considered good		
Interest accrued on term deposits	**449**	1,830
Accrued Income	**–**	76
Total	**449**	1,906

Note:

a) The fair value of other financial assets are not materially different from the carrying value presented.

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
16. Other Current Assets:		
LIC Group Gratuity Fund Asset (net)	**526**	628
Prepaid Lease deposit	**1,812**	1,807
Prepaid expenses	**193**	188
Total	**2,531**	2,623

17. Equity Share Capital

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Authorized Capital		
35,000,000 [March 31, 2018: 35,000,000] Equity Shares of Rs.10/- each	**350,000**	350,000
15,000,000 [March 31, 2018: 15,000,000] Preference Shares of Rs.10/- each	**150,000**	150,000
	500,000	500,000
Issued, Subscribed and Paid-Up Capital		
13,026,700 [March 31, 2018:13,026,700] Equity Shares of Rs.10/- each fully paid-up	**130,260**	130,26
Total	**130,267**	130,267

	Number of Shares	Rupees in Thousands
Notes:		
a) Reconciliation of shares outstanding at the beginning and end of the reporting year		
Equity shares of Rs.10 each		
March 31, 2019		
Balance at the beginning of the year	**13,026,700**	130,267
Shares issued during the year	**–**	–
Balance at the end of the year	**13,026,700**	130,267
March 31, 2018		
Balance at the beginning of the year	**13,026,700**	130,267
Shares issued during the year	**–**	–
Balance at the end of the year	**13,026,700**	130,267

b) Rights, preferences and restrictions attached to shares

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2019.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Restrictions on the distribution of dividends:

The Board shall, propose to the shareholders the dividend payable out of free reserves and profits of the Company. Upon such recommendation shareholders shall declare dividends i) all such dividends & profits shall be paid to shareholders in their existing shareholding pattern and ii) any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

c) Details of the shareholders holding more than 5% shares of the Company

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Teaching Fraternity & Education Trust (including shares held by its trustee Dr. H. Shantaram)	**2,104,000**	**16.15%**	2,104,000	16.15%
Music & Fine Arts Education Trust (including shares held by its trustee Sri T. Ranga Pai)	**1,476,600**	**11.34%**	1,476,600	11.34%
Mahendra Girdharilal	**1,215,023**	**9.33%**	1,215,023	9.33%
The Academy of General Education	**868,488**	**6.67%**	868,488	6.67%
Life Insurance Corporation of India	**677,001**	**5.20%**	677,001	5.20%

d) There is no Shares held by holding/ ultimate holding company and/or their subsidiaries/associates.

e) As per records of the Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

f) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

18. Other Equity

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Securities Premium [Refer Note (a) below]		
Opening Balance	**33,334**	33,334
Add: Additions during the year	**–**	–
Closing Balance	**33,334**	33,334
Other Reserve [Refer Note (b) below]		
Opening Balance	**33,988**	33,988
Add: Additions during the year	**–**	–
Closing Balance	**33,988**	33,988
Retained Earnings [Refer Note (c) below]		
Opening Balance	**51,904**	16,258
Add: Profit for the current year	**(18,374)**	36,034
Add: Remeasurement of post employee benefit obligation, net of tax	**(367)**	(388)
Closing Balance	**33,163**	51,904
Total	**100,485**	119,226

Notes:

a) Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b) Other reserves represents the revaluation reserve created during building revaluation under previous GAAP before the transition date to Ind AS. The Company in terms of guidance provided in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 8 dated May 5, 2017 has disclosed revaluation reserve under Other Reserve.

c) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

19. Other financial liabilities Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Non-current:		
At Amortised Cost		
Lease/Rent Deposits	**5,034**	5,776
Total	**5,034**	5,776

20. Other non-current liabilities Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Advance rent	529	-
Total	**529**	-

21. Short term borrowings Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
At Amortised Cost		
Secured Loans		
Working Capital Loans from Banks	**7,166**	5,404
Total	**7,166**	5,404

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to Rs. 15,500 thousands (March 31, 2018: Rs. 15,500 thousands).

Terms of repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 7.10% to 9.10% p.a.

22. Trade payables Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Current:		
At Amortised Cost		
Due to Micro and small enterprises*	**-**	-
Due to other than Micro and small enterprises	**690**	460
Total	**690**	460

* There are no Micro, Small and Medium Enterprises to which the company owes dues or with which the company had transactions during the period, based on the information available with the company.

23. Other financial liabilities

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Current:		
At Amortised Cost		
Public Liabilities [Refer note no.(a) below]		
- disputed unclaimed public liabilities	**739**	739
- interest on matured debentures	**-**	10,199
- interest on matured subordinated debts	**-**	2,060
- other Public Liabilities	**-**	17,855
Other payables	**36**	15
Employee Dues	**470**	444
Total	**1,245**	31,312

Notes:

a) The Company during the year has remitted balance unclaimed public liabilities of Rs.30,114 thousand to the Investor Education and Protection Fund ('IEPF') which was not claimed by the instrument holders even after seven years from the due date of the last instalment of the instrument as per the Scheme of Arrangement ('the Scheme') under section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004, except to the extent of Rs.739 thousand, in view of the dispute between legal heirs of the deceased instrument holders is pending before the Honourable Courts / Appropriate Authorities. The Company will remit the balance amount to IEPF in due course on its conclusion as per legal advice. There is no other amount due to IEPF other than those disclosed above.

24. Other current liabilities

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Other Payables	**-**	980
Statutory Dues	**270**	271
Advance lease rent	**302**	-
Total	**572**	1,251

25. Revenue from operations

Rupees in Thousands

Particulars	2018-19	2017-18
Operating revenue:		
Interest on demerger receivables	**5,000**	10,600
Reversal of provisions no longer required	**9,773**	2,557
Bad debts recovered	**1,370**	2,475
Profit on sale of shares and securities	**-**	33,641
Sale of mobiles and accessories	**-**	185
Rent Received	**10,104**	9,798
Maintenance charges received	**1,064**	1,064
Service charges and commission	**473**	586
Total	**27,784**	60,906

26. Other income Rupees in Thousands

Particulars	2018-19	2017-18
Dividend received from		
Non-current Investments	**292**	598
Others	**558**	1,584
Interest on term deposit	**1,709**	3,639
Interest on loans and advances	**60**	73
Unwinding Rental Income	**74**	169
Unwinding interest on lease security deposit	**490**	410
Profit on sale of owned / leased assets	**2**	9
Proceeds received on settlement of claims	**4,081**	-
Miscellaneous income	**19**	2
Total	**7,285**	6,484

27. Employee benefits expense Rupees in Thousands

Particulars	2018-19	2017-18
Salaries, wages and bonus	**6,431**	6,302
Contribution to provident and other funds [Refer note no. 36]	**792**	741
Gratuity [Refer note no. 36]	**92**	88
Staff welfare expenses	**505**	395
Total	**7,820**	7,526

28. Finance Costs Rupees in Thousands

Particulars	2018-19	2017-18
Interest on		
- working capital loan from bank	**217**	133
Interest Others		
- delay in payment of taxes	**1**	-
Unwinding interest expenses on financial liabilities	**64**	182
Bank charges	**24**	20
Total	**306**	335

29. Depreciation expense Rupees in Thousands

Particulars	2018-19	2017-18
Depreciation on tangible assets	**150**	90
Depreciation on investment property	**1,115**	1,115
Total	**1,265**	1,205

30. Other Expenses

Rupees in Thousands

Particulars	2018-19	2017-18
Rent, rates and taxes	**3,438**	3,337
Printing and stationery	**164**	128
Directors sitting fees	**41**	33
Travelling and conveyance	**521**	460
Postage, telegram and telephones	**398**	249
Insurance	**3**	5
Repairs and Maintenance:		
Buildings	**2,698**	1,221
Others	**396**	190
Advertisement and Business Promotion	**148**	135
Legal and Professional Charges	**1,671**	2,242
Auditors Remuneration:		
Audit Fees	**250**	250
Certification	**-**	50
Service Charges	**220**	347
Fair value loss on investments	**31,761**	1,814
Loss on disposal of subsidiary	**200**	-
Bad debts written off	**1,874**	-
Sundry Expenses	**126**	119
Total	**43,909**	10,580

31. Financial Instruments

31.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

The carrying value and fair value of financial instruments by categories were as follows:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Financial assets carried at cost		
Investment in equity shares of subsidiary	**1,118**	999
Financial assets carried at amortised cost		
Trade Receivables	**759**	872
Cash and Cash equivalents	**1,100**	992
Bank balances other than above	**19,331**	38,209
Loans	**9,537**	9,088
Other financial assets	**19,158**	20,713
Financial assets carried at fair value through profit or loss		
Investments in equity/debt instruments	**40,087**	71,849
Total	**91,090**	142,722

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Financial liabilities carried at amortised cost		
Borrowings	**7,166**	5,404
Trade payables	**690**	460
Other financial liabilities	**6,279**	37,088
Total	**14,135**	42,952

31.02 Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Rupees in Thousands

Particulars	Level	March 31, 2019	March 31, 2018
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value through profit or loss	Level 1	**29,250**	61,012
	Level 2	**10,837**	10,837
	Level 3	**-**	-
Liabilities measured at fair value through profit or loss:		**-**	-

During the year ended March 31, 2019 and March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of investment in equity instruments is based on quoted price. Fair value is determined using Level 3 inputs at Discounted cash flows.

The management of the company considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date based on the information available.

32. Financial risk management

Financial Risk Factors

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

32.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk, such as equity price risk. Financial instruments affected by market risk include investments, loans and borrowings and deposits.

Price risk : The Company's exposure to securities price risk arises from investments held in equity and debt instruments and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Debt based securities are exposed to price risk which are inherently linked to interest rate risk. Quotes of these investments are available from the stock markets. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instruments with floating interest rates which is not material. The Company's interest rate risk on borrowings against fixed deposits is linked to banks change in interest rate on fixed deposit.

32.02 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), rent receivables and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk were either past due or impaired.

Aging analysis of the trade receivables has been considered from the date it is due.

Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Upto 3 months	**713**	872
3 to 6 months	**-**	-
More than 6 months	**46**	-
Total	**759**	872

Credit risk on cash and cash equivalents is limited as the Company generally invested in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in deposits for a specified time period.

The carrying values of the financial assets to approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Company believes no impairment is necessary in respect of the above financial instruments.

32.03 Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility, cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of non-derivative financial liabilities.

Non-derivative financial liabilities Rupees in Thousands

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2019					
Financial liabilities					
Borrowings	7,166	7,166	-	-	-
Trade payables	690	-	690	-	-
Other financial liabilities	7,120	1,245	-	5,875	-
Total	**14,976**	**8,411**	**690**	**5,875**	**-**
As at March 31, 2018					
Financial liabilities					
Borrowings	5,404	5,404	-	-	-
Trade payables	460	-	460	-	-
Other financial liabilities	37,088	31,312	-	5,776	-
Total	**42,952**	**36,716**	**460**	**5,776**	**-**

32.04 Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Directors' review of the company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits. The requirement of monitoring capital gearing ratio does not arise in the absence of long term borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

33. Calculation of Earning per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2019 and March 31, 2018. Thus, diluted EPS equals basic EPS.

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

Rupees in Thousands

Sl. No.	Particulars	2018-19	2017-18
a)	Nominal value per share (in Rupees)	**10**	10
b)	Net Profit available for equity share holders (Rupees in thousands)	**(18,374)**	36,034
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic / Diluted EPS of Rs.10/- each (in Rupees)	**(1.41)**	2.77

34. In pursuance to the Scheme of Arrangement (the 'Scheme') under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the Court') vide its order dated October 15, 2004 and filed with the Registrar of Companies, Karnataka on December 30, 2004 (ie. effective date) the Company had implemented the scheme and accordingly repaid all instalments of debentures, deposits and subordinated debts, except to the extent unclaimed / cheques issued but not encashed by the instrument holders. The Company has filed an affidavit on August 31, 2010 before the Court stating that the scheme has been successfully implemented and the Court has passed an Order stating that Scheme of Arrangement sanctioned by the Court on October 15, 2004 is fully complied by the company.

The accounts have been prepared on Going concern basis, considering the successful implementation of the Scheme of Arrangement as mentioned above, the Company's foray into fee based activities and its intention to start fresh NBFC business is subject to approval from Reserve Bank of India.

35. Contingent liabilities and commitments

Rupees in Thousands

Sl. No.	Particulars	March 31, 2019	March 31, 2018
1	Claims against the company/disputed liabilities not acknowledged as debt/liabilities	-	2,222
2	Block assessment from AYs 1987-88 to 1997-98 [Refer note (a) below]	102,404	102,404

Notes:

a) Represents income tax demand of Rs.102,404 thousands (March 31, 2018 : Rs.102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987-88 to 1997-98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Company has deposited Rs. 64,028 thousands (March 31, 2018: Rs. 58,528 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.

b) The Supreme Court had passed an order dated February 28, 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company in view of which the Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact if any may not be material. The Company is in the process of taking opinion in respect of the same.

c) The Company, during the year has received show-cause notice from the registrar of Companies, Karnataka (ROC) with regard to non-compliance of appointment of full time Company Secretary between April 1, 2014 to August 8, 2016 as per the provisions of Section 203(1) read with Section 203(4) of the Companies Act, 2013. The management of the Company has filed an application for adjudication of penalties under the Companies Act, 2013 which is pending before the ROC. In the absence of an adjudication of penalties and specific demand notice, the management is unable to quantify the penalty amount. The management is of the opinion that the penalty, if levied is not material and will not have a significant impact on the financial position of the Company.

36. Employee Benefits

a) **Defined Contribution Plans**

The Company's Contribution to Provident and Pension Fund is charged to Statement of profit and loss. The details are as follows:

Rupees in Thousands

Particulars	**2018-19**	2017-18
Provident and pension fund	**593**	545
Employee state insurance	**174**	172
Total	**767**	717

b) **Defined Benefit Plan - Gratuity as per Actuarial Valuation [Funded]**

Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**4,588**	3,939
Current service cost	**154**	141
Interest cost	**307**	301
Actuarial loss / (gains)	**486**	496
Benefits paid	**(442)**	(289)
Closing defined benefit obligation	**5,093**	4,588
Change in Fair Value of Assets		
Opening fair value of plan assets	**5,216**	4,025
Expected return on plan assets	**370**	354
Actuarial gain / (loss)	**(25)**	(41)
Actual Contributions by Employer	**500**	1,167
Benefits paid	**(442)**	(289)
Closing fair value of plan assets	**5,619**	5,216
Net (asset) / liability recognized	**(526)**	(628)

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Expenses recognized during the year		
Current service cost	**154**	141
Net interest on net defined benefit liability/ (Asset)	**307**	301
Expected return on plan assets	**(369)**	(354)
Net gratuity cost	**92**	88
Remeasurement of the net defined benefit liability/(asset)		
Actuarial changes arising from changes in demographic assumptions	**-**	-
Actuarial changes arising from changes in financial assumption	**150**	(124)
Actuarial changes arising from changes in experience adjustments	**336**	620
Actuarial changes arising from changes in discount rate	**24**	42
Return on plan assets excluding interest income	**-**	-
Recognized in other comprehensive income [loss/(gain)]	**510**	538
Remeasurement of the net defined benefit liability/(asset)		
Net actuarial loss / (gain) recognized in OCI	**510**	538
	510	538
Actual return on plan assets	**345**	313
Present value of Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**392**	865
Between 2 and 5 years	**3,030**	2,691
Between 5 and 10 years	**1,660**	664
Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	**(168)**	(104)
(ii) one percentage point decrease in discount rate	**177**	109
(iii) one percentage point increase in salary escalation rate	**184**	117
(iv) one percentage point decrease in salary escalation rate	**(177)**	(114)
(v) one percentage point increase in employee turnover rate	**1**	1
(vi) one percentage point decrease in employee turnover rate	**(1)**	(2)
Sensitivity Analysis Method		
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all the other actuarial assumptions constant.		
The major category of plan assets as a percentage of the fair value of the total plan assets are as follows:		
Investment with Insurer managed funds	**100%**	100%

Particulars	March 31, 2019	March 31, 2018
Principal actuarial assumptions used		
Discount rate (p.a.)	**7.04%**	7.93%
Expected rate of return on plan assets (p.a.)	**7.09%**	8.79%
Rate of increase in compensation levels	**5.00%**	5.00%
Weighted average duration of defined benefit obligation	**4.93 Years**	5.35 Years
Attrition Rate	**3.00%**	3.00%
Retirement age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Modified (Ultimate)	
Expected employer's contribution for the next year	**412**	112

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2019 and March 31, 2018, the plan assets have been invested in insurer managed funds.

Notes:

(i) The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

(ii) The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

37. Operating lease

The Company has entered into certain cancellable operating lease agreements mainly for office premise. Under these agreements refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are debited to Statement of profit & Loss.

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	216	277

38. List of Related Parties with whom transactions have taken place during the year

i) Wholly owned subsidiaries
Manipal Properties Limited
Manipal Hotels Limited [ceased as subsidiary w.e.f. 28.05.2018]

ii) Key Management Personnel
T. Mohandas Pai - Chairman, Non-executive Director w.e.f. 05.12.2018 (Whole time director till 04.12.2018)
Bharath K. Nayak - Managing Director w.e.f. 05.12.2018 (Independent Director till 04.12.2018)
Tonse Sachin Pai - Non-executive Director (w.e.f. 05.12.2018)
U. Harish P. Shenoy - Independent Director (w.e.f. 01.04.2014)
Airody Giridhar Pai - Independent Director (w.e.f. 01.04.2014)
Vimala C. Kamath - Independent Director w.e.f. 05.12.2018 (Non-executive director till 04.12.2018)
Sujir Prabhakar - Independent Director (w.e.f. 05.12.2018)
K. M. Udupa - Independent Director (till 05.12.2018)
H. N. S. Rao - Independent Director (till 05.12.2018)
G. R. Nayak - Chief Financial Officer
Veena Hegde - Company Secretary

iii) Details of the transactions :

Rupees in Thousands

Sl. No.	Particulars	Relationship	March 31, 2019	March 31, 2018
a)	Details of transactions during the year are as follows:			
i)	Interest income on Demerger receivable from			
	Manipal Properties Limited	Subsidiary	**5,000**	5,000
	Manipal Hotels Limited	Subsidiary	**-**	5,600
ii)	Provisions no longer required			
	Manipal Hotels Limited	Subsidiary	**500**	-
b)	Details of Balance sheet movement are as follows:			
i)	Reimbursement of expenses paid and recovered from			
	Manipal Properties Limited	Subsidiary	**1,803**	2,342
ii)	Recovery of Demerger receivable from			
	Manipal Properties Limited	Subsidiary	**5,000**	5,000
	Manipal Hotels Limited	Subsidiary	**-**	5,600
c)	Details of outstanding balances are as follows:			
i)	Investment in equity instrument of			
	Manipal Properties Limited	Subsidiary	**1,118**	999
	Manipal Hotels Limited	Subsidiary	**-**	500
ii)	Provision for Diminution in value of Investments			
	Manipal Hotels Limited	Subsidiary	**-**	500
iii)	Balance due from			
	Manipal Properties Limited	Subsidiary	**5,065**	5,065
iv)	Provisions recorded towards demerger receivable including income reversal			
	Manipal Properties Limited	Subsidiary	**6,232**	11,232
d)	Sitting fees paid to directors during the year			
	T. Mohandas Pai (w.e.f. 05.12.2018)		**3**	-
	Bharath K. Nayak (till 04.12.2018)		**5**	6
	U. Harish P. Shenoy		**8**	6
	Airody Giridhar Pai		**6**	3
	Vimala C. Kamath		**8**	6
	T. Sachin Pai		**2**	-
	Sujir Prabhakar		**2**	-
	K. M. Udupa		**3**	5
	H. N. S. Rao		**6**	6
e)	Remuneration to Key Management Personal (KMPS) during the year			
	Short-term Employee benefits		**907**	795
	Post-Employment benefits		**63**	58

Notes

a) Related Party Transactions given above are as identified by the Management.

b) Commitments with related parties: As at year end March 31, 2019, there is no commitment outstanding with any of the related parties.

c) The remuneration to KMPS do not include provisions for gratuity as separate actuarial valuation are not available.

d) The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

39. The Managing Director & Chief Operating Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators. The Company has identified three reportable segments viz Financial Services (recovery of loans and advances), trading activities of shares and securities, sale of Mobiles & Accessories and rent on premises. Others include Marketing of the insurance products of life and general insurance companies. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. Accordingly segment reporting disclosures as envisaged in Ind AS 108 on Segmental Reporting, are given below:

Details of Segmental information Rupees in Thousands

Particulars	**Financial Services (Recovery activities)**	**Trading Activities**	**Rent on premises**	**Others**	**Total**
Segment Revenue					
External Turnover	16,143	–	11,168	473	27,784
	15,632	*33,826*	*10,862*	*586*	*60,906*
Inter segment turnover	–	–	–	–	–
	–	–	–	–	–
Net Turnover	**16,143**	**–**	**11,168**	**473**	**27,784**
	15,632	33,826	*10,862*	*586*	*60,906*
Segment Results	8,791	(31,761)	7,817	139	(15,014)
	6,555	30,888	*8,736*	*275*	*46,454*
Unallocated expenses					(6,361)
					(5,121)
Interest income					1,769
					3,712
Dividend Income					850
					2,182
Other Income					525
					517
Profit before tax					**(18,231)**
					47,744
Less: Taxes					143
					11,710
Net Profit After Tax					**(18,374)**
					36,034
Other Information					

Details of Segmental information Rupees in Thousands

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Total
Segment Assets	57,332	29,148	92,817	50	179,347
	76,822	61,329	95,599	50	233,800
Segment Liabilities	8,681	690	5,865	-	15,236
	37,967	460	5,776	-	44,203
Capital Expenditure					347
					112
Depreciation					1,265
					1,205

Notes:

a) Interest expenditure and interest income of company are not shown separately for financial services since the same is integral part of financial business.

b) During the year, one external customer contributing more than 10% of the company's revenue from operations.

c) Geographical segment is not relevant for the company since it is not involved in exports.

d) Previous year figures given in italics and have been regrouped wherever necessary.

40. Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-
Sudhir Prabhu K.
Partner
Membership No.: 209589

Sd/-
Bharath K. Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

SCHEDULE TO THE BALANCE SHEET OF ICDS LIMITED

(as required in terms of Paragraph 9BB of
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
(Notification No. DNBS 167/CGM (OPA) – 2003 dated March 29, 2003)

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side:		
1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	a) Debentures : Secured		
	: Unsecured * (other than falling within the meaning of public deposits)	473	473
	b) Deferred Credits		
	c) Term Loans	–	–
	d) Inter-corporate loans and borrowing	–	–
	e) Commercial Paper	–	–
	f) Public Deposits *	66	66
	g) Other Loans (subordinated debts, working capital loans, stale cheques)*	7,366	200
2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	a) In the form of Unsecured debentures	–	–
	b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	–	–
	c) Other public deposits *	66	66
	Assets side:	**Amount Outstanding**	**Amount Overdue**
3)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below):**		
	a) Secured	–	–
	b) Unsecured	2,250	–
4)	**Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:**		
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial lease	–	–
	b) Operating lease	–	–
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire	–	–
	b) Repossessed Assets	–	–
	iii) Hypothecation loans counting towards EL/HP activities:		
	a) Loans where assets have been repossessed	–	–
	b) Loans other than (a) above	–	–

* Public deposits/NCD's/Subordinated Debts along with interest accrued upto 15.07.2002 are payable as per the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka vide its order dated 15th October, 2004 and filed with the Registrar of Companies, Karnataka on 30th December 2004.

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
5)	**Break-up of Investments:**		
	Current Investments: (Stock in trade considered)		
	1. **Quoted:**		
	i) Shares: a) Equity	29,004	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities	–	–
	v) Others	–	–
	2. **Unquoted:**		
	i) Shares: a) Equity	–	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities	–	–
	v) Others	–	–
	Long Term Investments: (net of provisions)		
	1. **Quoted:**		
	i) Shares: a) Equity	246	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities	–	–
	v) Others	–	–
	2. **Unquoted:**		
	i) Shares: a) Equity	10,837	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities (excluding interest accrued)	–	–
	v) Others: Interest accrued but not due on investments/ deposits	673	–

6) **Borrower group-wise classification of all leased assets, stock on hire and loans and advances including debtors:**

	Category	Amount (net of provisions)		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	–	–	–
	(b) Companies in the same group	–	–	–
	(c) Other related parties	–	–	–
	2. Other than related parties	–	115,862	115,862
	Total	**–**	**115,862**	**115,862**

7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
	Category	**Market Value/ Break-up or fair value of NAV**	**Book Value (Net of Provisions)**
	1. Related Parties		
	a) Subsidiaries (lower of fair value or cost)	1,118	1,118
	b) Companies in the same group	-	-
	c) Other related parties (lower of fair value or cost)	-	-
	2. Other than related parties (lower of fair value or cost)	9,121	9,121
	Total	**10,239**	**10,239**
8)	**Other Information**		
	Particulars		**Amount**
	i) Gross Non-Performing Assets		294,054
	a) Related Parties		-
	b) Other than related parties		294,054
	ii) Net Non-Performing Assets		–
	a) Related Parties		–
	b) Other than related parties		–
	iii) Assets acquired in satisfaction of debt		–

Note:

1) The demerger receivables of Rs. 74,99 thousands (Rs. 12,66 thousands net of provisions) from manipal properties ltd., are not shown in the above statement (item no 6 & 8) as the same are not in the nature of loans and advances in the opinion of the management in view of prudence.
2) Loans and advances, stock on hire are shown at net of provisions.
3) Matured Debentures are not shown as public deposits in line with the disclosure requirements.
4) Stock in trade of shares are shown at market value and are considered as current investments.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF ICDS LIMITED

Opinion

We have audited the accompanying Consolidated Financial Statements of ICDS Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated loss including other comprehensive income, the consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are 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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

a) We did not audit the financial statements and other financial information, in respect of one subsidiary company, whose financial statements include total assets of Rs.31,157 thousand as at March 31, 2019, total revenue of Rs. 7,259 thousand and net cash outflow of Rs.183 thousand for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditors.

b) The Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary company up to the date of disposal of that subsidiary during the year. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. The Non-Banking Financial Companies Auditor's Report

(Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) is not reported, in view of the cancellation of Holding Company's Certificate of Registration of Non-Banking Financial Company by the Reserve Bank of India on October 9, 2002.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

   a) We and other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and reports of the other auditors;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure-A" to this report;

   g) In our opinion and according to the information and explanations given to us and based on the consideration of reports of other statutory auditors of the subsidiary the Holding Company and its Subsidiary has not paid any remuneration to its Directors during the year and accordingly further reporting in accordance with the requirements of Section 197(16) of the Act is not required;

   h) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

      i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer note no. 36(a) to the consolidated financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. The Holding Company during the year has remitted with delay an amount of Rs. 30,114 thousand, which was due to the Investor Education and Protection Fund (IEPF). Further, as represented by the Company, an amount of Rs.739 thousand is not remitted to IEPF in view of the dispute between legal heirs of the deceased instrument holders which is pending before the Honourable Courts/ Appropriate Authorities.

For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration Number: 107783W

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 28.05.2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF ICDS LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **ICDS Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries which are incorporated in India together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. 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 respective 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 Holding Company and its subsidiaries, which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 company's internal financial control over financial reporting with reference to these consolidated financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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.

Other matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of one subsidiary, which is incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration Number: 107783W

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 28.05.2019

CIN - L65993KA1971PLC002106

Consolidated Balance Sheet as at March 31, 2019

Rupees in Thousands

Particulars	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipment	2	**498**	301
Investment property	3	**73,303**	74,572
Financial Assets:			
Investments	4	**11,083**	11,031
Long term loans	5	**5,784**	5,301
Other non-current financial assets	6	**18,709**	18,807
Other non-current assets	7	**40,013**	41,824
Non-current tax assets (Net)	8	**66,641**	59,918
Deferred tax assets (Net)	9	**-**	–
		216,031	211,754
Current Assets			
Financial Assets:			
Investments	10	**29,004**	60,818
Trade Receivable	11	**759**	1,272
Cash and cash equivalents	12	**1,228**	1,482
Bank balances other than above	13	**22,235**	42,480
Short term loans	14	**2,487**	2,521
Other current financial assets	15	**485**	1,963
Other Current Assets	16	**2,532**	2,624
		58,730	113,160
Total		**274,761**	324,914
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	17	**130,267**	130,267
Other Equity	18	**126,639**	146,170
		256,906	276,437
Non-Current Liabilities			
Financial Liabilities			
Other financial liabilities	19	**7,228**	7,761
Other non-current liabilities	20	**545**	208
		7,773	7,969
Current Liabilities			
Financial Liabilities			
Short term borrowings	21	**7,166**	5,404
Trade payables			
a) Total outstanding dues of micro and small enterprises	22	**–**	–
b) Total outstanding dues of creditors other than (a) above	22	**717**	611
Other financial liabilities	23	**1,244**	32,874
Other current liabilities	24	**815**	1,530
Current tax liabilities (Net)	25	**140**	89
		10,082	40,508
Total		**274,761**	324,914

Significant Accounting Policies 1

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Chairman*	*Managing Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00104336	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

ICDS LIMITED

CIN - L65993KA1971PLC002106

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Rupees in Thousands

Particulars	Notes	2018-19	2017-18
Income			
Revenue from operations	26	**29,505**	57,800
Other income	27	**7,823**	7,293
Total		**37,328**	65,093
Expense:			
Employee benefits expense	28	**8,073**	7,588
Finance costs	29	**604**	697
Depreciation expense	30	**1,419**	1,359
Other Expenses	31	**44,631**	11,470
Total		**54,727**	21,114
Profit/(loss) before tax		**(17,399)**	43,979
Less: Tax expense			
Current tax	9	**1,122**	12,831
Deferred tax	9	**143**	150
		1,265	12,981
Profit /(loss) for the year		**(18,664)**	30,998
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gains (losses) on defined benefit plans	37	**(510)**	(538)
Income tax effect	9	**143**	150
Total Other Comprehensive Income (Net of Tax)		**(367)**	(388)
Total Comprehensive Income for the year		**(19,031)**	30,610
Profit/(loss) for the year attributable to			
a) Equity holders of the parent		**(18,664)**	30,998
b) Non-controlling interests		**–**	–
Other Comprehensive Income attributable to			
a) Equity holders of the parent		**(367)**	(388)
b) Non-controlling interests		**–**	–
Total Comprehensive Income for the year attributable to			
a) Equity holders of the parent		**(19,031)**	30,610
b) Non-controlling interests		**–**	–
Earnings per equity share of face value of Rs.10/- each			
Basic and Diluted (in Rupees)	34	**(1.43)**	2.38

Significant Accounting Policies 1

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **Pathak H.D. & Associates**

Chartered Accountants

Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Chairman*	*Managing Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00104336	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

CIN : L65993KA1971PLC002106

Consolidated Statement of changes in equity for the year ended March 31, 2019

A. Equity Share Capital Rupees in Thousands

Particulars	Notes	March 31, 2019	March 31, 2018
Balance at the beginning of the year	17	**130,267**	130,267
Changes in equity share capital during the year	17	**–**	–
Balance at the end of the year	17	**130,267**	130,267

B. Other Equity Rupees in Thousands

Particulars	Securities premium	Other Reserve	Retained earnings	Non-controlling interest	Total other equity
Changes in equity for the year ended March 31, 2018					
Balance as at April 1, 2017	**33,334**	**33,988**	**48,238**	–	**115,560**
Profit/(loss) for the year	**–**	**–**	30,998	–	30,998
Other comprehensive income:					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	**–**	**–**	(388)	–	(388)
Balance as at March 31, 2018	**33,334**	**33,988**	**78,848**	–	**146,170**
Changes in equity for the year ended March 31, 2019					
Balance as at April 1, 2018	**33,334**	**33,988**	**78,848**	**–**	**146,170**
Profit/(loss) for the year	–	–	(18,664)	–	(18,664)
Adjustment on disposal of subsidiary			(500)	–	(500)
Other comprehensive income					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	(367)	–	(367)
Balance as at March 31, 2019	**33,334**	**33,988**	**59,317**	–	**126,639**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Pathak H. D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Chairman*	*Managing Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00104336	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

ICDS LIMITED

CIN : L65993KA1971PLC002106

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Rupees in Thousands

	Particulars	2018-19	2017-18
(A)	**Cash flow From operating activities**		
	Profit/(loss) before tax	**(17,399)**	43,979
	Adjustments for:		
	Depreciation and amortization expense	**1,419**	1,359
	Interest expenses	**217**	133
	Profit on sale of fixed assets	**(2)**	(9)
	Profit on sale of shares and securities	**–**	(33,641)
	Fair value loss on financial instruments	**31,761**	1,814
	Unwinding interest income	**(839)**	(914)
	Unwinding interest expenses	**361**	519
	Unwinding rental expenses	**1,807**	1,612
	Loss on disposal of subsidiary	**(17)**	–
	Interest on term deposits	**(1,972)**	(4,031)
	Dividends	**(850)**	(2,182)
	Reversal of provisions no longer required	**(9,773)**	(2,639)
	Bad debts written off	**1,874**	–
	Operating profit before working capital changes	**6,587**	6,000
	Adjustments for change in working capital		
	(Increase)/decrease in trade receivables	**(1,361)**	(241)
	(Increase)/decrease in loans & advances, other assets	**8,976**	3,232
	Increase/(decrease) in Trade Payables, other liabilities	**(20,174)**	(10,763)
	Cash generated from operations	**(5,972)**	(1,772)
	Less: Interest paid	**(12,476)**	(6,484)
	Income Tax (paid)/refunded	**(7,794)**	(20,588)
	Net cash from/(used in) operating activities	**(26,242)**	(28,844)
(B)	**Cash flow from Investing activities**		
	Purchase of fixed assets	**(347)**	(112)
	Sale of fixed assets	**2**	9
	Sale of investment in subsidiary	**300**	–
	Sale proceeds of current investment	**–**	42,893
	Purchase of investment for trading	**–**	(23)
	Decrease/(increase) in restricted deposits/bank balances	**20,287**	(23,755)
	Interest received	**3,431**	3,158
	Dividend received	**850**	2,182
	Net cash from/(used in) investing activities	**24,523**	24,352
(C)	**Cash flow from Financing activities:**		
	Increase/(decrease) of Bank Borrowing	**1,762**	4,168
	Net Cash from/(used in) Financing Activities	**1,762**	4,168
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	**43**	(324)
	Cash and Cash Equivalents at Beginning of the Year	**1,482**	1,806
	Less : Cash and cash equivalents on account of cessation of subsidiary	**(297)**	–
	Cash and Cash Equivalents at End of the Year	**1,228**	1,482

Rupees in Thousands

Particulars	2018-19	2017-18
Break-up of cash and cash equivalents		
Cash on hand	**20**	32
Cheques, drafts and stamps on hand	**298**	63
Balances with banks in current accounts	**910**	1,387
Cash and Cash Equivalent as at end of the year	**1,228**	1,482

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

2. Changes in liabilities arising from financing activities:

Rupees in Thousands

Particulars	2018-19	2017-18
Short Term Borrowings		
Opening Balance	**5,404**	1,236
Proceeds/(repayment) of short term borrowings (net)	**1,762**	4,168
Non-cash fair value charges	**-**	-
Closing balance	**7,166**	5,404

3. The previous year figures have been regrouped and rearraged wherever necessary.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Chairman*	*Managing Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00104336	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

Significant Accounting Policies and Notes to Consolidated Financial Statements

1. Corporate Information and Significant Accounting Policies

1.1 Corporate Information

The Consolidated Financial Statements comprise the Financial Statements of ICDS Limited ("the Parent"/"the Company"/"the Holding Company") and its subsidiaries collectively referred to as ("the Group") for the year ended March 31, 2019 & March 31, 2018.

The Holding Company had filed the Scheme of Arrangement during August 2002, and stopped its fund based business and surrendered its certificate of registration as Non-Banking Finance Company to RBI. The Group is presently concentrating on the recovery of its dues and repaying its liabilities and is also engaged in trading activities of shares and securities, mobiles and accessories, rental revenue from investment properties, marketing of the insurance products of life and general insurance companies. The Group is diversifying into more fee based activities.

Information on other related party relationship of the Group is provided in Note No. 39.

The Group's Consolidated Ind AS financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on May 28, 2019.

1.2 Procedures on preparation of consolidated financial statements

a. Basis of preparation of consolidated financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. These financial statements are called "Consolidated Ind AS Financial Statements".

The consolidated Ind AS financial statements comprises of ICDS Limited and its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 "Consolidated Financial Statements".

The consolidated Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Group's functional currency and all values are disclosed to the nearest Thousands with no decimals (INR 000), except when otherwise indicated.

b. Principles of Consolidation

The consolidated Ind AS financial statements related to ICDS Limited and all of its subsidiary companies have been prepared on the following basis:

i. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

ii. Profits or losses resulting from intra-group transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full.

iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

iv. The carrying amount of the parent's investment in each subsidiary is Offset (eliminated) against parent's portion of equity in each subsidiary.

v. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

vi. Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

vii. Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

viii. The subsidiary companies considered in consolidation are:

Name of the company	Country of Incorporation	Extent of holding	& Voting Power
		March 31, 2019	March 31, 2018
a) Manipal Hotels Limited (Unaudited) *	India	**NA**	100.00%
b) Manipal Properties Limited (Audited)	India	**100.00%**	100.00%

* - management certified financials drawn upto the date of cessation of subsidiary i.e., May 27, 2018.

ix. The financial statements of the Company and its subsidiaries and associates used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e., year ended March 31, 2019. Additional information on the entities which are included in the Consolidated Financial Statements are give in Note No. 40.

1.3 Significant accounting policies

a. Use of estimates:

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Current versus non-current classification:

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:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) 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 treated as current when:

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

All other liabilities are classified 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.

c. Revenue Recognition:

i. The Company derives its revenues, mainly from recovery of its dues which was written off/provided during earlier years and is also engaged in trading activities of shares and securities, mobiles and accessories, rental revenue from investment properties, marketing of the insurance products of life and general insurance companies.

Brokerage/commission received from insurance agency services has been accounted on accrual basis on certainty of realisation.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company determines whether it is a principal or agent on a contract to contract basis based on the parameters specified in Ind AS 115 and recognises revenue to the extent of margin/commission in contracts where the Company is an agent. For other contracts which does not meet the parameters and where the risk and controls are with the Company, the Company considers itself as a principal and revenue and cost are accounted at gross.

Revenue from insurance agency services where the Company is entitled only to brokerage/commission is recognised to the extent of brokerage/commission received where the risk and rewards of the transaction lies with the principal.

Any claims, which the Company is entitled, are recognised on reasonable certainty to expect ultimate collection and on acceptance by the third party.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 are as follows:

Rupees in Thousands

Particulars	**2018-19**	2017-18
Financial Services (includes recovery of debts charged/ income reversed for earlier)	**11,143**	5,032
Trading Activities	**-**	33,826
Rent Received	**17,889**	18,356
Service charges and commission	**473**	586

Disaggregated revenue information:

The Company has presented disaggregated revenue from offerings with customers for the year ended March 31, 2019 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

Rupees in Thousands

Particulars	2018-19	2017-18
Financial Services (includes recovery of debts charged/ income reversed for earlier)	**11,143**	5,032
Profit on sale of shares and securities	**-**	33,641
Sale of mobiles and accessories	**-**	185
Rent Received	**17,889**	18,356
Service charges and commission	**473**	586

The Company has not identified any disaggregated revenues based on Contracts separately as the disaggregation based on offerings detail the revenue aggregation.

The performance obligation disclosure requires to provide the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. The Company during the year has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on March 31, 2019 has not identified any remaining performance obligations, as the revenue recognised corresponds directly with the value to the customer in terms of the contract.

ii. Interest and other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii. Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

d. Property, Plant & Equipments:

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs if the recognition criteria are met.

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 assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 – 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation on property, plant and equipments are provided on the Straight Line Method over the useful lives of the assets which is equal to those specified under Schedule II to the Companies Act, 2013.

Further, the management has estimated the useful lives of asset individually costing Rs. 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. **Investment properties:**

Property that is held for long-term rental yields or for capital appreciations or both, and that is not occupied by the company, is classified as Investment property. Investment property is measured initially at its cost, including the related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefit associated with the expenditure flow to the Company and the cost of the same can be measured reliably. All other repairs and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of replaced property is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives. Investment properties generally have useful life of 60 years. The useful life has been determined based on the technical evaluation performed by the management's expert.

The Company on transition to Ind AS, has elected to continue with the carrying value (including previous GAAP revalued amount) of all of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 – 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and use that carrying value as the deemed cost of the investment property.

f. **Investments in subsidiaries and associates:**

Investment in subsidiaries are carried at cost less impairment as per Ind AS 27.

g. **Borrowing cost:**

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.

h. **Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

i. Impairment of non-financial assets:

Property, plant and equipment and investment property are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

j. Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract: A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

Provisions and contingent liability are reviewed at each balance sheet.

k. Employee Benefits:

i) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

iii) Short-term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc.,are recognised in the statement of profit and loss in the period in which the employee renders the related service.

iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

I. Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at transaction price and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss ('FVTPL')) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Effective Interest Method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i) Financial Assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected Credit Loss (ECL) : In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

ii) Financial liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair values are determined in the manner described in note No. 32

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition of Financial liabilities

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. Taxes on income:

Current income tax

Tax expense comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative 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 recognized 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 realized.

p. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. The company does not have potential dilutive equity shares outstanding during the period.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

A) **Critical Accounting Estimates and Assumptions :**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured at Discounted cash flows where available or face value when it closely approximates the fair value where reliable financial and other information available and all other cases measured at nominal value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and inputs on average borrowing rate applicable to company.

iii) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

Further details about gratuity obligations are given in note no.37(b)

B) **Significant judgements**

i) Property Plant and Equipment and Investment properties

Property, plant and equipment and Investment properties represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

ii) Fair value measurement of financial instruments

The fair value of unquoted financial instruments are measured at the value in which it is being transacted in the unquoted market as per the reliable financial and other information is available with the management. All other cases fair value is taken at nominal value.

iii) Taxes

Deferred tax assets recognised to the extent of the corresponding deferred tax liability on remeasurement of net defined benefit plans. (refer note no. 9.04).

1.5 New and amended Ind AS effective as on April 1, 2018

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after April 01, 2018:

i. **Ind AS 115, 'Revenue from Contracts with Customers':** Ind AS 115 was notified by the Ministry of Corporate Affairs on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 is effective from reporting periods beginning on or after April 01, 2018. The Company has applied the Accounting Standard for the first time during the year, using the cumulative catch-up transition method for the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 “Revenue”.

The impact on account of applying the erstwhile Ind AS18 ‘Revenue’, instead of Ind AS 115 ‘Revenue from Contract with Customers’, on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant.

ii. Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.

iii. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses: The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment.

1.6 Introduction of new standards and amendments to existing standards issued but not effective

i. Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

> Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

> Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

> Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application or

> An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company’s considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

ii. *Ind AS 19 Employee Benefits - plan amendment, curtailment or settlement*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

> to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

> to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iii. *Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :*

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition:

a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

b. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iv. *Amendment to Ind AS 12 – Income taxes:*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

v. Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments:

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be ‘reasonable compensation for early termination of the contract’.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

vi. *Annual Improvements to Ind AS :*

Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

2. Property, plant and equipment

Rupees in Thousands

Description of the assets	Tangible Assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Owned assets:					
Gross carrying amount					
As at April 1, 2017	**188**	**63**	**–**	**104**	**355**
Additions during the year	55	–	3	54	**112**
Disposals / Adjustments	–	–	–	–	**–**
As at March 31, 2018	**243**	**63**	**3**	**158**	**467**
Additions during the year	106	89	13	139	**347**
Disposals / Adjustments	–	–	–	–	**–**
As at March 31, 2019	**349**	**152**	**16**	**297**	**814**
Accumulated Depreciation:					
As at April 1, 2017	**44**	**10**	**–**	**22**	**76**
Charge for the year	40	10	3	37	**90**
Disposals / Adjustments	–	–	–	–	**–**
As at March 31, 2018	**84**	**20**	**3**	**59**	**166**
Charge for the year	66	16	1	67	**150**
Disposals / Adjustments	–	–	–	–	**–**
As at March 31, 2019	**150**	**36**	**4**	**126**	**316**
Net block					
As at March 31, 2018	159	43	–	99	301
As at March 31, 2019	**199**	**116**	**12**	**171**	**498**

Notes:

i) Deemed Cost: The Company on transition to Ind AS during Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the property, plant and equipment.

3. Investment properties

Rupees in Thousands

Particulars		March 31, 2019	March 31, 2018
Freehold Land [Refer note no. (b)]			
Gross Carrying amount			
Opening balance		**21,466**	21,466
Additions during the year		**–**	–
Disposals / Adjustments		**–**	–
Net carrying amount of Land	**(a)**	**21,466**	21,466
Building [Refer note no. (c)]			
Gross Carrying amount			
Opening balance		**55,644**	55,644
Additions during the year		**–**	–
Disposals / Adjustments		**–**	–
Closing balance		**55,644**	55,644
Accumulated depreciation			
Opening balance		**2,538**	1,269
Depreciation charge for the year		**1,269**	1,269
Disposals / Adjustments			
Closing balance		**3,807**	2,538
Net carrying amount of Building	**(b)**	**51,837**	53,106
Net carrying amount of Freehold Land and Building	**(a+b)**	**73,303**	74,572

Notes:

a) The Company on transition to Ind AS during Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 (‘the transition date’) measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 - ‘First-time Adoption of Indian Accounting Standards’ and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the investment property.

b) Freehold Land represents proportionate undivided share of land for the office premises owned in Manipal Properties Limited.

c) Investment property includes shares of the face value of Rs. 511/- (March 31, 2018 : Rs. 511/-) in Co-operative Housing Society.

d) Fair Value:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Investment properties	422,575	394,882

Estimation of fair value:

The Company has obtained an independent valuation for its significant portion of investment properties for the year ended March 31, 2019. The best evidence of fair value is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

The fair value of investment properties have been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) **Amount recognised in Profit or Loss for investment properties:**

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Rental Income	**11,336**	11,911
Direct operating expenses from property that generated rental income	**3,645**	2,142
Direct operating expenses from property that not generated rental income	**–**	–
Profit from Investment properties before Depreciation	**7,691**	9,769
Depreciation	**1,269**	1,269
Profit from investment properties	**6,422**	8,500

4. Non-current investments

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Non Current:		
Investment carried at Fair Value through Profit or Loss		
In other Body Corporates:		
Unquoted Equity shares (fully paid up)		
Lingapur Estates Limited *	**1,734**	1,734
[153,392 (March 31, 2018 : 153,392) shares of face value Rs. 10/- each]		
Manipal Housing Finance Syndicate Limited *	**9,103**	9,103
[729,000 (March 31, 2018 : 729,000) shares of face value Rs. 10/- each]		
Manipal Finance Corporation Limited	**9,181**	9,181
[449,163 (March 31, 2018 : 449,163) shares of face value Rs. 10/- each]		
Less: Allowance for impairment loss	**(9,181)**	(9,181)
Blue Cross Builders & Investors Ltd.	**401**	401
[39,970 (March 31, 2018 : 39,970) shares of face value Rs. 10/- each]		
Less: Allowance for impairment loss	**(401)**	(401)
Quoted Equity shares (fully paid up)		
Development Cooperative Bank Ltd.	**246**	194
[1,200 (March 31, 2018 : 1,200) shares of face value Rs. 10/- each]		
Total	**11,083**	11,031

* - The management of the company considers the fair value of investment in equity shares to approximate their carrying value at the balance sheet date based on the information available with the Company.

Rupees in Thousands

Break up of Financial Investments	March 31, 2019	March 31, 2018
Investments carried at		
- cost	**–**	–
- fair value through profit or loss	**11,083**	11,031
Total	**11,083**	11,031
Aggregate cost amount of quoted investments	**18**	18
Aggregated market Value of quoted investments	**246**	194
Aggregate amount of unquoted investments (gross)	**20,419**	20,419
Aggregate amount of impairment in value of investments	**(9,582)**	(9,582)

5. Long term loans

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at amortised cost		
Loan Receivables - considered good - secured	**–**	–
Loan Receivables - considered good - unsecured		
Rent and other deposits	**467**	420
Security deposit for lease	**5,162**	4,672
Loan to staff	**155**	209
Loan Receivables which have significant increase in credit risk [Refer note (a)]	**–**	–
Loan Receivables - credit impaired [Refer note (a)]	**–**	–
Total	**5,784**	5,301

Notes:

a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

b) The fair value of non-current loans are not materially different from the carrying value presented.

6. Other non-current financial assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at amortised cost		
Unsecured, considered good		
Deposit with banks maturing after 12 months	**2,807**	2,848
Margin Deposit with banks [pledged as security against working capital loan]	**15,500**	15,500
Interest accrued on term deposits	**224**	280
Deposit with government departments	**178**	179
Total	**18,709**	18,807

Note:

a) The fair value of other financial assets are not materially different from the carrying value presented.

7. Other non-current assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Indirect tax input credit available	**144**	144
Prepaid Lease deposit	**39,869**	41,680
Total	**40,013**	41,824

8. Non-current tax assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Advance income tax (net)	**2,613**	1,390
Amount paid under protest [refer note no. 36(a)]	**64,028**	58,528
Total [refer note no. 9.03]	**66,641**	59,918

9. Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

9.01 Income tax expense in the statement of profit and loss comprises: Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Profit or loss section		
Current Tax	**1,122**	12,831
Deferred Tax	**143**	150
Tax expense/(credit) to Statement of Profit and Loss	**1,265**	12,981
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during in the year:		
Tax effect on re-measurement gains (losses) on defined benefit plans	**(143)**	(150)
Tax expense/(credit) to Other Comprehensive Income	**(143)**	(150)
Tax expense/(credit) to Total Comprehensive Income	**1,122**	12,831

9.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Profit/(Loss) before tax	**(17,399)**	43,979
Applicable tax rate	**27.82%**	27.55%
Tax effect of income/(loss)	**(4,840)**	12,117
Adjustments:		
Tax effect on non-taxable income	**(913)**	(1,322)
Tax effect on non-deductible expenses	**822**	698
Deferred tax not recognised on deductible expenses (net)	**6,341**	1,629
Effect on tax rate changes	**–**	2
Utilisation of unused tax allowances	**–**	(11,613)
Minimum alternate tax over regular tax	**(145)**	11,470
Tax expense/(credit) to Statement of Profit and Loss	**1,265**	12,981
Tax expense/(credit) to Other Comprehensive Income	**(143)**	(150)
Tax expense/(credit) to Total Comprehensive Income	**1,122**	12,831
Effective Tax Rate	**-6.45%**	29.18%

9.03 Non-current tax assets (net) Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Opening Balance receivable/(Payable)	**59,829**	52,072
Current tax payable for the year	**(1,122)**	(12,831)
Refund received during the year	**–**	(325)
Tax paid under protest	**5,500**	6,000
Current taxes paid	**2,294**	14,913
Closing balance of Non-current tax assets (net of provision)	**66,501**	59,829
Break-up of Non-current tax assets and provision:		
Non-current tax assets	**66,641**	59,918
Provision for Income tax	**(140)**	(89)
Total	**66,501**	59,829

9.04 Major component of deferred tax assets and liabilities

Rupees in Thousands

Particulars		As at March 31, 2019	As at March 31, 2018	For the year 2018-19	For the year 2017-18
Deferred Tax Liability on					
Accelerated depreciation for tax purposes		**3,381**	3,672	**(291)**	(856)
Fair valuation of investments		**8,082**	16,918	**(8,836)**	(3,149)
Gratuity Plan asset over liability		**146**	174	**(28)**	147
	(a)	**11,609**	20,764	**(9,155)**	(3,858)
Deferred Tax Assets on					
Income offered for income tax deductible in future on account of income not recognised in books but offered for tax and deductible in future period		**677**	2,068	**(1,391)**	(1,906)
unused business losses		**–**	–	**–**	(3,334)
unused depreciation allowance		**4,313**	4,021	**292**	(10,735)
Provision for doubtful debts		**43,613**	46,593	**(2,980)**	(7,752)
Long term capital loss		**239**	239	**–**	2
Investment property		**714**	682	**32**	38
MAT credit entitlement		**1,303**	1,438	**(135)**	(90)
	(b)	**50,859**	55,041	**(4,182)**	(23,777)
Net deferred tax asset	**(a-b)**	**(39,250)**	(34,277)	**(4,973)**	19,919
Deferred tax (expense)/credit not recognised during the year				**4,973**	(19,919)
Less: Net deferred tax asset not recognised [refer note (a)]		**39,250**	34,277		
Net deferred tax asset		**–**	–		

Note: (a) The Company has not recognised deferred tax assets amounting to Rs. 39,250 thousand (March 31, 2018: Rs. 34,277 thousand) in respect of unused business loss, unused depreciation allowances and provision for doubtful debts (net) in view of prudence.

9.05 The unused business loss and allowances is allowable in future period against taxable profit as follows:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Unused business loss	**-**	-
The unused depreciation allowances available for future taxable profit for unlimited period	**15,504**	14,452
Unused losses under Long term capital gains [Expiry date: AY 2024-25]	**1,151**	1,151
Temporary difference on account of depreciation on investment property [No expiry date]	**3,432**	3,278
Unused tax credit i.e., Tax credit available on account of minimum alternate tax [Expiry dates: AY 2029-30 Rs. 207 thousands, AY 2030-31 Rs. 231 thousands, AY 2031-32 Rs. 514 thousands and AY 2032-33 Rs. 351 thousands]	**1,303**	1,438
Unused deductible temporary allowances available for future taxable profit [No expiry date]	**117,472**	100,278

9.06 Reconciliations of deferred tax (liabilities)/assets

Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Opening balance	**–**	–
Tax income/(expense) during the period recognized in profit or loss	**143**	150
Tax income/(expense) during the period recognized in OCI	**(143)**	(150)
Closing balance	**–**	–

9.07 Tax amount recognized in other comprehensive income

Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Opening balance	**319**	169
Add: Deferred tax asset/(liability) recognized during the year	**143**	150
Closing balance of deferred tax asset netted off with Other Comprehensive income	**462**	319

9.08 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

ICDS LIMITED

10. Current Investments

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Investment carried at fair value through Profit or Loss		
Held for trading		
Quoted equity shares fully paid-up *		
Aspinwall & Company Ltd. [155,988 (March 31, 2018: 155,988) shares of face value Rs. 10/- each]	**26,252**	59,034
Reliance Industries Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**2,727**	1,765
Perfect-Octave Media Projects Ltd. [200 (March 31, 2018: 200) shares of face value Rs. 10/- each]	**–**	–
Uniworth Ltd. [750 (March 31, 2018 : 750) shares of face value Rs. 10/- each]	**–**	1
Mukesh Steels Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**3**	–
Precision Electronics Ltd. [25 (March 31, 2018 : 25) shares of face value Rs. 10/- each]	**1**	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**12**	15
Nova Iron & Steel Ltd. [240 (March 31, 2018 : 240) shares of face value Rs. 10/- each]	**1**	2
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Adam Comsof Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**1**	–
ICES Software Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**2**	–
J K Pharmachemicals Pvt. Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Jalpac India Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**1**	–
Namtech Electronic Devices Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**1**	–
Sanghi Polyesters Ltd. [200 (March 31, 2018 : 200) shares of face value Rs. 10/- each]	**2**	–
SM Dyechem Ltd. [6 (March 31, 2018 : 6) shares of face value Rs. 10/- each]	**–**	–
CMS Infotech Ltd. [500 (March 31, 2018 : 500) shares of face value Rs. 10/- each]	**1**	–
Unquoted Equity Shares, fully paid-up *	**–**	–
Absolute Aromatics Ltd. [1,600 (March 31, 2018 : 1,600) shares of face value Rs. 10/- each]	**–**	–
Adhunik Synthetics Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**–**	–
ATN International Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Genelec Ltd. [2,000 (March 31, 2018 : 2,000) shares of face value Rs. 10/- each]	**–**	–
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2018 : 320,000) shares of face value Rs.10/- each]	**–**	–
Jayant Vitamins Ltd. [563 (March 31, 2018 : 563) shares of face value Rs. 10/- each]	**–**	–
Parsurampuria Synthetics Ltd. [624 (March 31, 2018 : 624) shares of face value Rs. 10/- each]	**–**	–
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2018 : 10,000) shares of face value Rs. 10/- each]	**–**	–
Praman Capital Market Services Ltd. [191,500 (March 31, 2018 : 191,500) shares of face value Rs. 10/- each]	**–**	–
The Vijaykumar Mills Ltd. [8,000 (March 31, 2018 : 8,000) shares of face value Rs. 10/- each]	**–**	–
Wartyhully Estates Ltd. [1,100 (March 31, 2018 : 1,100) shares of face value Rs. 10/- each]	**–**	–
Datar Switch Gears Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Mega Centre Super Markets Ltd. [20,000 (March 31, 2018 : 20,000) shares of face value Rs. 10/- each]	**–**	–
Nagarjuna Granites Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Pampasar Distilleries Ltd. [100 (March 31, 2018 : 100) shares of face value Rs. 10/- each]	**–**	–
Quoted Debentures fully paid-up *		
Jayant Vitamins Ltd. [5,403 (March 31, 2018 : 5,403) debentures of face value Rs. 10/- each]	**–**	–
Total	**29,004**	60,818

*shares and securities where market price / financial and other information is not available is considered at nominal value of Rupee One. Quoted shares and securities where market quotes are available are fair valued at Level 1 category as per Ind AS 113.

Aggregate amount of Quoted Investment	29,004	60,818
Aggregate gross value of Unquoted Investment	–	–

11. Trade Receivables

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Trade Receivables -		
Considered good - secured	–	–
Considered good - unsecured	759	1,272
Which have significant increase in credit risk	–	–
Credit impaired	–	–
Total	**759**	1,272

Notes:

a) No charge is created against trade receivables.

b) The credit period on rent receivable is generally 15-30 days from the date of bill.

c) Credit concentration : As on balance sheet date trade receivables from 6 tenants constitutes 85% (March 31, 2018 : 99%) total trade receivables as per the terms of lease / rent agreement.

d) Expected credit loss (ECL) : The majority of outstanding receivables are from tenants towards letting out of immovable properties. The Company is generally regular in recovering its receivables. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.

e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company.

f) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. There are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.

g) The fair value of trade receivables are not materially different from the carrying value presented.

12. Cash and Cash Equivalents

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Cash on hand	20	32
Cheques, drafts and stamps on hand	298	63
Balances with banks in current accounts	910	1,387
Total	**1,228**	1,482

Note:

a) The fair value of cash and cash equivalents are not materially different from the carrying value presented.

13. Other Bank Balances

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Restricted balances with banks in current account	1	374
Deposit with banks maturing between 3 to 12 months	22,234	42,106
Total	**22,235**	42,480

14. Short Term Loans

Rupees in Thousands

Particulars		March 31, 2019	March 31, 2018
Carried at amortised cost			
Loan Receivables - considered good - secured	(a)	**–**	–
Loan Receivables - considered good - unsecured			
Loan to staff		**330**	298
Other receivables		**2,157**	2,223
	(b)	**2,487**	2,521
Loan Receivables which have significant increase in credit risk	(c)	**–**	–
Loan Receivables - credit impaired			
i. Demerger Receivables from others		**101,006**	101,006
Less: Allowance for impairment loss		**(101,006)**	(101,006)
	(d)	**–**	–
ii. Receivables under hire purchase agreement		**130,174**	139,506
Less: Allowance for impairment loss		**(130,174)**	(139,506)
iii. Other Loan receivables	(e)	**–**	–
Less: Allowance for impairment loss		**62,709**	63,239
		(62,709)	(63,239)
	(f)	**–**	–
Total	(a+b+c+d+e+f)	**2,487**	2,521

Notes:

a) Credit impaired Hire purchase receivables and other loan receivables mainly relates to Company's erstwhile fund based business, which was discontinued from July 2002. Allowances for doubtful receivables are recognized during the earlier years based on Prudential Norms issued by Reserve Bank of India. The Company is presently concentrating on the recovery of its dues.

b) There are no loans receivables which have a significant increase in credit risk based on the information available with the Company.

c) The fair value of current loans are not materially different from the carrying value presented.

15. Other current financial assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Carried at amortised cost		
Unsecured considered good		
Interest accrued on term deposits	**484**	1,887
Accrued Income	–	76
Other receivables	**1**	–
Total	**485**	1,963

Note:

a) The fair value of other financial assets are not materially different from the carrying value presented.

16. Other Current Assets

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
LIC Group Gratuity Fund Asset (net)	**526**	628
Prepaid Lease deposit	**1,812**	1,807
Prepaid expenses	**194**	189
Total	**2,532**	2,624

17. Equity Share Capital

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Authorized Capital		
35,000,000 [March 31, 2018 : 35,000,000] Equity Shares of Rs. 10 each	**350,000**	350,000
15,000,000 [March 31, 2018 : 15,000,000] Preference Shares of Rs. 10 each	**150,000**	150,000
	500,000	500,000
Issued, Subscribed and Paid-Up Capital		
13,026,700 [March 31, 2018 : 13,026,700] Equity Shares of Rs. 10 each fully paid-up	**130,267**	130,267
Total	**130,267**	130,267

Notes:

a) Reconciliation of shares outstanding at the beginning and end of the reporting year	Number of Shares	Rupees in Thousands
Equity Shares of Rs.10/- each		
March 31, 2019		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	–	–
Balance at the end of the year	13,026,700	130,267
March 31, 2018		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	–	–
Balance at the end of the year	13,026,700	130,267

b) **Rights, preferences and restrictions attached to shares:**

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2019.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Restrictions on the distribution of dividends:

The Board shall, propose to the shareholders the dividend payable out of free reserves and profits of the Company. Upon such recommendation shareholders shall declare dividends i) all such dividends & profits shall be paid to shareholders in their existing shareholding pattern and ii) any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

c) **Details of the shareholders holding more than 5% shares of the Company**

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Teaching Fraternity & Education Trust (including shares held by its trustee Dr. H. Shantaram)	**2,104,000**	**16.15%**	2,104,000	16.15%
Music & Fine Arts Education Trust (including shares held by its trustee Sri T. Ranga Pai)	**1,476,600**	**11.34%**	1,476,600	11.34%
Mahendra Girdharilal	**1,215,023**	**9.33%**	1,215,023	9.33%
The Academy of General Education	**868,488**	**6.67%**	868,488	6.67%
Life Insurance Corporation of India Ltd.	**677,001**	**5.20%**	677,001	5.20%

d) There is no Shares held by holding/ ultimate holding company and/or their subsidiaries/associates.

e) As per records of the Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

f) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

18. Other Equity

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Security Premium [Refer Note (a) below]:		
Opening Balance	**33,334**	33,334
Add: Additions during the year	**–**	–
Closing Balance	**33,334**	33,334
Other Reserve [Refer Note (b) below]:		
Opening Balance	**33,988**	33,988
Add: Additions during the year	**–**	–
Closing Balance	**33,988**	33,988
Retained Earnings [Refer Note (c) below]:		
Opening Balance	**78,848**	48,238
Add: Profit for the current year	**(18,664)**	30,998
Add: Remeasurement of post-employee benefit obligation, net of tax	**(367)**	(388)
Less: Adjustment on disposal of subsidiary	**(500)**	–
Closing Balance	**59,317**	78,848
Total	**126,639**	146,170

Notes:

a) Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b) Other reserves represents the revaluation reserve created during building revaluation under previous GAAP before the transition date to Ind AS. The Company in terms of guidance provided in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 8 dated May 5, 2017 has disclosed revaluation reserve under Other Reserve.

c) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

19. Other Financial Liabilities

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Non-current:		
At Amortised Cost		
Lease/Rent Deposits	**7,228**	7,761
Total	**7,228**	7,761

20. Other Non-current Liabilities

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Advance rent	**545**	208
Total	**545**	208

21. Shot Term Borrowings

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
At Amortised Cost		
Secured Loans		
Working Capital Loans from Banks	**7,166**	5,404
Total	**7,166**	5,404

Notes:

Nature of Security

The above working capital loan is secured by deposit with banks amounting to Rs. 15,500 thousands (March 31, 2018: Rs. 15,500 thousands).

Terms of Repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 7.10% to 9.10% p.a.

22. Trade Payables Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
At Amortised Cost		
Due to Micro and Small enterprises*	**–**	–
Due to other than Micro and small enterprises	**717**	611
Total	**717**	611

*There are no Micro, Small and Medium Enterprises to which the company owes dues or with which the company had transactions during the period, based on the information available with the company.

23. Other Financial Liabilities Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Current:		
At Amortised Cost		
Public Liabilities [Refer note no.(a) below]		
– disputed unclaimed public liabilities	**739**	739
– interest on matured debentures	**–**	10,199
– interest on matured subordinated debts	**–**	2,060
– other public liabilities	**–**	17,855
Other payables	**35**	1,577
Employee Dues	**470**	444
Total	**1,244**	32,874

Notes:

a) The Company during the year has remitted balance unclaimed public liabilities of Rs.30,114 thousand to the Investor Education and Protection Fund ('IEPF') which was not claimed by the instrument holders even after seven years from the due date of the last instalment of the instrument as per the Scheme of Arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004, except to the extent of Rs.739 thousand, in view of the dispute between legal heirs of the deceased instrument holders is pending before the Honourable Courts / Appropriate Authorities. The Company will remit the balance amount to IEPF in due course on its conclusion as per legal advice. There is no other amount due to IEPF other than those disclosed above.

24. Other Current Liabilities Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Other Payables	**–**	980
Statutory Dues	**321**	275
Advance Lease Rent	**494**	275
Total	**815**	1,530

25. Current Tax Liabilities (Net) Rupees in Thousands

Particulars	**March 31, 2019**	March 31, 2018
Provision for Income tax (net)	**140**	89
Total	**140**	89

26. Revenue from Operations Rupees in Thousands

Particulars	**2018–19**	2017–18
Operating Revenue:		
Reversal of provisions no longer required	**9,773**	2,557
Bad debts recovered	**1,370**	2,475
Profit on sale of shares and securities	**–**	33,641
Sale of mobiles and accessories	**–**	185
Rent received	**16,825**	17,292
Maintenance charges received	**1,064**	1,064
Service charges and commission	**473**	586
Total	**29,505**	57,800

27. **Other Income**

Rupees in Thousands

Particulars	**2018–19**	2017–18
Dividend received from		
Non-current Investments	**292**	598
Others	**558**	1,584
Interest on term deposit	**1,972**	4,031
Interest on loans and advances	**60**	73
Unwinding Rental Income	**349**	504
Unwinding interest on lease security deposit	**490**	410
Profit on sale of owned/leased assets	**2**	9
Sundry balances written back	**–**	82
Proceeds received on settlement of claims	**4,081**	–
Miscellaneous income	**19**	2
Total	**7,823**	7,293

28. **Employee Benefits Expense**

Rupees in Thousands

Particulars	**2018–19**	2017–18
Salaries, wages and bonus	**6,684**	6,364
Contribution to provident and other funds [Refer Note No. 37]	**792**	741
Gratuity [Refer Note No. 37]	**92**	88
Staff welfare expenses	**505**	395
Total	**8,073**	7,588

29. **Finance Costs**

Rupees in Thousands

Particulars	**2018–19**	2017–18
Interest on		
– working capital loan from bank	**217**	133
– Interest on others	**–**	25
Interest on delay in payment of taxes	**1**	–
Unwinding interest expenses on financial liabilities	**361**	519
Bank charges	**25**	20
Total	**604**	697

30. **Depreciation Expense**

Rupees in Thousands

Particulars	**2018–19**	2017–18
Depreciation on tangible assets	**150**	90
Depreciation on investment property	**1,269**	1,269
Total	**1,419**	1,359

31. Other Expenses

Rupees in Thousands

Particulars	2018–19	2017–18
Rent, rates and taxes	**3,825**	3,797
Printing and stationery	**164**	128
Directors sitting fees	**41**	33
Travelling and conveyance	**521**	460
Postage, telegram and telephones	**398**	249
Insurance	**3**	10
Repairs and Maintenance:		
Buildings	**2,698**	1,221
Others	**459**	190
Advertisement and Business Promotion	**148**	135
Legal and Professional Charges	**2,122**	2,621
Auditors Remuneration:		
Audit Fees	**280**	297
Certification	**–**	50
Service Charges	**220**	347
Fair value loss on investments	**31,761**	1,814
Loss/(profit) on disposal of subsidiary	**(17)**	–
Bad debts written off	**1,874**	–
Sundry Expenses	**134**	118
Total	**44,631**	11,470

32. Financial Instruments

32.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

The carrying value and fair value of financial instruments by categories were as follows:

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Financial assets carried at amortised cost		
Trade Receivables	**759**	1,272
Cash and Cash equivalents	**1,228**	1,482
Bank balances other than above	**22,235**	42,480
Loans	**8,271**	7,822
Other financial assets	**19,194**	20,770
Financial assets carried at fair value through profit or loss		
Investments in equity/debt instruments	**40,087**	71,849
Total	**91,774**	145,675
Financial liabilities carried at amortised cost		
Borrowings	**7,166**	5,404
Trade payables	**717**	611
Other financial liabilities	**8,472**	40,635
Total	**16,355**	46,650

32.02 Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis;

Rupees in Thousands

Particulars	Level	March 31, 2019	March 31, 2018
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value through profit or loss	Level 1	29,250	61,012
	Level 2	10,837	10,837
	Level 3	–	–
Liabilities measured at fair value through profit or loss:		–	–

During the year ended March 31, 2019 and March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of investment in equity instruments is based on quoted price. Fair value is determined using Level 3 inputs at Discounted cash flows.

The management of the company considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date based on the information available.

33. Financial risk management

Financial Risk Factors

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

33.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk, such as equity price risk. Financial instruments affected by market risk include investments, loans and borrowings and deposits.

Price risk : The Company's exposure to securities price risk arises from investments held in equity and debt instruments and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Debt based securities are exposed to price risk which are inherently linked to interest rate risk. Quotes of these investments are available from the stock markets. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instruments with floating interest rates which is not material. The Company's interest rate risk on borrowings against fixed deposits is linked to banks change in interest rate on fixed deposit.

33.02 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), rent receivables and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk were either past due or impaired.

Aging analysis of the trade receivables has been considered from the date it is due

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Upto 3 months	**713**	1,272
3 to 6 months	**–**	–
More than 6 months	**46**	–
Total	**759**	1,272

Credit risk on cash and cash equivalents is limited as the Company generally invested in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in deposits for a specified time period.

The carrying values of the financial assets to approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Company believes no impairment is necessary in respect of the above financial instruments.

33.03 Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility, cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of non-derivative financial liabilities.

Non-derivative Financial Liabilities Rupees in Thousands

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2019					
Financial liabilities					
Borrowings	7,166	7,166	–	–	–
Trade payables	717	–	717	–	–
Other financial liabilities	9,563	1,244	–	8,319	–
Total	**17,446**	**8,410**	**717**	**8,319**	**–**
As at March 31, 2018					
Financial liabilities					
Borrowings	5,404	5,404	–	–	–
Trade payables	611	–	611	–	–
Other financial liabilities	41,182	32,874	–	8,308	–
Total	**47,197**	**38,278**	**611**	**8,308**	**–**

33.04 Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the Directors' review of the company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits. The requirement of monitoring capital gearing ratio does not arise in the absence of long term borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

34. Calculation of Earning per share:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2019 and March 31, 2018. Thus, diluted EPS equals basic EPS.

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

Sl. No.	Particulars	2018-19	2017-18
a)	Nominal value per share (in Rupees)	**10**	10
b)	Net Profit available for equity share holders (Rupees in Thousands)	**(18,664)**	30,998
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic/Diluted EPS of Rs. 10/- each (in Rupees)	**(1.43)**	2.38

35. In pursuance to the Scheme of Arrangement (the 'Scheme') under sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the Court') vide its order dated October 15, 2004 and filed with the Registrar of Companies, Karnataka on December 30, 2004 (i.e. effective date) the Company had implemented the scheme and accordingly repaid all instalments of debentures, deposits and subordinated debts, except to the extent unclaimed / cheques issued but not encashed by the instrument holders. The Company has filed an affidavit on August 31, 2010 before the Court stating that the scheme has been successfully implemented and the Court has passed an Order stating that Scheme of Arrangement sanctioned by the Court on October 15, 2004 is fully complied by the company.

The accounts have been prepared on Going concern basis, considering the successful implementation of the Scheme of Arrangement as mentioned above, the Company's foray into fee based activities and its intention to start fresh NBFC business is subject to approval from Reserve Bank of India.

36. Contingent liabilities and commitments

Rupees in Thousands

Sl. No.	Particulars	March 31, 2019	March 31, 2018
1	Claims against the company/disputed liabilities not acknowledged as debt/liabilities	**–**	2,222
2	Block assessment from AYs 1987-88 to 1997-98 [Refer note (a) below]	**102,404**	102,404

Notes:

a) Represents income tax demand of Rs. 102,404 thousands (March 31, 2018 : Rs. 102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987-88 to 1997-98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Holding Company has deposited Rs. 64,028 thousands (March 31, 2018: Rs. 58,528 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.

b) The Supreme Court had passed an order dated February 28, 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company in view of which the Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact if any may not be material. The Company is in the process of taking opinion in respect of the same.

c) The Company, during the year has received show-cause notice from the Registrar of Companies, Karnataka (ROC) with regard to non-compliance appointment of full time Company Secretary between April 01, 2014 to August 08, 2016 as per the provisions of S203(1) read with Section 203(4) of the Companies Act, 2013. The management of the Company has filed an application for adjudication of penalties under the Companies Act, 2013 which is pending before the ROC. In the absence of an adjudication of penalties and specific demand notice, the management is unable to quantify the penalty amount. The management is of the opinion that the penalty, if levied is not material and will not have a significant impact on the financial position of the Company.

37. Employee Benefits

a) **Defined Contribution Plans**

The Group's Contribution to Provident and Pension Fund is charged to Statement of profit and loss. The details are as follows:

Rupees in Thousands

Particulars	2018–19	2017–18
Provident and pension fund	**593**	545
Employee state insurance	**174**	172
Total	**767**	717

b) **Defined Benefit Plan – Gratuity as per Actuarial Valuation [Funded]**

Particulars	March 31, 2019	March 31, 2018
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**4,588**	3,939
Current service cost	**154**	141
Interest cost	**307**	301
Actuarial loss / (gains)	**486**	496
Benefits paid	**(442)**	(289)
Closing defined benefit obligation	**5,093**	4,588

Particulars	**March 31, 2019**	March 31, 2018
Change in Fair Value of Assets		
Opening fair value of plan assets	**5,216**	4,025
Expected return on plan assets	**370**	354
Actuarial gain / (loss)	**(25)**	(41)
Actual Contributions by Employer	**500**	1,167
Benefits paid	**(442)**	(289)
Closing fair value of plan assets	**5,619**	5,216
Net (asset) / liability recognized	**(526)**	(628)
Expenses recognized during the year		
Current service cost	**154**	141
Net interest on net defined benefit Liability/(Asset)	**307**	301
Expected return on plan assets	**(369)**	(354)
Net gratuity cost	**92**	88
Remeasurement of the net defined benefit Liability /(asset)		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumption	**150**	(124)
Actuarial changes arising from changes in experience adjustments	**336**	620
Actuarial changes arising from changes in discount rate	**24**	42
Return on plan assets excluding interest income	**–**	–
Recognized in other comprehensive income [loss/(gain)]	**510**	538
Remeasurement of the net defined benefit liability /(asset)		
Net actuarial loss / (gain) recognized in OCI	**510**	538
	510	538
Actual return on plan assets	**345**	313
Present value of Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**392**	865
Between 2 and 5 years	**3,030**	2,691
Between 5 and 10 years	**1,660**	664
Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	**(168)**	(104)
(ii) one percentage point decrease in discount rate	**177**	109
(iii) one percentage point increase in salary escalation rate	**184**	117
(iv) one percentage point decrease in salary escalation rate	**(177)**	(114)
(v) one percentage point increase in employee turnover rate	**1**	1
(vi) one percentage point decrease in employee turnover rate	**(1)**	(2)
Sensitivity Analysis Method		
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all the other actuarial assumptions constant.		
The major category of plan assets as a percentage of the fair value of the total *Investment with Insurer managed funds*	**100%**	100%
Principal actuarial assumptions used		
Discount rate (p.a.)	**7.04%**	7.93%
Expected rate of return on plan assets (p.a.)	**7.09%**	8.79%
Rate of increase in compensation levels	**5.00%**	5.00%

Particulars	March 31, 2019	March 31, 2018
Weighted average duration of defined benefit obligation	**4.93 Years**	5.35 Years
Attrition Rate	**3.00%**	3.00%
Retirement age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2006 – 08) Modified (Ultimate)	
Expected employer's contribution for the next year	412	112

The Group contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2019 and March 31, 2018, the plan assets have been invested in insurer managed funds.

Notes:

(i) The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

(ii) The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

38. Operating lease:

The Group has entered into certain cancellable operating lease agreements mainly for office premise. Under these agreements refundable interest–free deposits have been given. In respect of above arrangements, lease rentals payable are debited to Statement of Profit & Loss.

Rupees in Thousands

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	**216**	277

39. List of Related Parties with whom transactions have taken place during the year:

i) Key Management Personnel (KMP)

T. Mohandas Pai - Chairman, Non-executive Director w.e.f. 05.12.2018 (Whole time director till 04.12.2018)
Bharath K Nayak - Managing Director w.e.f. 05.12.2018 (Independent Director till 04.12.2018)
Tonse Sachin Pai - Non-executive Director (w.e.f. 05.12.2018)
U. Harish P Shenoy - Independent Director (w.e.f. 01.04.2014)
Airody Giridhar Pai - Independent Director (w.e.f. 01.04.2014)
Vimala C. Kamath - Independent Director w.e.f. 05.12.2018 (Non-executive director till 04.12.2018)
Sujir Prabhakar - Independent Director (w.e.f. 05.12.2018)
K. M. Udupa - Independent Director (till 05.12.2018)
H. N. S. Rao - Independent Director (till 05.12.2018)
G. R. Nayak - Chief Financial Officer
Veena Hegde - Company Secretary

ii) **Details of the transactions:**

Rupees in Thousands

Sl. No.	Particulars	March 31, 2019	March 31, 2018
a)	Sitting fees paid to independent directors during the year		
	T. Mohandas Pai (w.e.f. 05.12.2018)	**3**	–
	Bharath K. Nayak (till 04.12.2018)	**5**	6
	U. Harish P. Shenoy	**8**	6
	Airody Giridhar Pai	**6**	3
	Vimala C. Kamath	**8**	6
	T. Sachin Pai	**2**	–
	Sujir Prabhakar	**2**	–
	K. M. Udupa	**3**	5
	H. N. S. Rao	**6**	6
b)	Remuneration to key management personnel (KMPs) during the year		
	Short-tem Employee benefits	**907**	795
	Post-employment benefits	**63**	58

Notes

a) Related Party Transactions given above are as identified by the Management.

b) Commitments with related parties: As at year end March 31, 2019, there is no commitment outstanding with any of the related parties.

c) The remuneration to KMPs do not include provisions for gratuity as separate actuareal valuation are not available.

40. Additional information pursuant to Para 2 of Part III General Instructions for the preparation of the Consolidated Financial Statements for the year ended March 31, 2019 under Schedule III of the Companies Act, 2013:

Name of the entity in the Group	Net Assets (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Rupees in thousands	As % of consolidated profit or loss	Rupees in thousands	As % of consolidated OCI	Rupees in thousands	As % of consolidated TCI	Rupees in thousands
Parent								
ICDS Limited	91.64%	230,752	135.63%	(18,374)	100.00%	(367)	134.69%	(18,741)
Subsidiaries								
Indian								
a) Manipal Hotels Ltd.	0.00%	–	-2.29%	310	0.00%	–	-2.23%	310
b) Manipal Properties Ltd.	8.36%	21,037	-33.34%	4,517	0.00%	–	-32.46%	4,517
Sub Total *	**100.00%**	**251,789**	**100.00%**	**(13,547)**	**100.00%**	**(367)**	**100.00%**	**(13,914)**
Add/(less) non-controlling interest in all subsidiaries		–		–		–		–
Consolidation adjustments/ eliminations**		5,117		(5,117)		–		(5,117)
Total		**256,906**		**(18,664)**		**(367)**		**(19,031)**

*The figures have been considered from the respective standalone financial statements before consolidation adjustments/ eliminations.

** Consolidation adjustments/eliminations includes intercompany eliminations and consolidation adjustments.

41. The Managing Director & Chief Operating Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators. The Group has identified three reportable segments viz. Financial Services (recovery of loans and advances), trading activities of shares and securities, sale of Mobiles & Accessories and rent on premises. Others include Marketing of the insurance products of life and general insurance companies. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. Accordingly segment reporting disclosures as envisaged in Ind AS 108 on Segmental Reporting, are given below:

Details of Consolidated Segmental Information Rupees in thousands

Particulars	**Financial Services (Recovery activities)**	**Trading Activities**	**Rent on Premises**	**Others**	**Total**
Segment Revenue					
External Turnover	11,143	–	17,889	473	29,505
	5,032	*33,826*	*18,356*	*586*	*57,800*
Inter segment turnover	–	–	–	–	–
	–	–	–	–	–
Net Turnover	**11,143**	**–**	**17,889**	**473**	**29,505**
	5,032	*33,826*	*18,356*	*586*	*57,800*
Segment Results	3,791	(31,761)	13,171	354	(14,445)
	(4,045)	*30,888*	*15,058*	*314*	*42,215*
Unallocated expenses					(6,361)
					(5,121)
Interest income					2,032
					4,104

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on Premises	Others	Total
Dividend Income					850
					2,182
Other Income					525
					599
Profit before tax					**(17,399)**
					43,979
Less: Taxes					1,265
					12,981
Net Profit after Tax					**(18,664)**
					30,998
Other Information					
Segment Assets	54,947	29,148	123,974	50	208,119
	74,556	*61,329*	*128,881*	*230*	*264,996*
Segment Liabilities	8,680	690	8,346	–	17,716
	37,967	*460*	*9,950*	*12*	*48,389*
Capital Expenditure					347
					112
Depreciation					1,419
					1,359

Notes:

a) Interest expenditure and interest income of company are not shown separately for financial services since the same is integral part of financial business.

b) During the year, one external customer contributing more than 10% of the Group's revenue from operations.

c) Geographical segment is not relevant for the Group since it is not involved in exports.

d) Previous year figures given in *italics* and have been regrouped wherever necessary.

42. Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached.
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

For and on behalf of the Board of ICDS Limited
Sd/-
T. Mohandas Pai
Chairman
DIN-00104336

Sd/-
Sudhir Prabhu K.
Partner
Membership No.: 209589

Sd/-
Bharath K. Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Bengaluru
Date : 28.05.2019

Place : Manipal
Date : 28.05.2019

FORM NO. AOC-1

(Pursuant to sub-section (3) of Section 129 of the Act and Rule 5 of the Companies (Accounts) Rules, 2014.)

Statement containing the salient features of financial statements of Subsidiary/Associate Companies as on 31st March, 2019

Part "A" – Subsidiaries

(Amount in Thousands)

Name of the Subsidiary Company	Manipal Properties Ltd.
Issued & Subscribed Capital	1,000
Reserves & Surplus	20,037
Total Assets	31,157
Total Liabilities	31,157
Investments	28,088
Turnover	7,259
Profit/(Loss) before Tax	5,617
Provision for Tax	1,100
Profit/(Loss) after Tax	4,517
Proposed Dividend	–
% of shareholding	100%

Notes: 1. Reporting Period and reporting currency of the subsidiaries are the same as that of the Company.
2. Part B of the Annexure is not applicable as there are no associate companies/joint ventures of the Company as on 31st March, 2019.

Sd/-
T. Mohandas Pai
Chairman
(DIN-00104336)

Sd/-
Bharath K. Nayak
Managing Director
(DIN-00776729)

Sd/-
G. R. Nayak
Chief Financial Officer

Sd/-
Veena Hegde
Company Secretary
Membership No.: A45746

Place : Manipal
Date : 28.05.2019

ICDS LIMITED

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) ....
Registered Address ....
E-mail Id .... Folio No./Client ID .... DP ID ....
I/We, being the member(s) of .... shares of the above named Company. Hereby appoint
Name : .... E-mail Id: ....
Address: ....
Signature, or failing him...
Name : .... E-mail Id: ....
Address: ....
Signature, or failing him...
Name : .... E-mail Id: ....
Address: ....
Signature, or failing him...
as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Thursday, the **26th September, 2019 at 4.00 p.m.** at Rotary Hall, Manipal- 576 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
	Ordinary Business:		
1.	To adopt statement of Profit & Loss, Balance Sheet, Reports of Board and Auditor's for the financial year 31st March, 2019.		
2.	To consider re-appointment of Mr. T. Mohandas Pai, Director who retires by rotation and being eligible offers herself for re-appointment.		
3.	To consider appointment of Mr. T. Sachin Pai as Director.		
4.	To consider appointment of Mr. Sujir Prabhakar as an Independent Director.		
5.	To consider appointment of Mrs. Vimal C. Kamath as an Independent Director.		
6.	To consider re-appointment of Mr. Airody Giridhar Pai as an Independent Director.		
7.	To consider re-appointment of Mr. U. Harish P. Shenoy as an Independent Director.		
8.	To consider appointment of Mr. Bharath Krishna Nayak as Managing Director.		

* Applicable for investors holding shares in Electronic form.

Signed this ________ day of __________ 2019

Affix Revenue Stamp

Signature of Shareholder   Signature of Proxy holder   Signature of the Shareholder across Revenue Stamp

Notes: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2) The proxy need not be a member of the Company.

CUT HERE

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

48th Annual General Meeting on Thursday, the 26th September, 2019 at 4.00 p.m.

Full name of the members attending ....
(In block capitals)

Ledger Folio No./Client ID No. .... No. of Shares held: ....

Name of Proxy ....
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 48th Annual General Meeting of the Company held on Thursday, the 26th September, 2019 at 4.00 p.m.

(Member's/Proxy's Signature)

Notes: 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3) A Proxy need not be a member of the Company.
4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.