September 2, 2020

The Manager – Listing
National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
MUMBAI – 400 051

STOCK CODE: ICDSLTD

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

STOCK CODE: 511194

Sub: Submission of Annual Report for the financial year 2019-20.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we hereby submit the Notice of 49th AGM scheduled to be held on Monday, 28th September, 2020 at 3.30 p.m. through VC/OAVM along with Annual report of ICDS LIMITED for F.Y 2019-20.

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully
For ICDS Limited

ICDS LIMITED
MANIPAL
Regd. Office

(Bharath Krishna Nayak)
Managing Director
(DIN: 00776729)
Date : 02.09.2020
Place: Manipal

Encl: As above.

ICDS LIMITED

Regd. Office: Syndicate House, Manipal – 576 104

49th Annual Report

2019 – 2020

Chairman	:	Mr. T. Mohandas Pai
Managing Director	:	Mr. Bharath Krishna Nayak
Directors	:	Mr. Sujir Prabhakar Mr. T. Sachin Pai Mr. Airody Giridhar Pai Mrs. Vimal C. Kamath Mr. Harish P. Shenoy (upto 26.7.2020)
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 49th ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Monday**, the 28th September, 2020 at 3.30 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2020 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 Tonse Sachin Pai [DIN: 00795780] who retires by rotation and being eligible, offers himself for reappointment.

By Order of the Board
Sd/-
T. Mohandas Pai
Chairman
DIN: 00104336

Registered Office:
Syndicate House
Manipal 576 104
Date : 29.06.2020

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms and pursuant to the General Circular No. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (collectively **"MCA Circulars"**) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (**"SEBI Circular"**) read with and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), the 49th Annual General Meeting ("AGM") of the Company is being held through VC/OAVM Facility, which does not require physical presence of Members at the venue. The proceedings of the 49thAGM shall be deemed to be made at the Registered Office of the Company situated at Syndicate House, Manipal, Udupi District, Karnataka – 576 104 India (deemed venue for the AGM).
2. Corporate Members intending to attend the meeting through VC/OAVM are requested to send a scanned copy of the certified true copy of Board Resolution / Power of Attorney from the Corporate Member's registered email address authorizing their representatives to attend the AGM on their behalf, at the email ID, info@icdslimited.com. Further, the Corporate Members are requested to also state the Client ID/DP ID in which the Company's shares are held.
3. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent. As per Regulation 40 of SEBI Listing Regulations (as amended), requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.
5. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 49th Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company (Email ID: info@icdslimited.com) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
6. **General Instructions for accessing and participating at the 49thAGM through Electronic Means (VC/OAVM)**
   i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
   ii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders

(Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

iv. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

v. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.icdslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

vi. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

7. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 25.09.2020 10.00 a.m. and ends on 27.09.2020 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 21.09.2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Board of Directors has appointed CS.Shrinivas M. Devadiga (Membership No. ACS 22381), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

(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" module.

(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. Shareholders 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 e-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 Shareholders 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact Company/RTA.
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 (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

8. Process for those Shareholders whose Email Addresses are not registered with the Depositories for obtaining Login Credentials for E-Voting for the Resolutions proposed in this notice:

i. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

ii. For Demat shareholders – please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

9. Instructions for shareholders attending the AGM through VC/OAVM are as under:

i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

ii. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast 48 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably.

vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

10. Instructions for shareholders for e-voting during the AGM are as under:

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

11. Note for Non-Individual Shareholders and Custodians

i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

iii. 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.

iv. 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.

v. 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.

vi. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@icdslimited.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

12. 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 or call 1800225533.

    All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

13. Since the 49th AGM shall be held through VC/OAVM facility only and physical presence of the Members at the venue is not required, the route map is not annexed to this Notice.

14. The register of members and Share Transfer Book will remain closed from Friday, 25th September, 2020 to Monday, 28th September, 2020 (both days inclusive) in connection with 49th Annual General Meeting.

Details of the Directors seeking appointment/reappointment 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]

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 44 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., The Canara Land Investments 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

BOARDS' REPORT – 2019-20

To,
The Members,

Your Board of Directors have pleasure in presenting their 49th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

FINANCIAL SUMMARY:

The following table brings out the financial performance of the Company during the F.Y. 2019-20:

(₹ in '000)

Particulars	31-Mar-2020	31-Mar-2019
Income from Operations	**1,93,58**	2,78,58
Other Income	**1,64,26**	72,11
Total Income	**3,57,84**	3,50,69
Less: Operating Expenses	**2,28,79**	1,99,68
Less: Fair value loss on Investments	**1,33,92**	3,17,61
Less: Interest	**566**	3,06
Profit/(loss) before Depreciation	**(10,53)**	(1,69,66)
Less: Depreciation	**33,00**	12,65
Profit/(loss) after Depreciation before Tax	**(43,53)**	(1,82,31)
Less: Provision for Income Tax	**6,60**	1,43
Profit/(loss) after Tax	**(50,13)**	(1,83,74)
Opening balance of retained earnings	**3,31,63**	5,19,04
Profit / (loss) for the year [a]	**(50,13)**	(1,83,74)
Other comprehensive income/(loss) [b]	**(4,45)**	(3,67)
Total comprehensive income/(loss) [a+b]	**(54,58)**	(1,87,41)
Closing balance of retained earnings	**2,77,05**	3,31,63

COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned Income of ₹3,57,84 thousand as against ₹3,50,69 thousand in the corresponding previous year. 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 ₹2,28,79 thousand as against ₹1,99,68 thousand in the previous year. The increase in operational expenses is mainly on account of legal expenses incurred in connection with the Income Tax Block Assessment Case wherein the company had to defend its case by engaging eminent Lawyers. The provision for the fair value of investments (reduction in the value of investments is ₹1,33,92 thousand as against ₹3,17,61 thousand in the previous year. The profit/(loss) after tax for the year after adjusting the provision stands at (₹50,13) thousand as against (₹1,83,74) thousand in the Previous year. There is marginal erosion in the Net Worth of the company due to the losses incurred. The Net worth of the company as at March 31, 2020 stands at ₹19,13,06 thousand as against ₹19,67,64 thousand as at March 31, 2019.

FUTURE BUSINESS PLANS:

The Company had stopped NBFC business after 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 an 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 presented its case. The company is awaiting the Order from the Appellate 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, 2020 was ₹13,02,67,000. 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. T. Sachin Pai [DIN: 00795780], Non-Executive Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

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 under link https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.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 four Board Meetings were convened and held on 28.05.2019, 08.08.2019, 13.11.2019, and 11.02.2020. 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. A. 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 28.05.2019, 08.08.2019, 13.11.2019, and 11.02.2020.

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 2019-20 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. The Comments made by the Secretarial Auditors are corresponding explanations given by the Board are as under:

Sl. No.	Comment by Secretarial Auditor	Board's Reply
1	Company was received show cause notice in the previous year 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.	Company has made an application for Adjudication of penalties with Registrar of Companies, Karnataka and the matter pending with Registrar of Companies, Karnataka.
2	SEBI amended the clause relating to 'board of directors' in the Listing Regulations and inserted regulation 17(1A) of SEBI (LODR), 2015 as amended from time to time, w.e.f. 01.04.2019: No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.	Company has appointed Mr. Tonse Pai Mohandas DIN-00104336 as Director (Category– Non-Executive, Non-Independent) and Chairman of the Company and ratified his earlier appointment dated 26.09.2019 on 21.03.2020 through Postal Ballot.
3	Company was received Notice from NSE with Ref: NSE/LIST/16008 dated 30th March 2020, reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of annual report by listed entities, 1. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies. 2. Detail of fees paid to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	The management of the Company replied to the Stock Exchange, they will incorporate necessary disclosures in the financial year ended 31.03.2020 with comparative figures for the previous financial year ended 31.03.2019. Due to the outbreak of pandemic COVID-19, Company express its difficulties to comply, which was cause to shutdown of office as the whole country was under lockdown.

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 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) is 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: https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.pdf). As per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual return for financial year 2018-19 is placed on website of the company i.e. www.icdslimited.com/annual return.

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.11.

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

In order to prevent sexual harassment of Women at work place, a new Act called 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 2019-20:

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. 26.09.2019), 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. 24 (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 websitewww.icdslimited.com.

SECRETARIAL STANDARDS:

The Company has complied with all the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

IMPACT OF COVID-19 ON ECONOMY:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

The impact on future revenue streams could come from lower rental incomes on account of waivers / concessions in rent sought by the tenants and cancellation of lease agreement which is the major source of income for the Company. The Company expects the rental income to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has analysed its liquidity position and the recoverability and carrying value of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, investments, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial results.

Due to the nature of the pandemic and non-availability of necessary vaccine/treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

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.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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 : 29.06.2020

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 : 29.06.2020

Annexure – II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020
[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 31.03.2020 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 31.03.2020 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 (as amended from time to time)
   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (as amended from time to time)
   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (as amended from time to time)
   (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 (as amended from time to time).

(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, 2018 and amended from time to time;
   (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, 2018;

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 and BSE 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 is 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 in the previous year 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 pending with Registrar of Companies, Karnataka.

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, SEBI amended the clause relating to 'board of directors' in the Listing Regulations and inserted regulation 17(1A) of SEBI (LODR) 2015 as amended from time to time, w.e.f. 01.04.2019: No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. However, Company has appointed Mr. Tonse Pai Mohandas DIN: 00104336 as Director (Category – Non-Executive, Non-Independent) and Chairman of the Company and ratified his earlier appointment dated 26.09.2019 on 21.03.2020 through Postal Ballot.

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, company was received Notice from NSE with Ref: NSE/LIST/16008 dated 30th March 2020, reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of annual report by listed entities, 1. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies. 2. Detail of fees paid to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. However, the management of the Company replied to the Stock Exchange, they will incorporate necessary disclosures in the financial year ended 31.03.2020 with comparative figures for the previous financial year ended 31.03.2019. Due to the outbreak of pandemic Covid-19, Company express its difficulties to comply, which was cause to shutdown of office as the whole country was under lockdown.

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. There were no 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
Membership No.: 22381
C P No.: 10372

Place : Bengaluru
Date : 23.06.2020
UDIN: A022381B000370663

Note: The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. Due to COVID- 19 pandemic impact, the compliance documents were obtained through electronic mode and verified with requirements

*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
Membership No.: 22381
C P No.: 10372

Place : Bengaluru
Date : 23.06.2020
UDIN: A022381B000370663

ANNEXURE-III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ICDS LIMITED
Syndicate House
Manipal-576104

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ICDS LIMITED having (CIN:L65993KA1971PLC002106) and having registered office at Syndicate House, Manipal - 576104 (here in after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name	DIN	Date of Appointment in Company*
1	Mr. T. Mohandas Pai	00104336	01.09.2015
2	Mr. Bharath Krishna Nayak	00776729	30.09.2009
3	Mr. Tonse Sachin Pai	00795780	05.12.2018
4	Mr. Sujir Prabhakar	02577488	05.12.2018
5	Mr. Airody Giridhar Pai	00109985	12.11.2010
6	Mrs Vimal Chandrashekhar Kamath	07182821	19.05.2015

*the date of appointment is as depicted in the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. Thiscertificate 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
Membership No.: 22381
C P No.: 10372
UDIN: A022381B000579399

Place : Bengaluru
Date : 14.08.2020

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31st March, 2020 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 4 times during financial year 2019-2020. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
28th May, 2019	7	7
8th August, 2019	7	7
13th November, 2019	7	7
11th February, 2020	7	7

   The last AGM was held on 26th September, 2019 and out of 7 Directors of the Company, 6 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 Directorships	No. of Meetings attended	Attendance at last AGM	No. of other Directorship	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 Bharath Krishna Nayak	Managing Director	4	Yes	3	–
3.	Sri Airody Giridhar Pai	Non-Executive Independent	4	Yes	1	3(M)
4.	Sri U. Harish P. Shenoy	Non-Executive Independent	4	Yes	2	1(C) 2(M)
5.	Mrs. Vimal C. Kamath	Non-Executive Independent	4	Yes	0	1(M)
6.	Mr. T. Sachin Pai	Non-Executive	4	Yes	3	–
7.	Mr. Sujir Prabhakar	Non-Executive Independent	4	No	0	1(C)

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 28th May, 2019, 8th August, 2019, 13th November, 2019 and 11th February, 2020. 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
28th May, 2019	4
8th August, 2019	4
13th November, 2019	4
11th February, 2020	4

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, 2020:

   i) Managing Director: Nil
   ii) Non-Executive Directors and 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: https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.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 8 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	8
Mr. Udupi Harish P. Shenoy	Independent Director	8
Mr. Airody Giridhar Pai	Independent Director	8

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
46	25.09.2017	4.00 p.m.	NIL
47	25.09.2018	4.00 p.m.	NIL
48	26.09.2019	4.00 p.m.	Appointment/ Reappointment of Independent Directors

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

Postal Ballot:

Company has obtained approval of the members through Postal Ballot for a special resolution on 21st March, 2020 for continuation of Mr. Tonse Mohandas Pai [DIN: 00104336], as Director (Category – Non-Executive, Non-Independent) and Chairman of the Company and ratify his reappointment on 26th September 2019 as Director, who offered himself for reappointment at 48th AGM of the Company, be liable to retire by rotation, who has already attained the age of seventy five (75) yrs., beyond April 1, 2019 on the existing terms and conditions of appointment.

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 have 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. Details of total fees paid to statutory auditors:

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

Amount (₹)

Sl. No.	Particulars	2019-20	2018-19
1.	Audit Fees	2,00,000	2,50,000
2.	Tax audit fees	50,000	50,000
3.	Certification	40,000	NIL

The above figure includes fee paid for audit and audit-related services for the financial year 2019-20.

9. Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years – NIL

10. 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.

11. Management Discussion and Analysis Report:

Review of Operations:

At present your company is engaged in recovery of over-dues of Hire Purchase/Lease Accounts, Loans and other dues. Besides this, your Company is also a Corporate Agent (Composite) for Life and General Insurance Companies registered under IRDAI and generating some income to supplement the income from recovery of dues.

Business Review:

During the year under review, your company recovered an amount of ₹379.93 lakhs from various sources such as ₹55.15 lakhs from recovery of Bad and Doubtful Debts; ₹50 lakhs from demerger Receivables from Manipal Properties Ltd. Income from other activities like Sale of Shares, Sale of Properties, service charges under Insurance Agency, Dividend Income and Rental Income is ₹274.78 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 24(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 Board'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, 2020 was 25 as against the previous year's figure of 26.

12. General Shareholder Information:

a) Annual General Meeting : 49th Annual General Meeting
Day & Date : Monday, 28th day of September, 2020
Time : 3.30 p.m.
Venue : Through Video Conference or Other Audio Visual Means at Registered Office of the Company deemed to be the venue of the 49th Annual General Meeting and for proceedings of the AGM.

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

c) Date of Book Closure : 25.09.2020 to 28.09.2020 (both days inclusive)

d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31st March, 2020.

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: The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and National Stock Exchange of India Limited.

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, 2020, 1,04,80,688 Equity Shares forming 80.46% of the share capital of the Company stands dematerialized (Previous Year: 1,03,82,439 equity shares forming 79.71% 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, 2020

Category Shares (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 100	2012	37.1080	115027	1150270	0.8830
101 - 5000	2493	45.9793	605320	6053200	4.6467
5001 - 10000	499	9.2032	347586	3475860	2.6682
10001 - 20000	213	3.9284	298807	2988070	2.2938
20001 - 30000	60	1.0861	149248	1492480	1.1457
30001 - 40000	32	0.5706	114245	1142450	0.8770
40001 - 50000	15	0.2761	67664	676640	0.5194
50001 - 100000	21	0.4602	158234	1582340	1.2146
100001 - And Above	77	1.3991	11170569	111705690	85.7513
Total	5422	100.00	1,30,26,700	13,02,67,000	100.00

l) Pattern of Equity Shareholding as on 31st March 2020

Shareholders	No. of Shares held	Percentage
Promoters and Promoter Group	6,801,304	52.21
Financial Institutions	684,813	5.26
Banks	1172	0.01
Other Corporate Bodies	338,457	2.60
Foreign Corporate Bodies	400,000	3.07
Others including Public	4,800,954	36.85
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 & info@icdslimited.com

DECLARATION

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Managing Director, Chief Financial Officer, AGM - Legal, Company Secretary and AGM Secretarial as on March 31, 2020.

For ICDS Ltd.

Sd/-
T. Mohandas Pai
Chairman
(DIN – 00104336)

Place : Manipal
Date : 29.06.2020

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, 2020 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 in 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, 2020.

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
UDIN: A022381B000579421

Place : Bangalore
Date : 14.08.2020

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, 2020, 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 (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, 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, 2020, its loss including other comprehensive loss, 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.

Emphasis of Matter

We draw attention to Note 40 of the Standalone Financial Statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

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 other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 identified above and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Board's Report including Annexures to Board's Report is not made available to us as at the date of this auditor's report. 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.
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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements 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. 37 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 made a delayed remittance of an amount of ₹739 thousand, which was due to the Investor Education and Protection Fund (IEPF). Refer Note No. 24(a) to the accompanying standalone financial statements.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration Number: 107783W/W100593

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589
UDIN:20209589AAAAAK4611

Place : Bengaluru
Date : 29.06.2020

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 equipment (PPE).

b) According to the information and explanation given to us, the property plant and equipment and investment properties have not been physically verified by the Management during the year due to limitations imposed by the Covid-19 Pandemic.

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. We are also 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 employee's state insurance, Goods and Services Tax, cess and other material statutory dues on general have been regularly deposited during the year by the Company with the appropriate authorities though delays were noticed in payment of Income Tax and Provident Fund. 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 except the following:

Name of the Statute / Relevant Authority	Nature of Dues	Year to which it pertains	Amount Payable in ₹ thousands	Remarks
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	2018-19 (Mar-19)	4.61	Not yet paid
		2019-20 (Apr-19 to Aug-19)	14.76	Not yet paid

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 (₹ 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	26,233*	The dispute is remanded back by the Supreme Court to the Commissioner of Income Tax Appeals – I for reconsideration (refer Note No. 37(a) to the Accompanying Standalone Financial Statements)

*net of amount paid under protest / refund adjusted aggregating to ₹76,171 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 banks. The Company did not take any loans from financial institution / government.

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 LLP
Chartered Accountants
Firm Registration Number: 107783W/W100593

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

UDIN: 20209589AAAAAK4611

Place : Bengaluru
Date : 29.06.2020

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

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to standalone financial statements of ICDS Limited ("the Company") as of March 31, 2020 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 are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI''). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to 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, and to the best of our information and explanation given to us, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2020, based on the internal control with reference to financial statements 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 LLP
Chartered Accountants
Firm Registration Number: 107783W/W100593

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589
UDIN: 20209589AAAAAK4611

Place : Bengaluru
Date : 29.06.2020

CIN - L65993KA1971PLC002106

Standalone Balance Sheet as at March 31, 2020

(₹ in '000)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	309	498
Right of Use Assets	3	39,868	-
Investment property	4	43,029	45,215
Financial Assets:			
Investments	5	10,335	12,201
Loans	6	6,360	5,784
Other financial assets	7	5,300	18,709
Other assets	8	20,722	40,013
Non-current tax assets (Net)	9	78,081	66,641
Deferred tax assets (net)	10	-	-
		204,004	**189,061**
Current assets			
Financial Assets:			
Investments	11	15,744	29,004
Trade Receivables	12	1,055	759
Cash and cash equivalents	13	410	1,100
Bank balances other than cash and cash equivalents	14	11,105	19,331
Loans	15	1,566	1,596
Other financial assets	16	320	2,606
Other assets	17	282	2,531
		30,482	**56,927**
Total		**234,486**	**245,988**
EQUITY AND LIABILITIES			
Equity:			
Equity Share capital	18	130,267	130,267
Other Equity	19	95,027	100,485
		225,294	**230,752**
Liabilities :			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	20	4,099	5,034
Other liabilities	21	227	529
		4,326	**5,563**
Current liabilities			
Financial Liabilities			
Short term borrowings	22	2,014	7,166
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	-	-
b) Total outstanding dues of creditors other than (a) above	23	931	690
Other financial liabilities	24	1,277	1,245
Other liabilities	25	625	572
Provisions	26	19	-
		4,866	**9,673**
Total		**234,486**	**245,988**

Significant Accounting Policies 1

The accompanying notes form an integral part of these Standalone Ind AS financial statements.

As per our report of even date attached

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

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 Krishna Nayak
Managing Director
DIN: 00776729

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Bengaluru
Date : June 29, 2020

Place : Manipal
Date : June 29, 2020

ICDS LIMITED

CIN - L65993KA1971PLC002106

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

(₹ in '000)

Particulars	Notes	2019-20	2018-19
Income:			
Revenue from operations	27	19,358	27,858
Other income	28	16,426	7,211
Total		**35,784**	**35,069**
Expenses:			
Employee benefits expense	29	8,489	7,820
Finance costs	30	566	306
Depreciation expense	31	3,300	1,265
Other Expenses	32	27,782	43,909
Total		**40,137**	**53,300**
Loss before tax		**(4,353)**	**(18,231)**
Less: Tax expense			
Current tax	10	494	-
Income tax for earlier years		(5)	-
Deferred tax	10	171	143
		660	**143**
Loss for the year		**(5,013)**	**(18,374)**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Re-measurement gains (losses) on defined benefit plans	38	(616)	(510)
Income tax effect	10	171	143
Total Other Comprehensive Loss (net of tax)		**(445)**	**(367)**
Total Comprehensive Income/(Loss) for the year		**(5,458)**	**(18,741)**
Earnings per equity share of face value of ₹10/- each			
Basic and Diluted (in ₹)	35	(0.38)	(1.41)

Significant Accounting Policies 1

The accompanying notes form an integral part of these Standalone Ind AS financial statements.

As per our report of even date attached

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-
T. Mohandas Pai
Chairman
DIN: 00104336

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Membership No.: A45746

Place : Bengaluru
Date : June 29, 2020

Place : Manipal
Date : June 29, 2020

CIN - L65993KA1971PLC002106

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

A. Equity Share Capital

(₹ in '000)

Particulars	Notes	March 31, 2020	March 31, 2019
Balance at the beginning of the year	**18**	**130,267**	130,267
Changes in equity share capital during the year	**18**	**–**	–
Balance at the end of the year	**18**	**130,267**	130,267

B. Other Equity

(₹ in '000)

Particulars	Securities Premium	Other Reserve	Retained Earnings	Total other equity
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**
Changes in equity for the year ended March 31, 2020				
Balance as at April 1, 2019	**33,334**	**33,988**	**33,163**	**100,485**
Profit/(loss) for the year	–	–	(5,013)	(5,013)
Other comprehensive income				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	(445)	(445)
Balance as at March 31, 2020	**33,334**	**33,988**	**27,705**	**95,027**

The accompanying notes form an integral part of these Standalone Ind AS financial statements.

As per our report of even date attached

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

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

Place : Bengaluru
Date : June 29, 2020

For and on behalf of the Board of ICDS Limited

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Chairman
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Bharath Krishna Nayak
Managing Director
DIN: 00776729

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Manipal
Date : June 29, 2020

SICDS LIMITED

CIN - L65993KA1971PLC002106

Standalone Statement of Cash Flows for the year ended March 31, 2020

(₹ in '000)

	Particulars	2019-20	2018-19
(A)	**Cash flow From/(used in) operating activities**		
	Profit/(loss) before tax	**(4,353)**	**(18,231)**
	Adjustments for:		
	Depreciation and amortization expense	3,300	1,265
	Interest expenses	246	217
	Profit on sale of fixed assets	(3,182)	(2)
	Fair value loss on financial instruments	13,392	31,761
	Unwinding interest income	(542)	(490)
	Unwinding rental income	(302)	(74)
	Unwinding Interest expenses	279	64
	Unwinding rental expenses	-	1,807
	Loss / (profit) on sale of investments	(9,003)	200
	Interest on term deposits	(2,431)	(1,709)
	Dividends	(1,212)	(850)
	Reversal of provisions no longer required	(4,124)	(9,773)
	Bad debts written off	-	1,874
	Provision for doubtful receivable	453	-
	Operating profit before working capital changes	**(7,479)**	**6,059**
	Adjustments for change in working capital		
	(Increase)/decrease in trade receivables	(296)	(1,761)
	(Increase)/decrease in loans and advances, other assets	5,362	8,977
	Increase/(decrease) in trade payables, other liabilities and provision	(1,497)	(18,460)
	Cash generated from operations	**(3,910)**	**(5,185)**
	Less: Interest paid	-	(12,259)
	Income Tax (paid)/refunded	(11,929)	(6,745)
	Net cash from/(used in) operating activities	**(15,839)**	**(24,189)**
(B)	**Cash flow from/(used in) Investing activities**		
	Purchase of property, plant and equipment and Capital Advances paid	(20,740)	(347)
	Sale of property, plant and equipment and investment property	4,809	2
	Sale of investments	10,737	300
	Purchase of investment in subsidiary	-	(119)
	Decrease/(increase) in restricted deposits/bank balances	21,533	18,920
	Interest received	2,984	3,146
	Dividend received	1,212	850
	Net cash from/(used in) investing activities	**20,535**	**22,752**

CIN - L65993KA1971PLC002106

Standalone Statement of Cash Flows for the year ended March 31, 2020 (*contd...)*

(*₹ in '000)*

	Particulars	2019-20	2018-19
(C)	**Cash flow from/(used in) Financing activities**		
	Increase/(decrease) of Bank Borrowing	(5,152)	1,762
	Interest paid on Bank Borrowing	(234)	(217)
	Net Cash from/(used in) Financing Activities	**(5,386)**	**1,545**
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	(690)	108
	Cash and Cash Equivalents at Beginning of the Year	1,100	992
	Cash and Cash Equivalents at End of the Year	**410**	**1,100**
	Break-up of cash and cash equivalents		
	Cash on hand	27	20
	Cheques, drafts and stamps on hand	1	298
	Balances with banks		
	in current accounts	382	782
	Cash and Cash Equivalent as at end of the year	**410**	**1,100**

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in 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:

(*₹ in '000)*

Particulars	2019-20	2018-19
Short Term Borrowings		
Opening Balance	7,166	5,404
Proceeds/(repayment) of short term borrowings (net)	(5,152)	1,762
Closing balance	**2,014**	**7,166**

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

As per our report of even date attached.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited
Sd/-
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G. R. Nayak
Chief Financial Officer

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

Place : Bengaluru
Date : June 29, 2020

Place : Manipal
Date : June 29, 2020

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 was 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. 39.

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

1.2 Basis of preparation of financial statements

The Standalone 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 Standalone 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 standalone 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, rental revenue from investment properties and 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.

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.

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.

iv. **Contract Balances**

a. **Contract Assets**

A Contract Asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b. **Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

c. **Contract Liabilities**

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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.

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.

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 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.

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, which is as follows:

Asset Category	Useful Life in Years
Plant & Machinery	5
Electrical Fittings	10
Furniture & Fittings	10
Office Equipments	5
Computers	3

Further, the management has estimated the useful lives of asset individually costing ₹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.

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.

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.

f. Investments in subsidiaries:

Investment in subsidiaries are stated at cost as per Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount it is assessed for recoverability and in case of permanent diminution, provision for impairment is recorded in statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged to the Statement of Profit and Loss.

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:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date (i.e., difference between present value and value of interest free security deposit paid) of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases (i.e India). Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019 using the retrospective with cumulative effect method of initially applying the standard recognised at the date of initial application without any adjustment to opening balance of retained earnings. The Company did not have any material impact on the financial statements on application of the above standard.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For 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.

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 neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

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 and Employee State Insurance to Government administered Provident Fund Scheme and Employee State Insurance 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 and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. 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 Company 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. 33

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.

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 (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.

o. Taxes and Income:

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**

The Company's tax jurisdiction in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred Tax Assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. 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. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 10.

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. Refer Note No. 33 and 34.

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. Refer Note No. 37.

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. 38(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) **Valuation of Investment Property**

Investment Property is stated at Cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the Balance Sheet date. The Company has engaged independent valuation specialists to determine the fair value of its investment property as at reporting date. The best evidence of fair value as per the valuation specialist 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.

iii) **Evaluation of indicators of impairment of assets**

The assessment of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iv) **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.

v) **Taxes**

Deferred tax assets recognised to the extent of the corresponding deferred tax liability on remeasurement of net defined benefit plans (Refer Note No. 10.04).

1.5 New and amended Ind AS effective as on April 1, 2019

i. **Ind AS 116 Leases:** Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company has recorded the Right of Use Asset ('ROU Asset') at its carrying amount as if the standard had been applied since the commencement date of the lease, discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹41,680 thousands. There is no effect of applying the standard on the company's retained earnings. The effect of this adoption is insignificant on the loss before tax, loss for the period and earnings per share.

The following is the summary of practical expedients elected on initial application :

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
b. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
c. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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. There is no plan amendments, curtailments and settlements during year and accordingly there is no impact on opening retained earnings on account of the amendment.

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.

There is no financial impact of the amendment on the opening retained earnings, 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. There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

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.

There is no financial impact of the amendment on the opening retained earnings, 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 remeasure 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.

There is no financial impact of the annual improvements on the opening retained earnings, financial position, results of operation and cash flow.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2. Property, Plant and Equipment

(₹ in '000)

Description of the Assets	Tangible Assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Gross carrying amount					
As at April 01, 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**
Additions during the year	-	16	-	21	37
Disposals/Adjustments	(147)	(53)	-	(23)	(223)
As at March 31, 2020	**202**	**115**	**16**	**295**	**628**
Accumulated Depreciation:					
As at April 01, 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**
Charge for the year	66	15	1	60	142
Disposals/Adjustments	(90)	(30)	-	(19)	(139)
As at March 31, 2020	**126**	**21**	**5**	**167**	**319**
Net block					
As at March 31, 2019	199	116	12	171	498
As at March 31, 2020	**76**	**94**	**11**	**128**	**309**

Notes:

i) Deemed Cost: The Company on transition to Ind AS during Financial Year 2017-18, had elected to continue with the carrying value of its Property Plant and Equipment 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. Right of Use Assets*

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Building		
Gross Carrying amount		
Opening balance	-	-
Reclassified on account of adoption of Ind AS 116	**41,680**	-
Disposals/Adjustments	-	-
Closing balance	**41,680**	-
Accumulated depreciation		
Opening balance	-	-
Depreciation charge for the year	1,812	-
Disposals/Adjustments	-	-
Closing balance	**1,812**	-
Net carrying amount	**39,868**	-

*- Refer Note No. 1.3(h)

Note :

Disclosure in terms of Ind AS 116 - Leases

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

(₹ in '000)

Particulars	March 31, 2020
Buildings	
Balance as at April 1, 2019	-
Reclassified on account of adoption of Ind AS 116	41,680
Additions	-
Deletions	-
Depreciation	(1,812)
Balance as at March 31, 2020	**39,868**

The weighted average incremental borrowing rate applied to security deposit as at April 1, 2019 is 10.50%.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

There are no lease liabilities associated with the ROU Asset as the Company has only provided a one time security deposit to the lessor which is refundable at the end of the contract term and there are no recurring rental payments to be made during the term of the contract. Accordingly the disclosure of movement in lease liabilities, Contractual maturities of lease liabilities and disclosure of current and non-current portion of lease liabilities are not given.

The Company has recognised expense relating to short term leases which are not considered as right of use Assets amounting to ₹189 thousands.

4. Investment Properties

Rupees in Thousands

Particulars	March 31, 2020	March 31, 2019
Building:		
Gross Carrying amount		
Opening balance	**48,560**	48,560
Additions during the year	**703**	-
Disposals/Adjustments	**(1,649)**	-
Closing balance	**47,614**	48,560
Accumulated depreciation		
Opening balance	**3,345**	2,230
Depreciation charge for the year	**1,346**	1,115
Disposals/Adjustments	**(106)**	-
Closing balance	**4,585**	3,345
Net carrying amount	**43,029**	45,215

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 ₹511/- (March 31, 2019 : ₹511/-) in Co-operative Housing Society.

c) **Fair Value** *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Investment properties	**288,000**	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, 2020. 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:** *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Rental Income	**3,113**	4,615
Direct operating expenses generating rental income	**2,095**	2,736
Profit from Investment properties before Depreciation	**1,018**	1,879
Depreciation	1,346	1,115
Profit from investment properties	**(328)**	764

5. Non-current investments *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Non-Current:		
Investment carried at cost:		
Wholly owned Subsidiary Companies		
Unquoted Equity shares (fully paid-up)		
Manipal Properties Limited	**1,118**	1,118
[10,000 (March 31, 2019 : 10,000) shares of face value ₹100/- each]		
Investment carried at Fair Value through Profit or Loss		
In other Body Corporates:		
Unquoted Equity Shares (fully paid-up)		
Lingapur Estates Limited *	**-**	1,734
[Nill (March 31, 2019 : 153,392) shares of face value ₹10/- each]		
Manipal Housing Finance Syndicate Limited*	**9,103**	9,103
[729,000 (March 31, 2019 : 729,000) shares of face value ₹10/- each]		
Manipal Finance Corporation Limited	**-**	-
[449,163 (March 31, 2019 : 449,163) shares of face value ₹10/- each] (net of impairment of ₹9,181 thousands (March 31, 2019 : ₹9,181 thousands)		
Quoted Equity shares (fully paid-up)		
Development Co-operative Bank Ltd.	**114**	246
[1,200 (March 31, 2019 : 1,200) shares of face value ₹10/- each]		
Total	**10,335**	12,201

*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.

(₹ in '000)

Break-up of financial Investments	March 31, 2020	March 31, 2019
Investments carried at		
– cost	**1,118**	1,118
– fair value through profit or loss	**9,217**	11,083
Total	**10,335**	12,201
Aggregate cost amount of quoted investments	**18**	18
Aggregated market value of quoted investments	**114**	246
Aggregate amount of unquoted investments (gross)	**19,402**	21,136
Aggregate amount of impairment in value of investments	**9,181**	9,181

6. Long term loans

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Loan Receivables - considered good - secured	-	-
Loan Receivables - considered good - unsecured		
Rent and other deposits	**450**	467
Security deposit for lease	**5,704**	5,162
Loan to staff	**206**	155
Loan Receivables which have significant increase in credit risk [Refer note (a)]	-	-
Loan Receivables - credit impaired [Refer note (a)]	-	-
Total	**6,360**	5,784

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.

7. Other non-current financial assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised Cost		
Unsecured, considered good		
Deposit with government departments	**228**	178
Deposit with banks maturing after 12 months	-	2,807
Margin Deposit with banks [pledged as security against working capital loan]	**5,000**	15,500
Interest accrued on term deposits	**72**	224
Total	**5,300**	18,709

Note:

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

8. Other non-current assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Capital Advance given to Wholly Owned Subsidiary Company for purchase of Office Space	**20,000**	-
Indirect tax input credit available	**722**	144
Prepaid Lease deposit	-	39,869
Total	**20,722**	40,013

9. Non-current tax assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Advance income tax (net)	**1,910**	2,613
Amount paid under protest [refer Note No. 37(a)]	**76,171**	64,028
Total [refer Note No. 10.03]	**78,081**	66,641

10. Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

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

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Profit or loss section		
Current Tax	**494**	-
Income tax of earlier year	**(5)**	-
Deferred Tax	**171**	143
Tax expense/(credit) to Statement of Profit and Loss	**660**	143
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	**(171)**	(143)
Tax expense/(credit) to Other Comprehensive Income	**(171)**	(143)
Tax expense/(credit) to Total Comprehensive Income	**489**	-

10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Profit /(Loss) before tax	**(4,353)**	(18,231)
Applicable tax rate	**26.00%**	27.82%
Tax effect of income / (loss)	**(1,132)**	(5,072)
Adjustments:		
Tax effect on non-taxable income	**(1,186)**	(382)
Tax effect on non-deductible expenses	**711**	521
Tax effect on disposal of Investment Property and Non-Current Investment	**7,694**	-
Deferred tax not recognised on deductible expenses (net)	**(2,044)**	5,076
Effect on tax rate changes	**(185)**	-
Income tax of earlier year	**(5)**	-
Utilisation of Minimum Alternate Tax Input Credit	**(3,193)**	-
Tax expense / (credit) to Statement of Profit and Loss	**660**	143
Tax expense / (credit) to Other Comprehensive Income	**(171)**	(143)
Tax expense / (credit) to Total Comprehensive Income	**489**	-
Effective Tax Rate	**-11.23%**	0.00%

10.03 Non-current tax assets (net) *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Opening Balance Receivable/(Payable)	**66,641**	59,896
Current tax payable for the year	**(489)**	-
Refund received during the year	**(897)**	-
Tax paid under protest	**12,143**	5,500
Current taxes paid (net)	**1,136**	1,245
Provision made towards Tax receivable of earlier years	**(453)**	-
Closing balance of Non-current tax assets (net)	**78,081**	66,641
Note:	**-**	-

The Company has paid tax under protest in respect of a litigative position taken by the Assessing Officer during the earlier year assessment as fully explained in Note No. 37(i)(b). Based on the favorable order received from the Income Tax Appellate Tribunal ('ITAT') and the Hon'ble Supreme Court, the Company and as per the legal opinion received during the previous year, that no provision is required in respect of the uncertain tax position.

10.04 Major component of deferred tax assets and liabilities *(₹ in '000)*

Particulars		As at March 31, 2020	As at March 31, 2019	For the year 2019-20	For the year 2018-19
Deferred tax liability on					
Accelerated depreciation for tax purposes		**11,649**	12,221	**(572)**	(291)
Fair valuation of investments		**4,357**	8,082	**(3,725)**	(8,836)
Gratuity Plan asset over liability		**-**	146	**(146)**	(28)
	(a)	**16,006**	**20,449**	**(4,443)**	**(9,155)**
Deferred Tax assets on					
Income offered for income tax deductible in future on account of					
income not recognised in books		**-**	677	**(677)**	(1,391)
but offered for tax and deductible in future period					
Expenses on which tax is not deducted at source		**19**	-	**19**	-
unused business loses		**-**	-	**-**	-
unused depreciation allowance		**-**	4,313	**(4,313)**	292
Gratuity Plan liability over asset		**5**	-	**5**	-
Provision for doubtful debts		**42,092**	43,613	**(1,521)**	(2,980)
	(b)	**42,116**	48,603	**(6,487)**	(4,079)
Net deferred tax asset	**(a-b)**	**(26,110)**	(28,154)	**2,044**	(5,076)

(₹ in '000)

Particulars	As at March 31, 2020	As at March 31, 2019	For the year 2019-20	For the year 2018-19
Deferred tax (expense)/credit not recognised during the year			**(2,044)**	5,076
Less: Net deferred tax asset not recognised [refer note (a)]	**26,110**	28,154		
Net deferred tax asset	**-**	-		

Note: (a) The Company has not recognised deferred tax assets amounting to ₹26,110 thousands (March 31, 2019 : ₹28,154 thousands) in respect of unused depreciation allowances and provision for doubtful debts (net) in view of prudence.

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

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Unused business loss	**-**	-
The unused depreciation allowances available for future taxable profit for unlimited period	**-**	15,504
Unused deductible temporary allowances available for future taxable profit [No expiry date]	**93,853**	85,697

10.06 Reconciliations of deferred tax (liabilities) /assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Opening balance	**-**	-
Tax income/(expense) during the period recognized in profit or loss	**171**	143
Tax income/(expense) during the period recognized in OCI	**(171)**	(143)
Closing balance	**-**	-

10.07 Tax amount recognized in other comprehensive income

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Opening balance	**462**	319
Add: Deferred tax asset/(liability) recognized during the year	**171**	143
Closing balance of deferred tax asset netted off with Other Comprehensive income	**633**	462

10.08 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.

11. Current Investments

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
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, 2019 : 155,988) shares of face value ₹10/- each]	**13,491**	26,252
Reliance Industries Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**2,228**	2,727

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Perfect-Octave Media Projects Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**-**	-
Uniworth Ltd. [750 (March 31, 2019 : 750) shares of face value ₹10/- each]	**1**	-
Mukesh Steels Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**3**	**3**
Precision Electronics Ltd. [25 (March 31, 2019 : 25) shares of face value ₹10/- each]	**-**	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**6**	12
Nova Iron & Steel Ltd. [240 (March 31, 2019 : 240) shares of face value ₹10/- each]	**1**	1
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Adam Comsof Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**1**	1
ICES Software Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**2**	2
J K Pharmachemicals Pvt. Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Jalpac India Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**1**	1
Namtech Electronic Devices Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**1**	1
Sanghi Polyesters Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**2**	2
SM Dyechem Ltd. [6 (March 31, 2019 : 6) shares of face value ₹10/- each]	**-**	-
CMS Infotech Ltd. [500 (March 31, 2019 : 500) shares of face value ₹10/- each]	**1**	1
Ruttonsha International Rectifier Limited [100 (March 31, 2019 : Nil) shares of face value ₹10/- each]	**3**	-
Apcotex Industries Limited [40 (March 31, 2019 : Nil) shares of face value ₹10/- each]	**3**	-
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, 2019 : 1,600) shares of face value ₹10/- each]	**–**	–
Adhunik Synthetics Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**–**	–
ATN International Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**–**	–

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Genelec Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**–**	–
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2019 : 320,000) shares of face value ₹10/- each]	**–**	–
Jayant Vitamins Ltd. [563 (March 31, 2019 : 563) shares of face value ₹10/- each]	**–**	–
Parsurampuria Synthetics Ltd. [624 (March 31, 2019 : 624) shares of face value ₹10/- each]	**–**	–
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2019 : 10,000) shares of face value ₹10/- each]	**–**	–
Praman Capital Market Services Ltd. [191,500 (March 31, 2019 : 191,500) shares of face value ₹10/- each]	**–**	–
The Vijaykumar Mills Ltd. [8,000 (March 31, 2019 : 8,000) shares of face value ₹10/- each]	**–**	–
Wartyhully Estates Ltd. [1,100 (March 31, 2019 : 1,100) shares of face value ₹10/- each]	**–**	–
Datar Switch Gears Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**–**	–
Mega Centre Super Markets Ltd. [20,000 (March 31, 2019 : 20,000) shares of face value ₹10/- each]	**–**	–
Nagarjuna Granites Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**–**	–
Pampasar Distilleries Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**–**	–
Investment carried at fair value through Profit or Loss		
Held for Trading		
Quoted Debentures, fully paid up*		
Jayant Vitamins Ltd. [5,403 (March 31, 2019 : 5,403) debentures of face value Rs. 10/- each]	**–**	–
Total	**15,744**	29,004

*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	**15,744**	29,004
Aggregate gross value of Unquoted Investment	**–**	–

12. Trade receivables

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Trade Receivables -		
Considered good - secured	**–**	–
Considered good - unsecured	**1,055**	759
Which have significant increase in credit risk	**–**	–
Credit impaired	**–**	–
Total	**1,055**	759

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 8 tenants constitutes 95% (March 31, 2019 : 6 tenants constitutes 85%) of 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.

13. Cash and Cash Equivalents *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Cash on hand	**27**	20
Cheques, drafts and stamps on hand	**1**	298
Balances with banks in current accounts	**382**	782
Total	**410**	1,100

Note:

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

14. Other bank balances *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Restricted balances with banks in current account	**2**	1
Deposit with banks maturing between 3 to 12 months*	**11,103**	19,330
Total	**11,105**	19,331

* Includes Fixed Deposits of ₹10,500 thousands (March 31, 2019 : ₹ Nil) given as security towards Overdraft/Working Capital facility availed from Bank.

15. Short term loans *(₹ in '000)*

Particulars		March 31, 2020	March 31, 2019
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	(b)	**300**	330
Loan Receivables which have significant increase in credit risk	(c)	**–**	–

(₹ in ’000)

Particulars		March 31, 2020	March 31, 2019
Loan Receivables - credit impaired			
i. Demerger Receivables			
from wholly owned subsidiaries [Refer note (a)]		**1,232**	3,799
from others		**101,006**	101,006
Less: Allowance for impairment loss		**(102,238)**	(104,805)
	(d)	**–**	–
ii. Receivables under hire purchase agreement		**123,227**	130,174
Less: Allowance for impairment loss		**(123,227)**	(130,174)
	(e)	**–**	–
iii. Other Loan receivables		**62,752**	62,709
Less: Allowance for impairment loss		**(62,752)**	(62,709)
	(f)	**–**	–
Total	(a+b+c+d+e+f)	**1,566**	1,596

Notes:

a) Demerger receivable of ₹2,498 thousands (March 31, 2019: ₹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 ₹1,266 thousands out of the above, is considered good for recovery (March 31, 2019 : ₹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 ₹1,232 thousands (March 31, 2018 : ₹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.

e) The loan and receivables disclosed above, mainly relates to Company’s erstwhile fund based NBFC business and demerger receivables from its wholly owned subsidiary as explained in note (a) and (b) above and accordingly disclosure u/s. 186(4) of the Companies Act, 2013 is not applicable.

16. Other Current Financial Assets

(₹ in ’000)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Unsecured considered good		
Interest accrued on term deposits	**48**	449
Other receivables	**272**	2,157
Total	**320**	2,606

Note:

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

17. Other Current Assets: *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
LIC Group Gratuity Fund Asset (net)	**–**	526
Prepaid Lease deposit	**–**	1,812
Particulars	**March 31, 2020**	March 31, 2019
Prepaid expenses	**282**	193
Total	**282**	2,531

18. Equity Share Capital *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Authorized Capital		
35,000,000 [March 31, 2019: 35,000,000] Equity Shares of ₹10/- each	**350,000**	350,000
15,000,000 [March 31, 2019: 15,000,000] Preference Shares of ₹10/- each	**150,000**	150,000
	500,000	500,000
Issued, Subscribed and Paid-Up Capital		
13,026,700 [March 31, 2019:13,026,700] Equity Shares of ₹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	₹ in Thousands
Equity shares of ₹10 each		
March 31, 2020		
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, 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

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 ₹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, 2020.

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, 2020 No. of Shares held	March 31, 2020 % of Holding	March 31, 2019 No. of Shares held	March 31, 2019 % 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.

19. Other Equity

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
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	**33,163**	51,904
Add: Loss for the current year	**(5,013)**	(18,374)
Add: Remeasurement of post employee benefit obligation, net of tax	**(445)**	(367)
Closing Balance	**27,705**	33,163
Total	**95,027**	100,485

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.

20. Other financial liabilities

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Non-current:		
At Amortised Cost		
Lease/Rent Deposits	**4,099**	5,034
Total	**4,099**	5,034

21. Other non-current liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Advance rent	**227**	529
Total	**227**	529

22. Short term borrowings *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
At Amortised Cost		
Secured Loans		
Working Capital Loans from Banks	**2,014**	7,166
Total	**2,014**	7,166

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to ₹15,500 thousands (March 31, 2019: ₹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.

23. Trade payables *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Current:		
At Amortised Cost		
Due to Micro and small enterprises*	**-**	-
Due to other than Micro and small enterprises	**931**	690
Total	**931**	690

* 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.

24. Other financial liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Current:		
At Amortised Cost		
Others		
- disputed unclaimed public liabilities	**–**	739
Lease/Rent Deposits	**722**	–
Interest Accrued on Working Capital Loan	**12**	–
Other payables	**44**	36
Employee Dues	**499**	470
Total	**1,277**	1,245

Notes:

a) The Company during the year has remitted balance unclaimed public liabilities of ₹ 739 thousands to the Investor Education and Protection Fund ('IEPF') in respect of more than seven years had elapsed 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, which was pending remittance in view of the dispute between legal heirs of the deceased instrument holders before the Honourable Courts/ Appropriate Authorities. The Company during the year has remitted the said amount to IEPF based on the legal advice. In the opinion of the Management, there are no other dues to IEPF.

25. Other current liabilities

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Statutory Dues	**324**	270
Advance lease rent	**301**	302
Total	**625**	572

26. Short term provisions

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Employee benefits		
Gratuity	**19**	-
Other employee benefits	**-**	-
Total	**19**	-

27. Revenue from operations

(₹ in '000)

Particulars	2019-20	2018-19
Operating revenue:		
Interest on demerger receivables	**2,433**	5,000
Reversal of provisions no longer required*	**4,124**	9,773
Bad debts recovered	**1,770**	1,370
Rent Received	**9,514**	10,178
Maintenance charges received	**1,118**	1,064
Service charges and commission	**399**	473
Total	**19,358**	27,858

* net of receivables written off of ₹ 5,348 thousands (March 31, 2019 : ₹ Nil).

Note :

Disclosure in terms of Ind AS 115 - Revenue from Contracts with Customers

(a) Revenue from operations for the year ended March 31, 2020 and March 31, 2019 are as follows:

(₹ in '000)

Particulars	2019-20	2018-19
Financial Services (includes recovery of debts charged/income reversed for earlier)	**8,327**	16,143
Trading Activities	**-**	-
Rent Received	**10,632**	11,242
Service charges and commission	**399**	473

Disaggregated revenue information:

The Company has presented disaggregated revenue from offerings with customers for the year ended March 31, 2020 and 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:

(₹ in '000)

Particulars	2019-20	2018-19
Financial Services (includes recovery of debts charged/income reversed for earlier)	**8,327**	16,143
Rent Received	**10,632**	11,242
Service charges and commission	**399**	473

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

(b) Contract Balances:

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Receivables :		
- Current (Gross)	**1,055**	759
- Provision for Impairment (current)	**-**	-
Contract Assets	**-**	-
Contractual Liabilities	**-**	-

(c) Increase/ Decrease in net contract balances is primarily due:

i) The movement in receivables and in contract assets and liabilities is on account of invoicing.

(d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to ₹ Nil.

(e) Remaining performance obligation disclosure :

The performance obligation disclosure provides 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. Applying the practical expedient given in Ind AS 115, the Company has not identified any remaining performance obligations related disclosures for contracts in respect of financial services, rental income and insurance commission as the revenue recognised corresponds directly with the value passed to the customer in terms of the respective contract. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialized.

28. Other Income *(₹ in '000)*

Particulars	2019-20	2018-19
Dividend received from		
Non-current Investments	**731**	292
Others	**481**	558
Interest on term deposit	**2,431**	1,709
Interest on loans and advances	**48**	60
Unwinding interest on lease security deposit	**542**	490
Profit on sale / (disposal) of owned / leased assets	**3,182**	2
Profit on sale of shares and securities	**9,003**	-
Proceeds received on settlement of claims	**-**	4,081
Miscellaneous income	**8**	19
Total	**16,426**	7,211

29. Employee benefits expense *(₹ in '000)*

Particulars	**2019-20**	2018-19
Salaries, wages and bonus	**7,313**	6,586
Contribution to provident and other funds [Refer Note No. 38]	**942**	884
Staff welfare expenses	**234**	350
Total	**8,489**	7,820

30. Finance Costs *(₹ in '000)*

Particulars	**2019-20**	2018-19
Interest on		
- working capital loan from bank	**246**	217
Others		
- interest on delay in payment of taxes	**2**	1
Unwinding interest expenses on financial liabilities	**279**	64
Bank charges	**39**	24
Total	**566**	306

31. Depreciation expense *(₹ in '000)*

Particulars	**2019-20**	2018-19
Depreciation on tangible assets	**142**	150
Depreciation on investment property	**1,346**	1,115
Depreciation on Right of Use Assets	**1,812**	-
Total	**3,300**	1,265

32. Other Expenses *(₹ in '000)*

Particulars	**2019-20**	2018-19
Rent, rates and taxes	**1,250**	3,438
Printing and stationery	**321**	164
Directors sitting fees	**35**	41
Travelling and conveyance	**666**	521
Postage, telegram and telephones	**280**	398
Insurance	**24**	3
Repairs and Maintenance:		
Buildings	**2,179**	2,817
Others	**248**	277
Advertisement and Business Promotion	**172**	148
Legal and Professional Charges	**7,406**	1,621
Auditors Remuneration:		
Audit Fees	**250**	250
Tax Audity Fees	**-**	50
Certification	**40**	-
Brokerage & Commission	**104**	-
Service Charges	**761**	220
Fair value loss on investments	**13,392**	31,761
Loss on disposal of subsidiary	**-**	200
Bad debts written off	**-**	1,874
Provision for doubtful receivable	**453**	-
Sundry Expenses	**201**	126
Total	**27,782**	43,909

33. Financial Instruments

33.01 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:

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Financial assets carried at cost		
Investment in equity shares of subsidiary	**1,118**	1,118
Financial assets carried at amortised cost		
Trade Receivables	**1,055**	759
Cash and Cash equivalents	**410**	1,100
Bank balances other than above	**11,105**	19,331
Loans	**7,926**	7,380
Other financial assets	**5,620**	21,315
Financial assets carried at fair value through profit or loss		
Investments in equity/debt instruments	**24,961**	40,087
Total	**52,195**	91,090
Financial liabilities carried at amortised cost		
Borrowings	**2,014**	7,166
Trade payables	**931**	690
Other financial liabilities	**5,376**	6,279
Total	**8,321**	14,135

33.02 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;

(₹ in '000)

Particulars	Level	March 31, 2020	March 31, 2019
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value through profit or loss	Level 1	**15,858**	29,250
	Level 2	**9,103**	10,837
	Level 3	**-**	-
Liabilities measured at fair value through profit or loss:		**-**	-

During the year ended March 31, 2020 and March 31, 2019 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.

34. 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.

34.01 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 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 analysis excludes 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.

34.02 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

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Upto 3 months	**1,008**	713
3 to 6 months	**1**	-
More than 6 months	**46**	46
Total	**1,055**	759

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.

34.03 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 (₹ in '000)

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, 2020					
Financial liabilities					
Borrowings	2,014	2,014	-	-	-
Trade payables	931	-	931	-	-
Other financial liabilities	5,938	555	722	4,661	-
Total	**8,883**	**2,569**	**1,653**	**4,661**	**-**
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**	**-**

34.04 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.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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, 2020 and March 31, 2019.

35. 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, 2020 and March 31, 2019. Thus, diluted EPS equals basic EPS.

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

(₹ in '000)

Sl. No.	Particulars	2019-20	2018-19
a)	Nominal value per share (in ₹)	**10**	10
b)	Net Profit available for equity shareholders (₹ in thousands)	**(5,013)**	(18,374)
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic/Diluted EPS of ₹10/- each (in ₹)	**(0.38)**	(1.41)

36. 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 for which application filed by the Company has been rejected by the Reserve Bank of India and for which appeal is filed by the Company before Appellate Authority for NBFC which is pending adjudication and the Company is hopeful of obtaining a favorable order.

37. Contingent liabilities and commitments

i. Contingent Liabilities

(₹ in '000)

Sl. No.	Particulars	March 31, 2020	March 31, 2019
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]	**26,233**	38,376

Notes:

a) Represents income tax demand of ₹102,404 thousands (March 31, 2019 : ₹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 ₹76,171 thousands (March 31, 2019: ₹64,028 thousands) against the said demanded Tax. The Company has offered its immovable property as security which is free of any encumbrances. The Supreme Court vide order dated February 12, 2020 has disposed the matter setting aside the orders of the Hon'ble High Court, Income Tax Appellate Tribunal ('ITAT') and Commissioner of Income Tax (Appeals) - I ('CIT-A') and has remanded the matter back to the CIT-A for reconsideration of appeals. The Company however has not received any notices from CIT-A as at date. The Company however during the previous year, based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, had 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.

The Ministry of Finance, Government of India had introduced the Direct Tax Vivaad Se Vishwas Act, 2020 ('DTVSV' or 'the Act') to help tax payers end their tax disputes with the Income Tax Department by paying disputed tax and get waiver from payment of interest and penalty and also immunity from prosecution. As per the Act, the tax payers were required to remit the disputed taxes by March 31, 2020 to avail the benefit. This time period has been currently extended upto December 31, 2020 due to COVID-19 global pandemic situation in the country. The Company is awaiting certain clarifications with respect to the Act and is in the process of obtaining opinions in this matter from various tax consultants. The Company based on such opinions / clarifications to be obtained from the Ministry will undertake a detailed analysis of the cost and benefits of opting to the scheme under the Act. Based on such analysis the Company will decide as to whether to continue with the litigation or opt for the one time settlement under the Act and accordingly is of the view that no provisions is considered necessary as at the Balance Sheet date. The impact if any will be taken on based on the Company's decision in the ensuing financial year. The Company however is confident that in case it opts for the settlement under the scheme, there will not be any cash outflow required to be made in view of the amounts already paid under protest.

b) The Supreme Court (SC) 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 which was also subsequently upheld vide its review petition dated August 28, 2019. In view of the same, the Company is liable to make further contribution towards Provident Fund ('PF') 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. As a matter of caution, the Company has accounted the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., March 1, 2019 onwards. The Company further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Company is not expected to be material.

c) The Company, during the previous 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 01, 2014 to August 08, 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.

d) Voluntary Exit Scheme (VES) : The Company subsequent to the year ended March 31, 2020 has issued a circular dated June 03, 2020, announcing a package of retirement under Voluntary Exit Scheme ('VES') to be offered to certain category of staff subject to certain conditions which is further subject to the approval of the Board of the Company. In terms of the said circular the staff would be paid an amount equivalent to 100% of monthly basic pay for each full month of service available as on July 01, 2020 till attaining superannuation along with leave encashment. As at the date of signing the accounts, only four employees have opted for the said scheme and the Company has determined a liability of ₹484 thousands to be paid to the said employees. The Company however has not accounted for the said liability as it is of the opinion that the event arose after Balance Sheet date requiring no adjustment in the accounts. The Company is further of the view that the said treatment will be given once approved by the Board and accordingly no adjustments are required to be made in the financial statements as at March 31, 2020.

ii. Capital Commitments

(₹ in '000)

Sl. No.	**Particulars**	**March 31, 2020**	March 31, 2019
1	Purchase of Office Space	**10,000**	-

38. 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:

(₹ in '000)

Particulars	**2019-20**	2018-19
Provident and pension fund	**661**	593
Employee state insurance	**130**	174
Total	**791**	767

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

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**5,093**	4,588
Current service cost	**168**	154
Interest cost	**299**	307
Actuarial loss/(gains)	**662**	486
Benefits paid	**(508)**	(442)
Closing defined benefit obligation	**5,714**	5,093

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Change in Fair Value of Assets		
Opening fair value of plan assets	**5,619**	5,216
Expected return on plan assets	**338**	370
Actuarial gain / (loss)	**46**	(25)
Actual Contributions by Employer	**200**	500
Benefits paid	**(508)**	(442)
Closing fair value of plan assets	**5,695**	5,619
Net (asset) / liability recognized	**19**	(526)
Expenses recognized during the year		
Current service cost	**168**	154
Net interest on net defined benefit liability/ (Asset)	**299**	307
Expected return on plan assets	**(338)**	(369)
Net gratuity cost	**129**	92
Remeasurement of the net defined benefit liability/(asset)		
Actuarial changes arising from changes in demographic assumptions	**-**	-
Actuarial changes arising from changes in financial assumption	**138**	150
Actuarial changes arising from changes in experience adjustments	**524**	336
Actuarial changes arising from changes in discount rate	**(46)**	24
Return on plan assets excluding interest income	**-**	-
Recognized in other comprehensive income [loss/(gain)]	**616**	510
Remeasurement of the net defined benefit liability/(asset)		
Net actuarial loss / (gain) recognized in OCI	**616**	510
	616	510
Actual return on plan assets	**384**	345
Present value of Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**993**	392
Between 2 and 5 years	**3,657**	3,030
Between 5 and 10 years	**1,040**	1,660
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	**(159)**	(168)
(ii) one percentage point decrease in discount rate	**168**	177
(iii) one percentage point increase in salary escalation rate	**176**	184
(iv) one percentage point decrease in salary escalation rate	**(169)**	(177)
(v) one percentage point increase in employee turnover rate	**(3)**	1
(vi) one percentage point decrease in employee turnover rate	**3**	(1)

Particulars	**March 31, 2020**	March 31, 2019
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		
Investment with Insurer managed funds	**100%**	100%
Principal actuarial assumptions used		
Discount rate (p.a.)	**6.18%**	7.04%
Expected rate of return on plan assets (p.a.)	**6.18%**	7.09%
Rate of increase in compensation levels	**5.00%**	5.00%
Weighted average duration of defined benefit obligation	**4.94 Years**	4.93 Years
Attrition Rate	**3.00%**	3.00%
Retirement age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	
Expected employer's contribution for the next year	**141**	412

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2020 and March 31, 2019, 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.

39. 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

Airody Giridhar Pai - Independent Director

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)

iii) **Details of the transactions :**

(₹ in '000)

Sl. No.		Particulars	Relationship	March 31, 2020	March 31, 2019
a)		Details of transactions during the year are as follows:			
	i)	Interest income on Demerger receivable from			
		Manipal Properties Limited	Subsidiary	**2,433**	5,000
	ii)	Provisions no longer required			
		Manipal Hotels Limited	Subsidiary	**-**	500
		Manipal Properties Limited	Subsidiary	**2,567**	-
b)		Details of Balance sheet movement are as follows:			
	i)	Reimbursement of expenses paid and recovered from			
		Manipal Properties Limited	Subsidiary	**1,304**	1,803
	ii)	Recovery of Demerger receivable from			
		Manipal Properties Limited	Subsidiary	**5,000**	5,000
c)		Details of outstanding balances are as follows:			
	i)	Investment in equity instrument of			
		Manipal Properties Limited	Subsidiary	**1,118**	1,118
	ii)	Balance due from			
		Manipal Properties Limited	Subsidiary	**2,498**	5,065
	iii)	Provisions recorded towards demerger receivable including income reversal			
		Manipal Properties Limited	Subsidiary	**1,232**	6,232
d)		Sitting fees paid to directors during the year			
		T. Mohandas Pai		**6**	3
		Bharath K. Nayak		**-**	5
		U. Harish P. Shenoy		**6**	8
		Airody Giridhar Pai		**5**	6
		Vimala C. Kamath		**6**	8
		T. Sachin Pai		**6**	2
		Sujir Prabhakar		**6**	2
		K. M. Udupa		**-**	3
		H. N. S. Rao		**-**	6

Notes

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

b) Commitments with related parties: As at year end March 31, 2020, there is no commitment outstanding with any of the related parties other than ₹ 10,000 thousands towards purchase of office space.

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.

40. Impact of COVID-19 Global Pandemic:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

The impact on future revenue streams could come from lower rental incomes on account of waivers/concessions in rent sought by the tenants and cancellation of lease agreement which is the major source of income for the Company. The Company expects the rental income to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has analysed its liquidity position and the recoverability and carrying value of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, investments, advances, trade receivables. Deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements.

Due to the nature of the pandemic and non-availability of necessary vaccine / treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

41. Segment Reporting:

The Company prepares consolidated financial statements, hence as per Ind AS 108 on Segment Reporting, segment information has not been provided in the standalone financial statements.

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 LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

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

Place : Bengaluru
Date : June 29, 2020

For and on behalf of the Board of ICDS Limited

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 : June 29, 2020

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)

(₹ 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)	–	–
	b) Deferred Credits		
	c) Term Loans	–	–
	d) Inter-corporate loans and borrowing	–	–
	e) Commercial Paper	–	–
	f) Public Deposits *	–	–
	g) Other Loans (subordinated debts, working capital loans, stale cheques)*	2,014	–
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 *	–	–
	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	554	–
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.

(₹ in '000)

	Particulars	Amount Outstanding	Amount Overdue
5)	**Break-up of Investments:**		
	Current Investments: (Stock in trade considered)		
	1. **Quoted:**		
	i) Shares: a) Equity	15,744	–
	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	114	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities	–	–
	v) Others	–	–
	2. **Unquoted:**		
	i) Shares: a) Equity	9103	–
	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	120	–

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	–	146,886	146,886
	Total	**–**	**146,886**	**146,886**

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	282,603
	a) Related Parties	–
	b) Other than related parties	282,603
	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 ₹24,99 thousands (₹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) Stock in trade of shares are shown at market value and are considered as current investments.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED 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 subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, 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 report of other auditor on separate financial statements of the subsidiary as was audited by the other auditor, 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, 2020, 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 in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 43 of the consolidated financial statements, with regard to management's evaluation of impact of COVID-19 on the future performance of the Group.

Our opinion is not modified in respect of this matter.

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 the Board's Report including Annexure to Board's 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management Responsibilities 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 term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 ability of each Company to continue as agoing 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 ceaseoperations, or has no realistic alternative but to do so.

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

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 Act, 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 (company and subsidiary) 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.
- 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 of the Holding Company of which we are the independent auditors 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

We did not audit the financial statements and other financial information, in respect of one subsidiary company, whose financial statements include total assets of ₹47,953 thousands as at March 31, 2020, total revenue of ₹4,076 thousands and net cash inflow of ₹619 thousands 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 auditor, 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 auditor.

Our opinion 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 auditor.

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 auditor on separate financial statements of the subsidiary as were audited by other auditors, as noted in the 'Other Matter' paragraph we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated

Statement of Cash Flows 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, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2020 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 with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company 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 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 made a delayed remittance of an amount of ₹739 thousand, which was due to the Investor Education and Protection Fund (IEPF) and there are no dues to be remitted to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2020 with respect to subsidiary Company in terms of the reports of the Subsidiary Company statutory auditors. Refer Note No. 24(a) to the accompanying consolidated financial statements.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration Number:107783W/W100593

Sd/-
Sudhir Prabhu K.
Partner
Membership Number: 209589
UDIN: 20209589AAAAAJ4419

Place : Bengaluru
Date : 29.06.2020

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

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.

In conjunction with audit of the consolidated financial statements of the ICDS Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of ICDS Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company incorporated in India under the Companies Act, 2013 (the Holding Company and its subsidiary 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 and its subsidiary Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective company 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 (hereinafter referred to as “the Act”).

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary Company incorporated in India, internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, 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 audit opinion on internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 and its subsidiary company incorporated in India, have, maintained in all material respects, adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal controls with reference to consolidated financial statements criteria established by such Companies 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 with reference to consolidated financial statements, in so far as it relates to separate financial statements of its subsidiary, which is incorporated in India, is based on the corresponding report of the auditors of such subsidiary.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration Number:107783W/W100593

Sd/-

Sudhir Prabhu K.
Partner
Membership Number: 209589
UDIN : 20209589AAAAAJ4419

Place : Bengaluru
Date : 29.06.2020

CIN - L65993KA1971PLC002106

Consolidated Balance Sheet as at March 31, 2020

(₹ in '000)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	309	498
Right of Use Assets	3	39,868	-
Investment property	4	70,963	73,303
Financial Assets:			
Investments	5	9,217	11,083
Loans	6	6,360	5,784
Other financial assets	7	5,300	18,709
Other assets	8	722	40,013
Non current tax assets (Net)	9	78,147	66,641
Deferred tax assets (net)	10	-	-
		210,886	**216,031**
Current assets			
Financial Assets:			
Investments	11	15,744	29,004
Trade Receivables	12	1,055	759
Cash and cash equivalents	13	1,157	1,228
Bank balances other than cash and cash equivalents	14	30,188	22,235
Loans	15	300	330
Other financials assets	16	411	2,642
Other assets	17	282	2,532
		49,137	**58,730**
Total		**260,023**	**274,761**
EQUITY AND LIABILITIES			
Equity:			
Equity Share capital	18	130,267	130,267
Other Equity	19	118,071	126,639
		248,338	**256,906**
Liabilities :			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	20	4,099	7,228
Other liabilities	21	227	545
		4,326	**7,773**
Current Liabilities			
Financial Liabilities			
Short term borrowings	22	2,014	7,166
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	-	-
b) Total outstanding dues of creditors other than (a) above	23	960	717
Other financial liabilities	24	3,701	1,244
Other liabilities	25	665	815
Provisions	26	19	-
Current Tax Liabilities (Net)	27	-	140
		7,359	**10,082**
Total		**260,023**	**274,761**

Significant Accounting Policies 1

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

As per our report of even date attached.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath Krishna 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 : June 29, 2020

Place : Manipal
Date : June 29, 2020

ICDS LIMITED

CIN - L65993KA1971PLC002106

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

(₹ in '000)

Particulars	Notes	2019-20	2018-19
Income:			
Revenue from operations	28	18,139	29,854
Other income	29	16,721	7,491
Total		**34,860**	**37,345**
Expenses:			
Employee benefits expense	30	8,561	8,073
Finance costs	31	796	604
Depreciation expense	32	3,454	1,419
Other Expenses	33	29,121	44,648
Total		**41,932**	**54,744**
Loss before tax		**(7,072)**	**(17,399)**
Less: Tax expense			
Current tax	10	885	1,122
Income tax for earlier years		(5)	-
Deferred tax	10	171	143
		1,051	**1,265**
Loss for the year		**(8,123)**	**(18,664)**
Other Comprehensive Income			
Items that will not be reclassified to profit or Loss			
Re-measurement gains (losses) on defined benefit plans	39	(616)	(510)
Income tax effect	10	171	143
Total Other Comprehensive Loss (net of tax)		**(445)**	**(367)**
Total Comprehensive Income / (Loss) for the year		**(8,568)**	**(19,031)**
Loss for the year attributable to			
a) Equity holders of the parent		(8,123)	(18,664)
b) Non-controlling interests		-	-
Other Comprehensive Loss attributable to			
a) Equity holders of the parent		(445)	(367)
b) Non-controlling interests		-	-
Total Comprehensive Loss for the year attributable to			
a) Equity holders of the parent		(8,568)	(19,031)
b) Non-controlling interests		-	-
Earnings per equity share of face value of ₹10/- each			
Basic and Diluted (in ₹)	36	(0.62)	(1.43)

Significant Accounting Policies 1

The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath Krishna 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 : June 29, 2020

Place : Manipal
Date : June 29, 2020

CIN - L65993KA1971PLC002106

Consolidated Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

(₹ in '000)

Particulars	Notes	March 31, 2020	March 31, 2019
Balance at the beginning of the year	18	**130,267**	130,267
Changes in equity share capital during the year	18	**–**	–
Balance at the end of the year	**18**	**130,267**	130,267

B. Other Equity

₹ in '000

Particulars	Securities premium	Other Reserve	Retained earnings	Total other equity
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)
Other comprehensive income:				
Less: Adjustment on disposal of subsidiary			(500)	(500)
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**
Changes in equity for the year ended March 31, 2020				
Balance as at April 1, 2019	**33,334**	**33,988**	**59,317**	**126,639**
Profit/(loss) for the year	–	–	(8,123)	(8,123)
Other comprehensive income				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	(445)	(445)
Balance as at March 31, 2020	**33,334**	**33,988**	**50,749**	**118,071**

The accompanying notes form an integral part of these consolidated Ind AS financial statements.

As per our report of even date attached
For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath Krishna 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 : June 29, 2020

Place : Manipal
Date : June 29, 2020

ICDS LIMITED

CIN - L65993KA1971PLC002106

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in '000)

	Particulars	2019-20	2018-19
(A)	**Cashflow from/(used in) operating activities**		
	Profit/(loss) before tax	**(7,072)**	**(17,399)**
	Adjustments for:		
	Depreciation and amortization expense	3,454	1,419
	Interest expenses	246	217
	Profit on sale of fixed assets	(3,182)	(2)
	Fair value loss on financial instruments	13,392	31,761
	Unwinding interest income	(542)	(490)
	Unwinding rental Income	(494)	(349)
	Unwinding Interest expenses	509	361
	Unwinding rental expenses	-	1,807
	Loss / (profit) on sale of investments	(9,003)	-
	Loss / (profit) on disposal of subsidiary	-	(17)
	Interest on term deposits	(2,726)	(1,972)
	Dividends	(1,212)	(850)
	Reversal of provisions no longer required	(1,557)	(9,773)
	Bad debts written off	-	1,874
	Provision for doubtful input Credit	453	-
	Operating profit before working capital changes	**(7,734)**	**6,587**
	Adjustments for change in working capital		
	(Increase)/ decrease in trade receivables	(296)	(1,361)
	(Increase)/ decrease in loans and advances, other assets	2,828	8,975
	Increase/(decrease) in trade payables, other liabilities and provisions	(1,521)	(20,174)
	Cash generated from operations	**(6,723)**	**(5,973)**
	Less: Interest paid	-	(12,259)
	Income Tax (paid)/refunded	(12,526)	(7,794)
	Net cash from/(used in) operating activities	**(19,249)**	**(26,026)**
(B)	**Cash flow from / (used in) Investing activities**		
	Purchase of property, plant and equipment	(740)	(347)
	Sale of property, plant and equipment and investment property	4,809	2
	Sale of investments	10,737	-
	Sale of investment in subsidiary	-	300
	Decrease/(increase) in restricted deposits/bank balances	5,354	20,287
	Interest received	3,192	3,432
	Dividend received	1,212	850
	Net cash from/(used in) investing activities	**24,564**	**24,524**

CIN - L65993KA1971PLC002106

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in '000)

	Particulars	2019-20	2018-19
(C)	**Cash flow from / (used in) Financing activities:**		
	Increase/(decrease) of Bank Borrowing	(5,152)	1,762
	Interest paid on Bank Borrowing	(234)	(217)
	Net Cash from/(used in) Financing Activities	**(5,386)**	**1,545**
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	(71)	43
	Cash and Cash Equivalents at Beginning of the Year	1,228	1,482
	Less : Cash and cash equivalents on account of cessation of subsidiary		(297)
	Cash and Cash Equivalents at End of the Year	**1,157**	**1,228**
	Break-up of cash and cash equivalents		
	Cash on hand	27	20
	Cheques, drafts and stamps on hand	1	298
	Balances with banks		
	in current accounts	1,129	910
	Cash and Cash Equivalent as at end of the year	**1,157**	**1,228**

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in 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:

(₹ in '000)

Particulars	2019-20	2018-19
Short Term Borrowings		
Opening Balance	7,166	5,404
Proceeds / (repayment) of short term borrowings (net)	(5,152)	1,762
Closing balance	**2,014**	**7,166**

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

As per our report of even date attached

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**T. Mohandas Pai**	**Bharath Krishna 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 : June 29, 2020

Place : Manipal
Date : June 29, 2020

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 subsidiary collectively referred to as ("the Group") for the year ended March 31, 2020 & March 31, 2019.

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. 40.

The Consolidated Ind AS financial statements of the Group for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

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 subsidiary, 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 Holding Company and its subsidiary 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 subsidiary 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 subsidiary 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 Holding Company.

vii. Non Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding 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, 2020	March 31, 2019
a) Manipal Hotels Limited (Unaudited)*	India	**NA**	NA
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.

The financial statements of the Holding Company and its subsidiary used in the consolidation are drawn upto the same reporting date as that of the Holding Company, i.e., year ended March 31, 2020. Additional information on the entities which are included in the Consolidated Financial Statements are give in Note No. 41.

1.3 Significant accounting policies

a. Use of estimates:

The preparation of consolidated 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 Group 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 Group has identified twelve months as its operating cycle.

c. Revenue Recognition:

i. The Group 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.

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 Group 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 Group 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 Group is an agent. For other contracts which does not meet the parameters and where the risk and controls are with the Group, the Group considers itself as a principal and revenue and cost are accounted at gross.

Revenue from insurance agency services where the Group 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 Group is entitled, are recognised on reasonable certainty to expect ultimate collection and on acceptance by the third party.

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 Group 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.

iv. **Contract Balances**

a. **Contract Assets**

A Contract Asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b. **Trade Receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

c. **Contract Liabilities**

A Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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.

The Group 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.

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 Group 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 Group 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.

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, which is as follows:

Asset Category	Useful Life in Years
Plant & Machinery	5
Electrical Fittings	10
Furniture & Fittings	10
Office Equipments	5
Computers	3

Further, the management of the respective Companies in the Group, have estimated the useful lives of asset individually costing ₹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 Group, is classified as Investment property. Investment property is measured initially at its cost, including the related transaction cost and where applicable borrowing costs.

The Group 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.

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 Group 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.

f. 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.

g. Leases:

The Group as a lessee

The Group’s lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date (i.e., difference between present value and value of interest free security deposit paid) of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases (i.e India). Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Effective April 01, 2019, the Group has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019 using the retrospective with cumulative effect method of initially applying the standard recognised at the date of initial application without any adjustment to opening balance of retained earnings. The Group did not have any material impact on the financial statements on application of the above standard.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For 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 Group’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

h. 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.

i. Provisions and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Group 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 Group 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 Group 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 neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Provisions and contingent liability are reviewed at each balance sheet

j. Employee Benefits:

i) Defined benefit plans

The Group'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 Group makes specified monthly contributions towards employee Provident Fund and Employee State Insurance to Government administered Provident Fund Scheme and Employee State Insurance Scheme which is a defined contribution plan. The Group'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 Group can no longer withdraw the offer of those benefits and when the Group recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

k. Financial Instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. 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.

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 Group 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 Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group 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 Group 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 Group'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. 34

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.

l. 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.

m. Fair value measurement:

The Group 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 Group.

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 Group 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 Group'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 Group'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 Group'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 Group 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.

n. 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 Group'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.

o. Earnings per share

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

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Ind AS 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

i) Taxes

The Group's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Deferred Tax Assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. 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. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 10.

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 Group. Refer Note No. 34 and 35.

iii) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the

Group, 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. Refer Note No. 38.

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. 39(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 Group. 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 Group'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) Valuation of Investment Property

Investment Property is stated at Cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the Balance Sheet date. The Group has engaged independent valuation specialists to determine the fair value of its investment property as at reporting date. The best evidence of fair value as per the valuation specialist 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.

iii) Evaluation of indicators of impairment of assets

The assessment of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iv) 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.

v) Taxes

Deferred tax assets recognised to the extent of the corresponding deferred tax liability on remeasurement of net defined benefit plans. (refer Note No. 10.04).

1.5 New and amended Ind AS effective as on April 1, 2019

i. **Ind AS 116 Leases:** Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group has recorded the Right of Use asset ('ROU Asset') at its carrying amount as if the standard had been applied since the commencement date of the lease, discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

   On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹41,680 thousands. There is no effect of applying the standard on the Group's retained earnings. The effect of this adoption is insignificant on the loss before tax, loss for the period and earnings per share.

   The following is the summary of practical expedients elected on initial application:

   a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
   b. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
   c. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
   d. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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. There is no plan amendments, curtailments and settlements during year and accordingly there is no impact on opening retained earnings on account of the amendment

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.

   There is no financial impact of the amendment on the opening retained earnings, 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. There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

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.

There is no financial impact of the amendment on the opening retained earnings, 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.

There is no financial impact of the annual improvements on the opening retained earnings, financial position, results of operation and cash flow.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2. Property, plant and equipment

(₹ in '000)

Description of the assets	Tangible assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Gross carrying amount					
As at April 1, 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**
Additions during the year	-	16	-	21	**37**
Disposals / Adjustments	(147)	(53)	-	(23)	**(223)**
As at March 31, 2020	**202**	**115**	**16**	**295**	**628**

(₹ in '000)

Description of the assets	Tangible assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Accumulated Depreciation:					
As at April 1, 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**
Charge for the year	66	15	1	60	**142**
Disposals / Adjustments	(90)	(30)	-	(19)	**(139)**
As at March 31, 2020	**126**	**21**	**5**	**167**	**319**
Net block					
As at March 31, 2019	199	116	12	171	498
As at March 31, 2020	**76**	**94**	**11**	**128**	**309**

Note:

i) Deemed Cost: The Group on transition to Ind AS during Financial Year 2017-18, had elected to continue with the carrying value of its Property Plant and Equipment 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. Right of Use Assets*

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
Building		
Gross Carrying amount		
Opening balance	**-**	**-**
Reclassified on account of adoption of Ind AS 116	**41,680**	**-**
Disposals / Adjustments	**-**	**-**
Closing balance	**41,680**	**-**
Accumulated depreciation		
Opening balance	-	-
Depreciation charge for the year	1,812	-
Disposals / Adjustments	-	-
Closing balance	**1,812**	**-**
Net carrying amount	**39,868**	**-**

*Refer Note No. 1.3(g.)

Note:

Disclosure in terms of Ind AS 116 - Leases

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

(₹ in '000)

Particulars	**March 31, 2020**
Buildings	
Balance as at April 1, 2019	**-**
Reclassified on account of adoption of Ind AS 116	**41,680**
Additions	**-**
Deletions	**-**
Depreciation	**(1,812)**
Balance as at March 31, 2020	**39,868**

The weighted average incremental borrowing rate applied to security deposit as at April 1, 2019 is 10.50%.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

There are no lease liabilities associated with the ROU Asset as the Group has only provided a one time security deposit to the lessor which is refundable at the end of the contract term and there are no recurring rental payments to be made during the term of the contract. Accordingly the disclosure of movement in lease liabilities, Contractual maturities of lease liabilities and disclosure of current and non current portion of lease liabilities are not given.

The Group has recognised expense relating to short-term leases which are not considered as right of use Assets amounting to ₹189 thousands.

4. Investment properties

(₹ in '000)

Particulars		March 31, 2020	March 31, 2019
Freehold Land			
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:			
Gross Carrying amount			
Opening balance		**55,644**	55,644
Additions during the year		703	-
Disposals / Adjustments		(1,649)	-
Closing balance		**54,698**	55,644
Accumulated depreciation			
Opening balance		3,807	2,538
Depreciation charge for the year		1,500	1,269
Disposals / Adjustments		(106)	-
Closing balance		**5,201**	3,807
Net carrying amount of Building	**(b)**	**49,497**	51,837
Net carrying amount of Freehold Land and Building	**(a+b)**	**70,963**	73,303

Notes:

a) The Group on transition to Ind AS during Financial Year 2017-18, had 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 ₹511/- (March 31, 2019 : ₹511/-) in Co-operative Housing Society.

c) **Fair Value:**

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
Investment properties	**398,700**	422,575

Estimation of fair value:

The Group has obtained an independent valuation for its significant portion of investment properties for the year ended March 31, 2020. 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:**

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
Rental Income	**6,702**	11,336
Direct operating expenses generating rental income	**3,403**	3,645
Profit from Investment properties before Depreciation	**3,299**	7,691
Depreciation	**1,500**	1,269
Profit from investment properties	**1,799**	6,422

5. Non-current investments

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
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
[Nil (March 31, 2019 : 153,392) shares of face value ₹10/- each]		
Manipal Housing Finance Syndicate Limited *	**9,103**	9,103
[729,000 (March 31, 2019 : 729,000) shares of face value ₹10/- each]		
Manipal Finance Corporation Limited.	**-**	-
[449,163 (March 31, 2019 : 449,163) shares of face value ₹10/- each] (net of impairment of ₹9,181 thousands (March 31, 2019 : ₹9,181 thousands).		
Bluecross Builders and Investors Limited [39,970 (March 31, 2019 : 39,970) shares of face value ₹10/- each] (net of impairment of ₹401 thousands) (March 31, 2019 : ₹401 thousands).	**-**	-
Quoted Equity Shares (fully paid up)		
Development Cooperative Bank Ltd.	**114**	246
[1,200 (March 31, 2019 : 1,200) shares of face value ₹10/- each]		
Total	**9,217**	11,083

* The management 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 Group.

(₹ in '000)

Break up of Financial Investments	March 31, 2020	March 31, 2019
Investments carried at		
- fair value through profit or loss	**9,217**	11,083
Total	**9,217**	11,083
Aggregate cost amount of quoted investments	**18**	18
Aggregated market value of quoted investments	**114**	246
Aggregate amount of unquoted investments (gross)	**18,685**	20,419
Aggregate amount of impairment in value of investments	**9,582**	9,582

6. Long term loans

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Loan Receivables - considered good - secured	**-**	-
Loan Receivables - considered good - unsecured		
Rent and other deposits	**450**	467
Security deposit for lease	**5,704**	5,162
Loan to staff	**206**	155
Loan Receivables which have significant increase in credit risk [Refer Note (a)]	**-**	-
Loan Receivables - credit impaired [Refer Note (a)]	**-**	-
Total	**6,360**	5,784

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 Group.

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

7. Other non-current financial assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Carried at amortised cost		
Unsecured, considered good		
Deposit with government departments	**228**	178
Deposit with banks maturing after 12 months	**-**	2,807
Margin Deposit with banks [pledged as security against working capital loan]	**5,000**	15,500
Interest accrued on term deposits	**72**	224
Total	**5,300**	18,709

Note:

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

8. Other non-current assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Indirect tax input credit available	**722**	144
Prepaid Lease deposit	**-**	39,869
Total	**722**	40,013

9. Non-current tax assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Advance income tax (net)	**1,976**	2,613
Amount paid under protest [refer note no. 38(a)]	**76,171**	64,028
Total [refer note no. 10.03]	**78,147**	66,641

10. Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

10.01 Income tax expense in the statement of profit and loss comprises: (₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Profit or loss section		
Current Tax	**885**	1,122
Income Tax of earlier year	**(5)**	-
Deferred Tax	**171**	143
Tax expense/(credit) to Statement of Profit and Loss	**1,051**	1,265
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during the year:		
Tax effect on remeasurement gains (losses) on defined benefit plans	**(171)**	(143)
Tax expense/(credit) to Other Comprehensive Income	**(171)**	(143)
Tax expense/(credit) to Total Comprehensive Income	**880**	1,122

10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019: Rupees in Thousands

Particulars	March 31, 2020	March 31, 2019
Profit/(Loss) before tax	**(7,072)**	(17,399)
Applicable tax rate	**26.00%**	27.82%
Tax effect of income/(loss)	**(1,839)**	(4,840)
Adjustments:		
Tax effect on non-taxable income	**(791)**	(913)
Tax effect on non-deductible expenses	**1,124**	822
Tax effect on disposal of Investment Property and Non-Current Investment	**7,694**	
Deferred tax not recognised on deductible expenses (net)	**(2,361)**	4,973
Effect on tax rate changes	**(205)**	-
Other Adjustments	**971**	1,368
Income tax of earlier year	**(5)**	-
Increase in minimum alternate tax over regular tax	**(3,537)**	(145)
Tax expense/(credit) to Statement of Profit and Loss	**1,051**	1,265
Tax expense/(credit) to Other Comprehensive Income	**(171)**	(143)
Tax expense/(credit) to Total Comprehensive Income	**880**	1,122
Effective Tax Rate	**-12.44%**	-6.45%

10.03 Non-current tax assets (net) (₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Opening Balance receivable/(Payable)	**66,501**	59,829
Current tax payable for the year	**(880)**	(1,122)
Refund received during the year	**(897)**	-
Tax paid under protest	**12,143**	5,500
Current taxes paid	**1,733**	2,294
Provision made towards Tax receivable of earlier years	**(453)**	
Closing balance of Non-current tax assets (net)	**78,147**	66,501
Breakup of Non-current tax assets and provision:		
Non-current tax assets	**78,147**	66,641
Provision for Income tax	**-**	(140)
Total	**78,147**	66,501

Note: The Holding Company has paid tax under protest in respect of a litigative position taken by the Assessing Officer during the earlier year assessment as fully explained in Note No. 38(i)(a). Based on the favorable order received from the Income Tax Appellate Tribunal ('ITAT') and the Hon'ble Supreme Court, and as per the legal opinion received during the previous year, the Holding Company is of the view that no provision is required in respect of the uncertain tax position.

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10.04 Major component of deferred tax assets and liabilities

(₹ in '000)

Particulars		As at March 31, 2020	As at March 31, 2019	For the year 2019-20	For the year 2018-19
Deferred tax liability on					
Accelerated depreciation for tax purposes		**10,903**	11,507	(604)	(323)
Fair valuation of investments		**4,357**	8,082	(3,725)	(8,836)
Gratuity Plan asset over liability		**-**	146	(146)	(28)
	(a)	**15,260**	19,735	(4,475)	(9,187)
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	(677)	(1,391)
Expenses on which tax is not deducted at source		**19**	-	19	-
Unused depreciation allowance		**-**	4,313	(4,313)	292
Gratuity Plan liability over asset		**5**			
Provision for doubtful debts		**42,092**	43,613	(1,521)	(2,980)
Long term capital loss		**239**	239	-	-
MAT Credit entitlement		**959**	1,303	(344)	(135)
	(b)	**43,314**	50,145	(6,836)	(4,214)
Net deferred tax asset	**(a-b)**	**(28,054)**	(30,410)	2,361	(4,973)
Deferred tax (expense)/credit not recognised during the year				(2,361)	4,973
Less: Net deferred tax asset not recognised [refer note (a)]		**28,054**	30,410		
Net deferred tax asset		**-**	-		

Note:

(a) The Group has not recognised deferred tax assets amounting to ₹28,054 thousands (March 31, 2019: ₹30,410 thousands) in respect of unused depreciation allowances and provision for doubtful debts (net) in view of prudence.

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

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Unused business loss	**-**	-
The unused depreciation allowances available for future taxable profit for unlimited period	**-**	15,504
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]	**3,586**	3,432
Unused tax credit i.e., Tax credit available on account of minimum alternate tax [Expiry dates: AY 2030-31 ₹94 thousands, AY 2031-32 ₹514 thousands and AY 2032-33 ₹351 thousands]	**959**	1,303
Unused deductible temporary allowances available for future taxable profit [No expiry date]	**93,853**	117,472

10.06 Reconciliations of deferred tax (liabilities) /assets

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Opening balance	**-**	-
Tax income/(expense) during the period recognized in profit or loss	**171**	143
Tax income/(expense) during the period recognized in OCI	**(171)**	(143)
Closing balance	**-**	**-**

10.07 Tax amount recognized in other comprehensive income

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Opening balance	**462**	319
Add: Deferred tax asset / (liability) recognized during the year	**171**	143
Closing balance of deferred tax asset netted off with Other Comprehensive income	**633**	462

10.08 The Group 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.

11. Current Investments

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
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, 2019 : 155,988) shares of face value ₹10/- each]	**13,491**	26,252
Reliance Industries Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**2,228**	2,727
Perfect-Octave Media Projects Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**-**	-
Uniworth Ltd. [750 (March 31, 2019 : 750) shares of face value ₹10/- each]	**1**	-
Mukesh Steels Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**3**	3
Precision Electronics Ltd. [25 (March 31, 2019 : 25) shares of face value ₹10/- each]	**-**	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**6**	12
Nova Iron & Steel Ltd. [240 (March 31, 2019 : 240) shares of face value ₹10/- each]	**1**	1
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Adam Comsof Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**1**	1
ICES Software Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**2**	2
J K Pharmachemicals Pvt. Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Jalpac India Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**1**	1
Namtech Electronic Devices Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**1**	1
Sanghi Polyesters Ltd. [200 (March 31, 2019 : 200) shares of face value ₹10/- each]	**2**	2
SM Dyechem Ltd. [6 (March 31, 2019 : 6) shares of face value ₹10/- each]	**-**	-
CMS Infotech Ltd. [500 (March 31, 2019 : 500) shares of face value ₹10/- each]	**1**	1
Piramal Enterprises Limited [339 (March 31, 2019 : Nil) shares of face value ₹10/- each]	**-**	-
Ruttonsha International Rectifier Limited [100 (March 31, 2019 : Nil) shares of face value ₹10/- each]	**3**	-
Apcotex Industries Limited [40 (March 31, 2019 : Nil) shares of face value ₹10/- each]	**3**	-
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, 2019 : 1,600) shares of face value ₹10/- each]	**-**	-
Adhunik Synthetics Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**-**	-
ATN International Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Genelec Ltd. [2,000 (March 31, 2019 : 2,000) shares of face value ₹10/- each]	**-**	-
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2019 : 320,000) shares of face value ₹10/- each]	**-**	-
Jayant Vitamins Ltd. [563 (March 31, 2019 : 563) shares of face value ₹10/- each]	**-**	-
Parsurampuria Synthetics Ltd. [624 (March 31, 2019 : 624) shares of face value ₹10/- each]	**-**	-
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2019 : 10,000) shares of face value ₹10/- each]	**-**	-
Praman Capital Market Services Ltd. [191,500 (March 31, 2019 : 191,500) shares of face value ₹10/- each]	**-**	-
The Vijaykumar Mills Ltd. [8,000 (March 31, 2019 : 8,000) shares of face value ₹10/- each]	**-**	-
Wartyhully Estates Ltd. [1,100 (March 31, 2019 : 1,100) shares of face value ₹10/- each]	**-**	-
Datar Switch Gears Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Mega Centre Super Markets Ltd. [20,000 (March 31, 2019 : 20,000) shares of face value ₹10/- each]	**-**	-
Nagarjuna Granites Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-
Pampasar Distilleries Ltd. [100 (March 31, 2019 : 100) shares of face value ₹10/- each]	**-**	-

Current Investments *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Investment carried at fair value through Profit or Loss		
Held for trading		
Quoted Debentures, fully paid up *		
Jayant Vitamins Ltd. [5,403 (March 31, 2019 : 5,403) debentures of face value ₹10/- each]	-	-
Total	**15,744**	29,004

* - 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	**15,744**	29,004
Aggregate gross value of Unquoted Investment	**-**	**-**

12. Trade receivables *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Trade Receivables -		
Considered good - secured	**-**	**-**
Considered good - unsecured	**1,055**	759
Which have significant increase in credit risk	**-**	-
Credit impaired	**-**	-
Total	**1,055**	759

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 8 tenants constitutes 95% (March 31, 2019 : 6 tenants comprising 85%) of 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 Group 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 Group.

f) No trade or other receivable are due from directors or other officers of the Group 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.

13. Cash and Cash Equivalents *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Cash on hand	**27**	20
Cheques, drafts and stamps on hand	**1**	298
Balances with banks		
in current accounts	**1,129**	910
Total	**1,157**	1,228

Note:

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

14. **Other bank balances** *(₹ in '000)*

Particulars	**March 31, 2020**	March 31, 2019
Restricted balances with banks in current account	**2**	1
Deposit with banks maturing between 3 to 12 months*	**30,186**	22,234
Total	**30,188**	22,235

*- Includes Fixed Deposits of ₹10,500 thousands (March 31, 2019 : ₹ Nil) given as security towards Overdraft / Working Capital facility availed from Bank.

15. **Short term loans** *(₹ in '000)*

Particulars		**March 31, 2020**	March 31, 2019
Carried at amortised cost			
Loan Receivables - considered good - secured			
Loan Receivables - considered good - unsecured			
Loan to staff	(a)	**300**	330
Loan Receivables which have significant increase in credit risk	(b)	**-**	-
Loan Receivables - credit impaired			
i. from others		**101,006**	101,006
Less: Allowance for impairment loss		**(101,006)**	(101,006)
	(c)	**-**	-
ii. Receivables under hire purchase agreement		**123,227**	130,174
Less: Allowance for impairment loss		**(123,227)**	(130,174)
	(d)	**-**	-
iii. Other Loan receivables		**62,752**	62,709
Less: Allowance for impairment loss		**(62,752)**	(62,709)
	(e)	**-**	-
Total	(a+b+c+d+e)	**300**	330

Notes:

a) Credit impaired Hire purchase receivables and other loan receivables mainly relates to Holding 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 Holding 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 Group.

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

d) The loan and receivables disclosed above, mainly relates to Holding Company's erstwhile fund based NBFC business as explained in note (a) above and accordingly disclosure u/s 186(4) of the Companies Act, 2013 is not applicable.

16. **Other current financial assets** *(₹ in '000)*

Particulars	**March 31, 2020**	March 31, 2019
Carried at amortised cost		
Unsecured considered good		
Interest accrued on term deposits	**170**	484
Other receivables	**241**	2,158
Total	**411**	2,642

Note:

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

17. Other Current Assets: (₹ in '000)

Particulars	March 31, 2020	March 31, 2019
LIC Group Gratuity Fund Asset (net)	-	526
Prepaid Lease deposit	-	1,812
Prepaid expenses	**282**	194
Total	**282**	2,532

18. Equity Share Capital (₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Authorized Capital		
35,000,000 [March 31, 2019 : 35,000,000] Equity Shares of ₹10 each	**350,000**	350,000
15,000,000 [March 31, 2019 : 15,000,000] Preference Shares of ₹10 each	**150,000**	150,000
	500,000	500,000
Issued, Subscribed and Paid-Up Capital		
13,026,700 [March 31, 2019 : 13,026,700] Equity Shares ₹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 ₹10 each		
March 31, 2020		
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, 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

b) **Rights, preferences and restrictions attached to shares:**

The Holding Company has two classes of shares referred to as equity shares and preference shares having par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Holding Company has not issued any preference shares as on March 31, 2020.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding 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 Holding 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 Holding Company or on appropriate basis permitted by the applicable laws.

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

Name of the Shareholder	**March 31, 2020**		**March 31, 2019**	
	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 are no Shares held by holding/ ultimate holding company and/or their subsidiaries/associates.

e) As per records of the Holding 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 Holding Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

19. Other Equity *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
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	59,317	78,848
Add: Loss for the current year	(8,123)	(18,664)
Less : Adjustment on disposal of subsidiary	-	(500)
Add: Remeasurement of post employee benefit obligation, net of tax	(445)	(367)
Closing Balance	**50,749**	59,317
Total	**118,071**	126,639

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 Holding 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 Holding Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Holding Company.

20. Other financial liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Non-current:		
At Amortised Cost		
Lease/Rent Deposits	4,099	7,228
Total	**4,099**	7,228

21. Other non-current liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Advance rent	227	545
Total	**227**	545

22. Short term borrowings *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
At Amortised Cost		
Secured Loans		
Working Capital Loans from Banks	2,014	7,166
Total	**2,014**	7,166

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to ₹15,500 thousands (March 31, 2019: ₹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.

23. Trade payables *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Current:		
At Amortised Cost		
Due to Micro and small enterprises*	-	-
Due to other than Micro and small enterprises	**960**	717
Total	**960**	717

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

24. Other financial liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Current:		
At Amortised Cost		
Others		
- disputed unclaimed public liabilities	-	739
Lease/Rent Deposits	**3,146**	-
Interest Accrued on Working Capital Loan	**12**	-
Other payables	**44**	35
Employee Dues	**499**	470
Total	**3,701**	1,244

Note:

a) The Holding Company during the year has remitted balance unclaimed public liabilities of ₹739 thousands to the Investor Education and Protection Fund ('IEPF') in respect of more than seven years had elapsed 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, which was pending remittance in view of the dispute between legal heirs of the deceased instrument holders before the Honourable Courts/Appropriate Authorities. The Holding Company during the year has remitted the said amount to IEPF based on the legal advice. In the opinion of the Management, there are no other dues to IEPF.

25. Other current liabilities *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Statutory Dues	**348**	321
Advance lease rent	**317**	494
Total	**665**	815

26. Short term provisions

Particulars	March 31, 2020	March 31, 2019
Employee benefits		
Gratuity	**19**	-
Total	**19**	-

27. Current Tax Liabilities (Net) *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Provision for Income tax (net)	-	140
Total	-	140

28. Revenue from operations *(₹ in '000)*

Particulars	2019-20	2018-19
Operating revenue:		
Reversal of provisions no longer required*	**1,557**	9,773
Bad debts recovered	**1,770**	1,370
Rent Received	**13,295**	17,174
Maintenance charges received	**1,118**	1,064
Service charges and commission	**399**	473
Total	**18,139**	29,854

*- net of receivables written off of ₹5,348 thousands (March 31, 2019 : ₹ NIL)

Note : Disclosure in terms of Ind AS 115 - Revenue from Contracts with Customers

(a) Revenue from operations for the year ended March 31, 2020 and March 31, 2019 are as follows:

(₹ in '000)

Particulars	2019-20	2018-19
Financial Services (includes recovery of debts charged/income reversed for earlier)	**3,327**	11,143
Rent Received	**14,413**	18,238
Service charges and commission	**399**	473

Disaggregated revenue information:

The Group has presented disaggregated revenue from offerings with customers for the year ended March 31, 2020 and 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:

(₹ in '000)

Particulars	2019-20	2018-19
Financial Services (includes recovery of debts charged/income reversed for earlier)	**3,327**	11,143
Rent Received	**14,413**	18,238
Service charges and commission	**399**	473

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

(b) Contract Balances:

(₹ in '000)

Particulars	March 31, 2020	March 31, 2019
Receivables :		
- Current (Gross)	**1,055**	759
- Provision for Impairment (current)	**-**	-
Contract Assets	**-**	-
Contractual Liabilities	**-**	-

(c) Increase/Decrease in net contract balances is primarily due:

i) The movement in receivables and in contract assets and liabilities is on account of invoicing.

(d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to ₹ Nil.

(e) Remaining performance obligation disclosure :

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient given in Ind AS 115, the Group has not identified any remaining performance obligations related disclosures for contracts in respect of financial services, rental income and insurance commission as the revenue recognised corresponds directly with the value passed to the customer in terms of the respective contract. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialized.

29. Other income

(₹ in '000)

Particulars	2019-20	2018-19
Dividend received from		
Non-current Investments	**731**	292
Others	**481**	558
Interest on term deposit	**2,726**	1,972
Interest on loans and advances	**48**	60
Unwinding interest on lease security deposit	**542**	490
Profit on sale / (disposal) of owned / leased assets (net)	**3,182**	2
Profit on sale of shares and securities	**9,003**	-
Profit on disposal of subsidiary	**-**	17
Proceeds received on settlement of claims	**-**	4,081
Miscellaneous income	**8**	19
Total	**16,721**	7,491

30. Employee benefits expense

(₹ in '000)

Particulars	2019-20	2018-19
Salaries, wages and bonus	**7,385**	6,839
Contribution to provident and other funds [Refer Note no. 39]	**942**	884
Staff welfare expenses	**234**	350
Total	**8,561**	8,073

31. Finance Costs *(₹ in '000)*

Particulars	2019-20	2018-19
Interest on		
- working capital loan from bank	**246**	217
Interest Others		
- delay in payment of taxes	**2**	1
Unwinding interest expenses on financial liabilities	**509**	361
Bank charges	**39**	25
Total	**796**	604

32. Depreciation expense *(₹ in '000)*

Particulars	2019-20	2018-19
Depreciation on tangible assets	**142**	150
Depreciation on investment property	**1,500**	1,269
Depreciation on Right of Use Assets	**1,812**	-
Total	**3,454**	1,419

33. Other Expenses *(₹ in '000)*

Particulars	2019-20	2018-19
Rent, rates and taxes	**1,522**	3,825
Printing and stationery	**321**	164
Directors sitting fees	**35**	41
Travelling and conveyance	**666**	521
Postage, telegram and telephones	**280**	398
Insurance	**24**	3
Repairs and Maintenance:		
Buildings	**2,736**	2,880
Others	**248**	277
Advertisement and Business Promotion	**172**	148
Legal and Professional Charges	**7,888**	2,102
Auditors Remuneration:		
Audit Fees	**250**	250
Tax Audit Fees	**-**	50
Certification	**40**	-
Brokerage & Commission	**104**	-
Service Charges	**761**	220
Fair value loss on investments	**13,392**	31,761
Bad debts written off	**-**	1,874
Provision for doubtful input Credit	**453**	-
Sundry Expenses	**229**	134
Total	**29,121**	44,648

34. Financial Instruments

34.01 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 *(₹ in '000)*

Particulars	March 31, 2020	March 31, 2019
Financial assets carried at cost		
Investment in equity shares of subsidiary	**-**	-
Financial assets carried at amortised cost		
Trade Receivables	**1,055**	759
Cash and Cash equivalents	**1,157**	1,228
Bank balances other than above	**30,188**	22,235
Loans	**6,660**	6,114
Other financial assets	**5,711**	21,351
Financial assets carried at fair value through profit or loss		
Investments in equity/debt instruments	**24,961**	40,087
Total	**69,732**	91,774

(₹ in ’000)

Particulars	March 31, 2020	March 31, 2019
Financial liabilities carried at amortised cost		
Borrowings	2,014	7,166
Trade payables	960	717
Other financial liabilities	7,800	8,472
Total	**10,774**	**16,355**

34.02 Fair value hierarchy

The Group held the following assets and liabilities measured at fair value. The Group 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;

(₹ in ’000)

Particulars	Level	March 31, 2020	March 31, 2019
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value through profit or loss	Level 1	**15,858**	29,250
	Level 2	**9,103**	10,837
	Level 3	**-**	-
Liabilities measured at fair value through profit or loss:		**-**	-

During the year ended March 31, 2020 and March 31, 2019 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 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.

35. Financial risk management

Financial Risk Factors

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

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

35.01 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 deposits.

Price risk : The Group’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 Group 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instruments with floating interest rates which is not material. The Group's interest rate risk on borrowings against fixed deposits is linked to banks change in interest rate on fixed deposit.

35.02 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 Group 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 *(₹ in '000)*

Particulars	**March 31, 2020**	March 31, 2019
Upto 3 months	**1,008**	713
3 to 6 months	**1**	-
More than 6 months	**46**	46
Total	**1,055**	759

Credit risk on cash and cash equivalents is limited as the Group 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 Group believes no impairment is necessary in respect of the above financial instruments.

35.03 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, Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management of the respective Companies included in the Group monitors rolling forecasts of the respective companies included in the Group 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 respective Companies included in the Group in accordance with practice and limits set by the Group.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The respective Companies included in the Group'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 respective Companies included in the Group's reputation.

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

Non-derivative financial liabilities *(₹ in '000)*

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, 2020					
Financial liabilities					
Borrowings	2,014	2,014	-	-	-
Trade payables	960	-	960	-	-
Other financial liabilities	8,362	555	3,146	4,661	-
Total	11,336	2,569	4,106	4,661	-
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	-

35.04 Capital management

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

For the purpose of the respective Companies included in the Group capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The respective Companies included in the group, 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 Holding 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, 2020 and March 31, 2019.

36. 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, 2020 and March 31, 2019. Thus, diluted EPS equals basic EPS.

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

Sl.	Particulars	2019-20	2018-19
a)	Nominal value per share (in ₹)	**10**	10
b)	Net Profit available for equity shareholders (₹ in thousands)	**(8,123)**	(18,664)
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic / Diluted EPS of ₹10/- each (in ₹)	**(0.62)**	(1.43)

37. 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 Holding 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 Holding 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 Holding Company.

The accounts of the Holding Company have been prepared on Going concern basis, considering the successful implementation of the Scheme of Arrangement as mentioned above, the Holding Company's foray into fee based activities and its intention to start fresh NBFC business for which application filed by the Company has been rejected by the Reserve Bank of India and for which appeal is filed by the Holding Company before Appellate Authority for NBFC which is pending adjudication and the Holding Company is hopeful of obtaining a favorable order.

38. Contingent liabilities and commitments

i. Contingent Liabilities *(₹ in '000)*

Sl.	Particulars	March 31, 2020	March 31, 2019
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]	**26,233**	38,376

Notes:

a) Represents income tax demand of Rs.102,404 thousands (March 31, 2019 : Rs.102,404 thousands) payable by the Holding Company 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 Holding 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 ₹76,171 thousands (March 31, 2019: ₹64,028 thousands) against the said demanded Tax. The Holding Company has offered one of its immovable property as security which is free of any encumbrances. The Supreme Court vide order dated February 12, 2020 has disposed the matter setting aside the orders of the Hon'ble High Court, Income Tax Appellate Tribunal ('ITAT') and Commissioner of Income Tax (Appeals) - I ('CIT-A') and has remanded the matter back to the CIT-A for reconsideration of appeals. The Holding Company however has not received any notices from CIT-A as at date. The Holding Company however during the previous year, based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, had 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.

The Ministry of Finance, Government of India had introduced the Direct Tax Vivaad Se Vishwas Act, 2020 ('DTVSV' or 'the Act') to help tax payers end their tax disputes with the Income Tax Department by paying disputed tax and get waiver from payment of interest and penalty and also immunity from prosecution. As per the Act, the tax payers were required to remit the disputed taxes by March 31, 2020 to avail the benefit. This time period has been currently extended upto December 31, 2020 due to COVID-19 global pandemic situation in the country. The Holding Company is awaiting certain clarifications with respect to the Act and is in the process of obtaining opinions in this matter from various tax consultants. The Holding Company based on such opinions / clarifications to be obtained from the Ministry will undertake a detailed analysis of the cost and benefits of opting to the scheme under the Act. Based on such analysis the Holding Company will decide as to whether to continue with the litigation or opt for the one time settlement under the Act and accordingly is of the view that no provisions is considered necessary as at the Balance Sheet date. The impact if any will be taken based on the Holding Company's decision in the ensuing financial year. The Holding Company however is confident that in case it opts for the settlement under the scheme, there will not be any cash outflow required to be made in view of the amounts already paid under protest.

b) The Supreme Court (SC) 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 which was also subsequently upheld vide its review petition dated August 28, 2019. In view of the same, the Group is liable to make further contribution towards Provident Fund ('PF') 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 Group. As a matter of caution, the Group has accounted the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., March 01, 2019 onwards. The Group further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Management is not expected to be material.

c) The Holding Company, during the previous 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 01, 2014 to August 08, 2016 as per the provisions of Section 203(1) read with Section 203(4) of the Companies Act, 2013. The management of the Holding 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.

d) Voluntary Exit Scheme (VES) : The Management of the Holding Company subsequent to the year ended March 31, 2020 has issued a circular dated June 03, 2020, announcing a package of retirement under Voluntary Exit Scheme ('VES') to be offered to certain category of staff subject to certain conditions which is further subject to the approval of the Board of Holding Company. In terms of the said circular the staff would be paid an amount equivalent to 100% of monthly basic pay for each full month of service available as on July 01, 2020 till attaining superannuation along with leave encashment. As at the date of signing the accounts, only four employees have opted for the said scheme and the Holding Company has determined a liability of ₹484 thousands to be paid to the said employees. The Holding Company however has not accounted for the said liability as it is of the opinion that the event arose after Balance Sheet date requiring no adjustment in the accounts. The Holding Company is further of the view that the said treatment will be given once approved by the Board and accordingly no adjustments are required to be made in the financial statements as at March 31, 2020.

ii. Capital Commitments *(₹ in '000)*

Sl.	**Particulars**	**March 31, 2020**	March 31, 2019
			-

39. 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:

(₹ in '000)

Particulars	**2019-20**	2018-19
Provident and pension fund	**661**	593
Employee state insurance	**130**	174
Total	**791**	767

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

(₹ in '000)

Particulars	**March 31, 2020**	March 31, 2019
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**5,093**	4,588
Current service cost	**168**	154
Interest cost	**299**	307
Actuarial loss / (gains)	**662**	486
Benefits paid	**(508)**	(442)
Closing defined benefit obligation	**5,714**	5,093
Change in Fair Value of Assets		
Opening fair value of plan assets	**5,619**	5,216
Expected return on plan assets	**338**	370
Actuarial gain / (loss)	**46**	(25)
Actual Contributions by Employer	**200**	500
Benefits paid	**(508)**	(442)
Closing fair value of plan assets	**5,695**	5,619
Net (asset) / liability recognized	**19**	(526)

b) **Defined Benefit Plan - Gratuity as per Actuarial Valuation [Funded]** *(₹ in '000)*

Particulars	**March 31, 2020**	March 31, 2019
Expenses recognized during the year		
Current service cost	**168**	154
Net interest on net defined benefit liability/ (Asset)	**299**	307
Expected return on plan assets	**(338)**	(369)
Net gratuity cost	**129**	92
Remeasurement of the net defined benefit liability /(asset)		
Actuarial changes arising from changes in demographic assumptions	**-**	-
Actuarial changes arising from changes in financial assumption	**138**	150
Actuarial changes arising from changes in experience adjustments	**524**	336
Actuarial changes arising from changes in discount rate	**(46)**	24
Return on plan assets excluding interest income	**-**	-
Recognized in other comprehensive income [loss/(gain)]	**616**	510
Remeasurement of the net defined benefit liability /(asset)		
Net actuarial loss/(gain) recognized in OCI	**616**	510
	616	510
Actual return on plan assets	**384**	345
Present value of Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**993**	392
Between 2 and 5 years	**3,657**	3,030
Between 5 and 10 years	**1,040**	1,660
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	**(159)**	(168)
(ii) one percentage point decrease in discount rate	**168**	177
(iii) one percentage point increase in salary escalation rate	**176**	184
(iv) one percentage point decrease in salary escalation rate	**(169)**	(177)
(v) one percentage point increase in employee turnover rate	**(3)**	1
(vi) one percentage point decrease in employee turnover rate	**3**	(1)

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:

Particulars	**March 31, 2020**	March 31, 2019
Investment with Insurer managed funds	**100%**	100%
Principal actuarial assumptions used		
Discount rate (p.a.)	**6.18%**	7.04%
Expected rate of return on plan assets (p.a.)	**6.18%**	7.09%
Rate of increase in compensation levels	**5.00%**	5.00%
Weighted average duration of defined benefit obligation	**4.94 Years**	4.93 Years
Attrition Rate	**3.00%**	3.00%
Retirement age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	
Expected employer's contribution for the next year	**141**	412

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2020 and March 31, 2019, 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.

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

i) 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
Airody Giridhar Pai - Independent Director
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)

ii) Details of the transactions : *(₹ in '000)*

Sl.	Particulars	March 31, 2020	March 31, 2019
a)	Sitting fee paid to Independent Directors during the year		
	T Mohandas Pai (w.e.f. 05.12.2018)	**6**	3
	Bharath K Nayak (till 04.12.2018)	**-**	5
	U Harish P Shenoy	**6**	8
	Airody Giridhar Pai	**5**	6
	Vimala C Kamath	**6**	8
	T Sachin Pai	**6**	2
	Sujir Prabhakar	**6**	2
	K M Udupa	**-**	3
	H N S Rao	**-**	6

Notes:

a) Related Party Transactions given above are as identified by the Management.
b) Commitments with related parties: As at year end March 31, 2020, 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.

41. 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, 2020 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	₹ in thousands	As % of consolidated net assets	₹ in thousands	As % of consolidated OCI	₹ in thousands	As % of consolidated TCI	₹ in thousands
Parent								
ICDS Limited	90.76%	225,292	160.63%	(5,015)	100.00%	(445)	153.07%	(5,460)
Subsidiaries								
Indian								
Manipal Properties Ltd.	9.24%	22,930	-60.63%	1,893	0.00%	-	-53.07%	1,893
Sub Total *	**100.00%**	**248,222**	**100.00%**	**(3,122)**	**100.00%**	**(445)**	**100.00%**	**(3,567)**
Add/(less) non-controlling interest in all subsidiaries		-						
Consolidation adjustments/ eliminations**		116		(5,001)		-		(5,001)
Sub Total *		**248,338**	**39.37%**	**(8,123)**	**100.00%**	**(445)**	**46.93%**	**(1,674)**

*The figures have been considered from the respective standalone financial statements before consolidation adjustments/eliminations.
** Consolidation adjustments/eliminations includes intercompany eliminations and consolidation adjustments.

42. 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 Segmental information *(₹ in '000)*

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Intersegment elimination	Total
Segment Revenue						
External Turnover	3,327	-	14,413	399	-	18,139
	11,143	-	*18,238*	*473*	-	*29,854*
Inter segment turnover	5,000	-	-	-	(5,000)	-
	5,000	-	-	-	*(5,000)*	-
Net Turnover	**8,327**	**-**	**14,413**	**399**	**(5,000)**	**18,139**
	16,143	-	*18,238*	*473*	*(5,000)*	*29,854*
Segment Results	(1,516)	(13,392)	9,796	76		(5,036)
	3,791	*(31,761)*	*13,171*	*354*		*(14,445)*
Finance Costs	(287)	-	(509)	-		(796)
	-	-	-	-		-
Finance Costs - Unallocable						-
						(604)
Depreciation and Amortisation Expense	(142)	-	(3,312)	-		(3,454)
	-	-	-			*(1,419)*
Interest income	2,479	-	837	-		3,316
	-	-	-	-		*2,522*
Dividend Income	-	1,212	-	-		1,212
	-	*850*	-	-		*850*
Other Income - Unallocable						12,193
						35
Unallocated expenses						(14,507)
						(4,338)
Profit before tax						**(7,072)**
						(17,399)
Less: Taxes						1,051
						1,265
Net Profit After Tax						**(8,123)**
						(18,664)

Other Information

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Total
Segment Assets	27,435	15,888	138,234	103	181,660
	54,112	*29,148*	*123,979*	*161*	*207,400*
Other Assets					282
					720
Tax Assets					78,081
					66,641
Total Assets					**260,023**
					274,761
Segment Liabilities	3,843	-	7,842	-	11,685
	9,369	-	*8,486*	-	*17,855*
Total Liabilities					**11,685**
					17,855
Capital Expenditure	37		703		740
	347				*347*

Notes:
a) The Company during the year has undertaken identification of segment income and expenditure and based on such identification has disclosed the income and expenditure above.
b) During the year, two 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.

43. *Impact of COVID-19 Global Pandemic :*

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Group, however, believes strongly that its offerings to the customer would not significantly impact its revenues.

The impact on future revenue streams could come from lower rental incomes on account of waivers / concessions in rent sought by the tenants and cancellation of lease agreement which is the major source of income for the Group. The Group however expects the rental income to be back to the existing levels post the pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, investments, advances, trade receivables. Deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these consolidated financial statements.

Due to the nature of the pandemic and non-availability of necessary vaccine / treatment for its eradication, the Group will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

44. 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 LLP**
Chartered Accountants
Firm Registration No.: 107783W/W100593

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 Krishna Nayak
Managing Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Bengaluru
Date : June 29, 2020

Place : Manipal
Date : June 29, 2020

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, 2020

Part "A" – Subsidiaries

(Amount in Thousands)

Name of the Subsidiary Company	**Manipal Properties Ltd.**
Issued & Subscribed Capital	1,000
Reserves & Surplus	21,930
Total Assets	47,953
Total Liabilities	47,953
Investments	27,934
Turnover	4,076
Profit/(Loss) before Tax	2,284
Provision for Tax	391
Profit/(Loss) after Tax	1,893
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 March 31, 2020.

Sd/-
T. Mohandas Pai
Chairman
(DIN-00104336)

Sd/-
Bharath Krishna Nayak
Managing Director
(DIN-00776729)

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Manipal
Date : June 29, 2020

If undelivered please return to :

ICDS LIMITED

Syndicate House

MANIPAL – 576 104