September 28, 2018
ICDS/SEC/SE/AGMPRO2018/2018

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

STOCK CODE: ICDSLTD

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

Tele : +01 22 2272 1234

STOCK CODE: 511194

Dear Sir,

Re: Annual Report for the financial year ended 31st March, 2018.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the financial year ended 31st March, 2018 duly approved and adopted by the members at the 47th AGM held on Tuesday, 25th September, 2018 at Rotary Hall, Ananth Nagar, Manipal 576 104.

Please take the same on record in terms of the said Regulations.

Thanking you,

For ICDS Ltd.

Veena Hegde
Company Secretary & Compliance Officer
M.No.A45746
Date : 26.09.2018
Place: Manipal

Encl: Annual Report 2017-18.

ICDS LIMITED
MANIPAL
Regd. Office

CIN: L65993KA1971PLC002106

Regd. and Admn. Offices:
Syndicate House, P.B. No. 46, Upendra Nagar, Manipal – 576 104
Phones : EPABX : 0820-2571121 (11 Lines) Fax : 0820-2571137

SICDS LIMITED

Regd. Office: Syndicate House, Manipal – 576 104

47th Annual Report

2017 – 2018

Chairman & Whole-time Director	:	T. Mohandas Pai
Directors	:	H. N. S. Rao Bharath K. Nayak K. M. Udupa A. Giridhar Pai U. Harish P. Shenoy Vimal C. Kamath
Company Secretary	:	Veena Hegde
CFO	:	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

ICDS LIMITED

NOTICE

NOTICE is hereby given that the 47th ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Tuesday, **the 25th September, 2018 at 4.00 p.m.** at Rotary Hall, Ananth Nagar, Manipal – 576 104, Udupi District to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2018 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 Mrs Vimal C. Kamath [DIN 07182821] who retires by rotation and being eligible offers herself for reappointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 25.09.2017 the appointment of M/s Pathak H D & Associates, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Firm Registration No.107783W as the Statutory Auditors of the Company to hold office till the conclusion of the 51st AGM to be held in the Calendar year 2022 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2019 as may be determined by the audit committee and agreed upon between the auditors and the Board of Directors."

By Order of the Board

Registered Office:
Syndicate House
Manipal – 576 104
Date : 29.05.2018

Sd/-
T. Mohandas Pai
Chairman & Whole-time Director
DIN-00104336

NOTES:

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

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

6. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2018 may visit the Company's corporate website www.icdslimited.com or send their queries at least 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.

7. Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting : [Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings].

(A)	Name	:	Mrs Vimal Chandrashekar Kamath
	Date of Birth	:	21.06.1944
	Expertise in specific functional areas	:	Basically Mrs Vimal C. Kamath is a social worker and donor to various cultural, social and educational associations and is deeply involved in their activities. Worked as Chemist in British Drug House, Bombay, worked as Life Insurance Agent and Consultant for nearly 20 years in Goa. She was AIR Panaji, Goa and Panaji Doordarshan artist for 20 years. She was a member of SAG (Sports Authority of Goa) for 2 years and was Goa State tennis player and represented in Nationals for nearly 15 years. Presently she is a Trustee in Bharathiya Vikas Trust, Manipal.
	List of other directorships held Chairman/Member of the Committees of the Board	:	Nil
	Chairman/Member of the Committees of the Board of other Companies in which she is Director	:	Nil

8. The register of members and Share Transfer Book will remain closed from Saturday, 22nd September, 2018 to Tuesday, 25th September, 2018 (both days inclusive) in connection with 47th Annual General Meeting.

9. **The Instructions for shareholders voting electronically are as under:**

   (i) The voting period begins on 22.09.2018 10.00 a.m. and ends on 24.09.2018 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 18.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

   (iv) Click on Shareholders.

   (v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   (vi) Next enter the Image Verification as displayed and Click on Login.

   (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details..

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help Section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board

Registered Office:
Syndicate House
Manipal – 576 104
Date : 29.05.2018

Sd/-
T. Mohandas Pai
Chairman & Whole-time Director
DIN-00104336

BOARDS' REPORT – 2017-18

To,
The Members,

Your Board of Directors have pleasure in presenting their 47th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

FINANCIAL SUMMARY

The following table brings out the financial performance of the Company during the F.Y. 2017-18:

(Rs. in '000)

	31 March 2018	31 March 2017
Income from Operations	**5,83,49**	2,29,25
Other Income	**46,70**	5,79,17
Write back of provisions	**25,57**	1,05,42
Total Income	**6,55,76**	9,13,84
Less: Operating Expenses	**1,62,92**	1,61,78
	4,92,84	7,52,06
Less: Interest	**3,35**	10,53
Profit before Depreciation	**4,89,49**	7,41,53
Less: Depreciation	**12,05**	12,18
Profit after Depreciation before Tax	**4,77,44**	7,29,35
Less: Provision for Income Tax/ (write back)	**1,17,10**	18,47
Profit after Tax	**3,60,34**	7,10,,88
Add : (Loss) brought forward	**1,67,04**	(5,43,84)
Profit carried forward	**5,27,38**	1,67,04

COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned income of Rs.6.56 Crores (including sale of telephone handsets, accessories and shares in stock in trade of Rs.3.38 Crores) as against Rs.9.14 Crores in the corresponding period of the previous year- (which also included income from sale of telephone handsets and accessories of Rs.0.40 Crores) from recovery of over dues from HP/Lease/Bills Discounting/Loan Parties, Commission from insurance related activities, service charges earned from telephone bill recovery services, dividend and interest. The operating expense incurred during the reporting period was Rs.1.63 Crores as against Rs.2.04 Crores in the previous year. The accumulated profit which was at Rs.1.67 Crores as on 31st March, 2017 has been increased to Rs.5.27 Crores on 31st March, 2018. The net worth of the Company as on 31st March, 2018 went up to Rs.21.55 Crores (Rs.17.99 Crores in the corresponding period of previous year).

Scheme of Arrangement

The details of unclaimed public liabilities with the Company as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka have been covered in the Corporate Governance Report. However, the total liability unpaid as on 31st March, 2018 was Rs.1.27 Crores which does not include cheques issued to the investors but not presented, amounting Rs.1.82 Crores.

Future Business Plans

As reported in the earlier years, the Company stopped NBFC business as per the undertaking given to H'ble High Court of Karnataka while considering the Company's application for scheme of arrangement. Since then Company was focusing its activities on recovery of over dues. The company's net owned funds has become positive and meets the minimum required NOF stipulated by Reserve Bank of India for Non-Banking Finance Business. The Company has applied RBI for registering it as a Non-Deposit taking NBFC for pursuing business of Hire Purchase/Lease finance.

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.

DIVIDEND

Since the Company is not engaged in any income generating activities at present, your Directors expressed their inability to recommend Dividend during the year under report.

SHARE CAPITAL

The paid up Share Capital as on 31st March, 2018 was Rs.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

Mrs Vimal C. Kamath [DIN 07182821] Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself 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 www.icdslimited.com (link: http://www.icdslimited.com/sites/default/files/ICDS_Form_MGT-9_Extract_of_Annual_Return_2018.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.

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 30.05.2017, 12.09.2017, 11.12.2017, 08.02.2018. 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. Bharath K. Nayak, (Chairman), Mr. K. M. Udupa, 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 30.05.2017, 12.09.2017, 11.12.2017, 08.02.2018.

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(1) 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 2017-18 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 subsidiaries and associates, prepared in accordance with Accounting Standard 21 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 subsidiaries/associates and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary/associate companies and will be available to investors seeking information at any time.

Salient features of financial statements of subsidiary/associate companies 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. 41 of accompanying 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

The Auditors, M/s Pathak H. D. & Associates, Chartered Accountants, Mumbai (FRN: 107783W) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment to hold office till the conclusion of the 51st Annual General Meeting to be held in the Calendar year 2022 subject to ratification in the ensuing annual general meeting.

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, Sri Shrinivas 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.

INTERNAL FINANCIAL CONTROL

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

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is available on the Company's website www.icdslimited.com (link: http://www.icdslimited.com/sites/default/files/ICDS_Form_MGT-9_Extract_of_Annual_Return_2018.pdf).

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

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

Change in nature of Business:

There is no change in nature of business.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans: Nil

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

Investments made are of the nature quoted/unquoted equity shares and investment in property. Particulars of such investments are provided in the financial statements vide Note No.12.

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. 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 2017-18:

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.

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 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 (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e., 25.09.2017), with the Ministry of Corporate Affairs.

VIGIL MECHANISM

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Sd/-

Place : Manipal
Date : 29.05.2018

(T. Mohandas Pai)
Chairman & Whole-time Director
(DIN-00104336)

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 1.4.2016. 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 & Whole-time Director

DIN-00104336

Place : Manipal

Date : 29.05.2018

Annexure – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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 31.03.2018 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 31.03.2018 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision is carried through unanimously.

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 : Manipal
Date : 29.05.2018

*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. Whereever 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 : Manipal
Date : 29.05.2018

CIN - L65993KA1971PLC002106

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31st March, 2018 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 including a woman director and four Independent Directors.

   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 the financial year 2017-2018. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
30th May, 2017	7	7
12th September, 2017	7	6
11th December, 2017	7	6
8th February, 2018	7	6

   The last AGM was held on 25th September, 2017 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 Director-ships	No. of Meetings attended	Atten-dance at last AGM	No. of other director-ship	No. of Board committees in which Chairman(C) Member(M)
1.	Sri T. Mohandas Pai	Promoter Executive	4	Yes	4	3(M)
2.	Sri H.N.S. Rao	Non-Executive	4	Yes	4	1(C)
3.	Sri Bharath K. Nayak	Non-Executive	4	Yes	4	2(C)
4.	Sri K. M. Udupa	Non-Executive	4	Yes	0	2(M)
5.	Sri Airody Giridhar Pai	Non-Executive	2	Yes	1	2(M)
6.	Sri U. Harish P. Shenoy	Non-Executive	3	Yes	2	5(M)
7.	Mrs Vimal C. Kamath	Non-Executive	4	Yes	0	-

3. **Audit Committee:**

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

   Sri Bharath K. Nayak, Chairman
   Sri K. M. Udupa, Member
   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 30th May, 2017, 12th September, 2017, 11th December, 2017 and 8th February, 2018. 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
30th May, 2017	4
12th September, 2017	3
11th December, 2017	3
8th February, 2018	3

4. **Nomination and Remuneration Committee:**

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

   Sri T. Mohandas Pai is the only Whole-time Director of the Company and he does not draw any remuneration.

   Details of remuneration for the year ended 31st March, 2018:

   i) Whole-time Director: Nil

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

   iii) Key Managerial Personnel: details of remuneration paid to Company Secretary and Chief Financial Officer of the Company has been furnished in the Form MGT-9 which is available in the Company's website www.icdslimited.com under link:

   http://www.icdslimited.com/sites/default/files/ICDS_Form_MGT-9_Extract_of_Annual_Return_2018.pdf

5. **Stakeholders Relationship Committee:**

   The Committee approves transfer, transmission, issue of duplicate Debenture Certificates and Sub-Ordinated Debts, review and redress shareholders grievances/complaints on matters relating to transfer of shares, debentures, sub-ordinated debts, non-receipt of Balance Sheet, non-receipt of Dividend Warrants, etc. The Committee met 4 times during the year under report.

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

Name	Status	No. of Meetings attended
Mr. T. Mohandas Pai	Executive	4
Mr. H. N. S. Rao	Non-Executive Chairman	4
Mr. Bharath K. Nayak	Independent Director	4

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

Number of Shareholders Complaints received : Nil

Number of Shareholders Complaints settled : Nil

Number not solved to the satisfaction of the shareholders : Nil

Number of pending Share transfers : Nil

6. Annual General Meetings:

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

AGM No.	Date	Time	Special Resolution required
44	28.09.2015	4.00 p.m.	NIL
45	26.09.2016	4.00 p.m.	Adoption of new set of Articles of Association of the Company inter-alia pursuant to the Companies Act, 2013
46	25.09.2017	4.00 p.m.	NIL

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

Postal Ballot:

The Notice of 47th Annual General Meeting does not contain any item which required approval by Postal Ballot.

7. Disclosures:

National Stock Exchange suspended trading in equity shares of the Company w.e.f. 27th June, 2002 for non-submission of the Board Meeting notices for the quarters ended 30th September, 2000, 31st December, 2000 and 31st March, 2001 and non-submission of Limited Review Report for the half-year ended 31st December, 2000. The lapse was due to restructuring the operation of the Company during the relevant period, due to which the exact impact of the reorganization could not be crystallized as on the reporting date. We had however, requested National Stock Exchange to condone the lapses and revoke the suspension which is still pending.

Related Party Transactions:

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

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

Whistle Blower Policy:

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

Compliance with Accounting Standards:

In the preparation of financial statements the Company has followed the Accounting Standards Referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

8. Means of Communication:

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

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

Management Discussion and Analysis Report:

Review of Operations:

The present activity of the Company is restricted to recovery of overdues of Hire Purchase installments/Lease installments, Loans and other dues and repayment of balance of public Liabilities as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka.

In order to generate some income to partly meet the establishment expenses, the Company has been engaged as Corporate Agent for Life and General Insurance Companies.

Business Review:
During the year under review, the Company recovered/realised an amount of Rs.789.91 Lakhs from various sources such as Recovery of Bad and Doubtful Debts, Demerger Receivables from Manipal Properties Ltd. The figure also include fee based income earned from other activities like service charges under Insurance Agency and Telecom Franchise, Dividend Income and rental income.

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, 5,044 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. The aggregate amount of investments still lying with the Company is Rs.182 Lakhs. In addition, interest payable to the investors as per the Scheme of Arrangement upto 15th July, 2002 amounting to Rs.127 Lakhs has not yet been claimed by the investors as they are required to claim by producing original investment certificates. Arrangements are in place to pay the claims received from investors as and when the original investment certificates lodged by such investors.

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.

The public liabilities which were not claimed by the investors as on 31st March, 2018 pertaining to Installment of category 4 of the Scheme, i.e. Face value of investment of Rs.10000 and above and less than Rs.20,000 was Rs.Nil. However unclaimed/unencashed cheques amounting to Rs.4,70,37,592/- remaining unpaid has been remitted to IEPF during the period under report. The unclaimed liabilities pending for payment as on date is Rs.7,39,342 which is pending due to certain legal implications.

Discussion on Financial Performance:
The discussion on financial performance and future business plan of the Company is covered in the Director's Report.

Human Resource Development:
There has been no material development on the Human Resources front. The number of people employed as on 31st March, 2017 was 33 as against the previous year's figure of 40.

General Shareholder Information:

a) Annual General Meeting : 47th Annual General Meeting
Day & Date : Tuesday, 25th day of September, 2018
Time : 4.00 p.m.
Venue : Rotary Hall, Ananth Nagar Manipal – 576 104, Udupi District

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

c) Date of Book Closure : 22.09.2018 to 25.09.2018 (both days inclusive)

d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31st March, 2018.

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

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

Note: Annual Listing Fee has been paid upto date.

g) a) Stock Code : ICDS LTD. EQ. (NSE) 511194 (BSE)
b) Dematerialization of Shares : ISIN No. INE 613B01010
c) Email : cmlist@nse.co.in
d) Website : www.nseindia.com

As on 31st March, 2018, 86,29,181 No. Equity Shares forming 66.24% of the share capital of the Company stands dematerialized (Previous Year: 85,08,643 No. equity shares forming 65.32% 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 shareholders/investor's Grievance Committee approves all share transfer and transmission upon its receipt from the Registrars.

k) **Distribution of Equity Shareholding as on 31st March, 2018**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4639	83.1660	740402	7404020	5.6837
5001 - 10000	508	9.1072	353017	3530170	2.7099
10001 - 20000	213	3.8186	298701	2987010	2.2930
20001 - 30000	69	1.2370	172725	1727250	1.3260
30001 - 40000	33	0.5916	118770	1187700	0.9117
40001 - 50000	15	0.2689	67131	671310	0.5153
50001 - 100000	21	0.3765	151969	1519690	1.1667
100001 - And Above	80	1.4342	11123985	111239850	85.3937
Total :	**5578**	**100.00**	**1,30,26,700**	**13,02,67,000**	**100.00**

l) **Pattern of Equity Shareholding as on 31st March, 2018**

Shareholders	No. of Shares held	Percentage
Foreign Body Corporate	400,000	3.07
Directors, Relatives, Friends and Associates	6,693372	51.38
Financial Institutions	684,813	5.26
Banks	1172	0.01
Other Corporate Bodies	339,017	2.60
Others	4,908,326	37.68
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: hnsrao@icdslimited.com

DECLARATION

As provided under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all Board Members and Senior Management Personnel affirmed compliance with ICDS Ltd., Code of Conduct and Ethics for the year ended 31st March, 2018.

For ICDS Ltd.
Sd/-
T. Mohandas Pai
Chairman & Whole-time Director
(DIN – 00104336)

Place : Manipal
Date : 29.05.2018

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, 2018 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.

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.

In my opinion and to the best of our information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated Regulation 17 to 27 and Clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above during the year ended March 31, 2018.

We state that,

- In respect of shareholder grievances received during the year ended March 31, 2018, no shareholder grievances are pending against the Company as on 31st March, 2018 as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.
- In respect of investors grievances as regards to repayment of debentures/deposits on maturity we are informed that the same is being repaid in terms of the scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka.

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

Place : Manipal
Date : 29.05.2018

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF ICDS LIMITED

Report on the standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ICDS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India audited by M/s Chaturvedi & Shah, Chartered Accountants (predecessor auditor), whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 18, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

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 Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter;

e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

g) 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 financial statements - Refer Note No. 38 to the standalone Ind AS financial statements.

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

   iii. During the year, the Company has remitted an amount of Rs.16,923 thousand due to Investor Education and Protection Fund (IEPF) with delay and the balance amount of Rs.30,114 thousands which was due to IEPF on balance sheet date has been remitted to IEPF before signing of the financial statement for the year ended March 31, 2018. Further, an amount of Rs.739 thousands is not remitted to IEPF as the matter being subjudice.

   iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 08, 2016 to December 30, 2016 which are not relevant to these Ind AS financial statements. Hence, reporting under this Clause is not applicable.

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

Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 29.05.2018

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

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

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

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

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

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) Paragraph 3(ii) of the Order is not applicable, since the Company does not carry any inventories as on balance sheet date.

iii) As per the information and explanations 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 paragraphs 3(iii)(a),(b) and (c) of the order are not applicable to the Company.

iv) As per the information and explanations 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, paragraph 3(iv) of the Order is not applicable.

v) In our opinion and according to the information and explanations 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 thereunder, is not applicable to the Company.

The Company's liabilities existing prior to enactment of this Act, (including public deposits along with interest accrued thereon) were restructured as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka vide its order dated October 15, 2004. Accordingly, the Company had repaid its public liabilities, except to the extent of unclaimed / cheques issued but not encashed by the instrument holders as explained in note No. 25 (b) of the standalone financial statements. We are informed by the management of the Company that there are no other orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

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

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

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

Nature of the Statute	Nature of Dues	Year to which it pertains	Amount Demanded (Rs. in Thousands)	Forum where dispute is pending
Income Tax Act, 1961	Disallow-ance of depreciation on leased assets	Block assessment year 1987-88 to 1997-98	43,876*	Special Leave Petition filed before Hon'ble Supreme Court of India.

* net of amount paid under protest/refund adjusted aggregating to Rs.58,528 thousands.

viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to financial institution / banks / Government. In respect of matured debentures and interest accrued thereon upto July 15, 2002, the Company has repaid all the installments to debenture holders as per the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Karnataka on October 15, 2004, except to the extent unclaimed / cheques issued but not encashed by the instrument holders.

ix) According to the information and explanations 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 Paragraph 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, paragraph 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, paragraph 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 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, paragraph 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, paragraph 3(xv) of the Order is not applicable.

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

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

Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengalure
Date : 29.05.2018

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

(Referred to in Paragraph 3(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of ICDS Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 29.05.2018

ICDS LIMITED

CIN - L65993KA1971PLC002106

Balance Sheet as at March 31, 2018

Rupees in Thousands

Particulars	Notes	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipments	3	**301**	279	350
Investment property	4	**46,330**	47,445	48,560
Financial Assets:				
Investments	5	**12,030**	12,040	11,931
Long term loans	6	**5,270**	3,053	2,872
Other financial assets	7	**18,628**	16,000	17,107
Other Non-current assets	8	**42,014**	32,018	33,721
Non-current tax assets (Net)	9	**59,896**	52,630	54,095
Deferred tax assets (net)	10	–	–	–
Total Non-Current Assets		**184,469**	163,465	168,636
Current Assets				
Inventories	11	–	–	4,298
Financial Assets:				
Investments	12	**60,818**	71,851	12,990
Trade receivable	13	**872**	667	2,761
Cash and cash equivalents	14	**992**	1,439	3,725
Bank balances other than above	15	**38,209**	17,275	12,977
Short term loans	16	**3,996**	13,738	6,026
Other financials assets	17	**1,906**	973	1
Other current assets	18	**2,434**	1,698	1,981
Total Current Assets		**109,227**	107,641	44,759
Total Assets		**293,696**	271,106	213,395
EQUITY AND LIABILITIES				
Equity:				
Equity Share Capital	19	**130,267**	130,267	130,267
Other Equity	20	**119,226**	83,580	12,938
Total Equity		**249,493**	213,847	143,205
Non-Current Liabilities				
Financial Liabilities				
Other financial liabilities	21	**5,776**	5,594	5,267
Other Non-current liabilities	22	–	–	169
Total Non-Current Liabilities		**5,776**	5,594	5,436
Current Liabilities				
Financial Liabilities				
Short term borrowings	23	**5,404**	1,236	13,097
Trade payables	24	**460**	556	1,533
Other financials liabilities	25	**31,312**	48,688	49,126
Other current liabilities	26	**1,251**	1,185	998
Total Current Liabilities		**38,427**	51,665	64,754
Total Equity and Liabilities		**293,696**	271,106	213,395

Significant Accounting Polices 1

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

As per our report of even date attached.

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

For and on behalf of the Board of ICDS Limited
Sd/-
T. Mohandas Pal
Chairman & Whole-time Director
DIN-00104336

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

ICDS LIMITED

CIN - L65993KA1971PLC002106

Statement of Profit and Loss for the year ended March 31, 2018

Rupees in Thousands

Particulars	Notes	2017-18	2016-17
Income			
Revenue from operations	27	**58,349**	22,925
Other income	28	**7,227**	72,757
Total Income		**65,576**	95,682
Expenses			
Changes in inventories of traded goods	29	–	4,298
Employee benefits expense	30	**7,526**	7,049
Finance costs	31	**335**	1,053
Depreciation expense	32	**1,205**	1,218
Other Expenses	33	**8,766**	9,129
Total expenses		**17,832**	22,747
Profit before tax		**47,744**	72,935
Less: Tax expense			
Current tax	10	**11,560**	1,650
Income tax for earlier years		–	28
Deferred tax	10	**150**	169
		11,710	1,847
Profit for the year		**36,034**	71,088
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of net defined benefit plans	39	**(538)**	(615)
Income tax effect	10	**150**	169
Total Other Comprehensive income (net of tax)		**(388)**	(446)
Total Comprehensive Income for the year		**35,646**	70,642
Earnings per equity share of face value of Rs.10/- each			
Basic and Diluted (in Rupees)	36	**2.77**	5.46
Significant Accounting Polices	1		

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

As per our report of even date attached.

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

CIN : L65993KA1971PLC002106

Statement of changes in equity for the year ended March 31, 2018

Rupees in Thousands

Particulars	Equity Share Capital	Securities Premium	Other Reserve	Retained Earnings	Total equity
Balance as at April 1, 2016	**130,267**	**33,334**	**33,988**	**(54,384)**	**143,205**
Changes in equity for the year ended March 31, 2017					
Profit for the year	–	–	–	71,088	**71,088**
Other comprehensive income					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	–	(446)	**(446)**
Balance as at March 31, 2017	**130,267**	**33,334**	**33,988**	**16,258**	**213,847**
Changes in equity for the year ended March 31, 2018					
Profit for the year	–	–	–	36,034	**36,034**
Other comprehensive income					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	–	(388)	**(388)**
Balance as at March 31, 2018	**130,267**	**33,334**	**33,988**	**51,904**	**249,493**

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

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

CIN : L65993KA1971PLC002106

Statement of Cash Flows for the year ended March 31, 2018

Rupees in Thousands

	Particulars	2017-18	2016-17
(A)	**Cash flow from Operating Activities**		
	Profit before tax	**47,744**	72,935
	Adjustments for:		
	Depreciation and amortization expense	**1,205**	1,218
	Interest expenses	**133**	707
	Profit on sale of fixed assets	**(9)**	(2)
	Profit on sale of investments	**(33,641)**	(2,206)
	Fair value gain on financial instrument	**1,814**	(58,151)
	Unwinding of income	**(579)**	(549)
	Unwinding charges of expenses	**1,794**	1,538
	Interest on term deposits	**(3,639)**	(2,454)
	Dividends	**(2,182)**	(577)
	Reversal of provisions and balances written back	**(2,557)**	(10,593)
	Bad debts written off	**–**	885
	Operating profit before working capital changes	**10,083**	2,751
	Adjustments for change in working capital		
	(Increase)/decrease in Trade receivables	**(205)**	1,209
	(Increase)/decrease in loans & advances and other assets	**(4,866)**	535
	(Increase)/decrease in Inventories	**2,400**	6,793
	Increase/(decrease) in Trade Payables and other liabilities	**(10,886)**	(300)
	Cash generated from operations	**(3,474)**	10,988
	Less: Interest paid	**(6,484)**	(1,425)
	Income Tax (paid)/refunded	**(18,826)**	(213)
	Net cash from/(used in) operating activities	**(28,784)**	9,350
(B)	**Cash flow from Investing Activities**		
	Purchase of fixed assets	**(112)**	(32)
	Sale of fixed assets	**9**	2
	Sale of non-current investments	**10**	–
	Sale proceeds of current investment	**42,883**	2,209
	Purchase of investment for trading	**(23)**	(822)
	Decrease/(increase) in restricted deposits/bank balances	**(23,547)**	(3,463)
	Interest received	**2,767**	1,754
	Dividend received	**2,182**	577
	Net cash from/(used in) investing activities	**24,169**	225
(C)	**Cash flow from Financing Activities**		
	Increase/(decrease) of Bank Borrowing	**4,168**	(11,861)
	Net Cash from/(used in) Financing Activities	**4,168**	(11,861)
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	**(447)**	(2,286)
	Cash and Cash Equivalents at Beginning of the Year	**1,439**	3,725
	Cash and Cash Equivalents at End of the Year	**992**	1,439

Rupees in Thousands

Particulars	2017-18	2016-17
Break-up of cash and cash equivalents		
Cash on hand	**32**	49
Cheques, drafts and stamps on hand	**63**	500
Balances with banks in current accounts	**897**	890
Cash and Cash Equivalent as at end of the year	**992**	1,439

Notes:

1 The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Ind AS – 7 on Statement of Cash Flows.

2 Effective from April 01, 2017, the Company adopted the amendments to Ind AS – 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash charges, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. Since the Company has adopted amendments to Ind AS – 7 for the first time during the year, previous year reconciliation are not given. The reconciliation is as given below:

Rupees in Thousands

Particulars	March 31,2018
Short Term Borrowings	
Opening Balance	**1,236**
Proceeds / (repayment) of short term borrowings (net)	**4,168**
Non-cash fair value charges	**–**
Closing Balance	**5,404**

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

As per our report of even date attached

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

Significant Accounting Policies and Notes to Financial Statements

1 Company Overview and Significant Accounting Policies:

1.1 Company overview

ICDS Limited ("the Company") is incorporated on October 21, 1971 and registered as a Non Banking Financial Company (NBFC). The Company had filed the Scheme of Arrangement during August 2002, and stopped its fund based business and surrendered its certificate of registration as Non Banking Finance Company to RBI. The Company is presently concentrating on the recovery of its dues and repaying its liabilities and is also engaged in trading activities of mobiles and accessories, 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 in provided in Note No.41.

The Ind AS financial statements of the Company for the year ended March 31, 2018 were authorised for issue in accordance with a resolution of the directors on May 29, 2018.

1.2 Basis of preparation of financial statements

These 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 ('Act') (to the extent notified). 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 "Ind AS Financial Statements".

For all periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP/previous GAAP). The Company has prepared Ind AS financial statements for the first time for the year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies on a going concern basis. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.

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

0.01 Use of estimates:

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

0.02 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.

0.03 Revenue Recognition:

a) Revenue is recognized when there is no uncertainty about recovery and the significant risks and rewards of ownership of goods/services have been passed to the retailer/buyer, which generally coincide with the dispatch of goods.
b) Interest is recognized using the time proportion basis based on rates implicit in the transaction.
c) Brokerage/commission received on sale of mobiles and accessories, insurance agency services has been accounted on accrual basis on certainty of realisation.
d) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

0.04 Property, Plant & Equipments:

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Recognition:

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

a) it is probable that future economic benefits associated with the item will flow to the entity; and
b) the cost of the item can be measured reliably.

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

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

Depreciation:

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

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

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

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

0.05 Investment properties:

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

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

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

0.06 Investments in subsidiaries and associates:

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

0.07 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.

0.08 Leases:

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

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

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

0.09 Inventories:

Inventories are valued as follows:

a) Stock on hire is valued at agreement values net of recoveries.
b) Stock of mobiles and accessories are valued at lower of cost or net realisable value. Cost includes all applicable costs incurred in bringing goods to its present location and condition. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

0.10 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.

0.11 Provisions and Contingent Liabilities:

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.

0.12 Employee Benefits:

a) 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.

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

c) **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.

d) **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.

0.13 Financial Instruments:

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

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

Effective Interest Method:

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

a) **Financial Assets**

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

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

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

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

b) 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. 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.

0.14 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.

0.15 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.

0.16 Taxes on income:

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

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

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

0.17 Earnings per Share:

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

1.4 Significant accounting Judgements, Estimates and Assumptions

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

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

A) Critical Accounting Estimates and Assumptions:

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

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

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

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

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

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

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

Further details about gratuity obligations are given in Note No. 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 Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired/constructed and reviewed periodically, including at each financial year end. The lives are based on the technical assessment which has relied on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

ii) **Fair value measurement of financial instruments**
The fair value of unquoted financial instruments are measured at the value in which it is being

transacted in the unquoted market as per the reliable financial and other information is available with the management. All other cases fair value is taken at nominal value.

iii) **Taxes**

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

1.5 New and amended Ind AS effective as on April 1, 2017

As per Companies (Indian Accounting Standards) Amendment Rules, 2017, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2017:

Ind AS 102 – Share based payments

The amendments to Ind AS 102 addresses three classification and measurement issues. These relate to measurement of cash-settled awards, modification of cash-settled awards and equity settled awards that include a 'net settlement' feature in respect of withholding taxes. Amendments to Ind AS 102 does not have an impact on the financial position of the Company.

Ind AS 7 – Statement of Cash Flows

The amendments to Ind AS 7 introduces an additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from i) cash flows, such as draw downs and repayments of borrowings, ii) non-cash changes (i.e., changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences.

The Management is of the opinion that the disclosure requirements contained therein have been fully adhered to and are appropriately disclosed in the Statement of Cash Flows forming part of these financial statements and there is no material implication which is necessary to be effected in the statement of cash flows.

1.6 Introduction of new standards and amendments to existing standards issued but not effective as on April 1, 2017

A) The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The amendments are applicable to the Company from April 01, 2018. The amendments made in the Rules are with respect to the following standards:

New Standard Ind AS 115, 'Revenue from Contracts with Customers' which supersedes Ind AS 11, 'Construction Contracts' and Ind AS 18, 'Revenue' and consequential amendments to other Ind AS due to notification of Ind AS 115.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' clarifying that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.

Amendments to Ind AS 12, 'Income Taxes', clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments further clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.

B) These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IFRS 15, 'Revenue for Contracts with Customers', IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and IAS 12, 'Income Taxes' respectively.

Ind AS 40 – Investment Property, Ind AS 28 – Investment in Associates and Joint Ventures, Ind AS 112 – Disclosure of Interests in Other entities have also been amended with effect from 1st April, 2018 which are not applicable to the Standalone financial statements of the Company.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the standalone financial statements. The Management however believes that the implication on financial statement of the above mentioned standards if any will not be material.

2. First Time Adoption of Ind AS

The Company has adopted Ind AS from April 01, 2017 and the date of transition to Ind AS is April 01, 2016. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standards". The Company has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS at April 1, 2016 and March 31, 2017 and of the total comprehensive income for the year ended March 31, 2017 as required by Ind AS 101.

The Company, accordingly has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 and March 31, 2018.

Exemptions Applied:

I. **Mandatory Exceptions**:

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Derecognition of financial assets and financial liabilities.

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

II **Classification and measurement of financial assets:**

Optional Exemptions

Deemed cost-Previous GAAP carrying amount: (PPE and Investment Property)

The Company has elected to continue to recognise with the carrying value of all its property, plant and equipments and investment property as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

Notes to Standalone Financial Statements for the year ended March 31, 2018

Balance Sheet as at April 01, 2016 and March 31, 2017 – Ind AS

2.01 Reconciliation of equity as previously reported under Indian GAAP to Ind AS Rupees in Thousands

Particulars	Note No.	As at April 01, 2016			As at March 31, 2017		
		Indian GAAP	Effect of Transition to Ind AS	Ind AS	Indian GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS							
Non-current Assets							
Property, plant and equipments	3	350	–	350	279	–	279
Investment property	4	48,560	–	48,560	47,445	–	47,445
Financial Assets:							–
Investments	5	11,854	77	11,931	11,854	186	12,040
Long term Loans	6	38,150	(35,278)	2,872	38,098	(35,045)	3,053
Other financial assets	7	17,107	–	17,107	16,000	–	16,000
Non-current tax assets (Net)	8	54,095	–	54,095	52,630	–	52,630
Other non-current assets	9	316	33,405	33,721	224	31,794	32,018
Total Non-current Assets		**170,432**	**(1,796)**	**168,636**	**166,530**	**(3,065)**	**163,465**
Current Assets							
Inventories	11	9,048	(4,750)	4,298	9,249	(9,249)	–
Financial Assets:							–
Investments	12	–	12,990	12,990	–	71,851	71,851
Trade Receivable	13	2,761	–	2,761	667	–	667
Cash and cash equivalents	14	3,725	–	3,725	1,439	–	1,439
Bank balances other than above	15	12,977	–	12,977	17,275	–	17,275
Short term Loans	16	6,026	–	6,026	13,738	–	13,738
Other Financials assets	17	1	–	1	973	–	973
Other current assets	18	758	1,223	1,981	86	1,612	1,698
Total Non-current Assets		**35,296**	**9,463**	**44,759**	**43,427**	**64,214**	**107,641**
TOTAL ASSETS		**205,728**	**7,667**	**213,395**	**209,957**	**61,149**	**271,106**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital	19	130,267	–	130,267	130,267	–	130,267
Other Equity	20	5,260	7,678	12,938	22,419	61,161	83,580
Total equity		**135,527**	**7,678**	**143,205**	**152,686**	**61,161**	**213,847**
Non-current Liabilities							
Financial Liabilities							
Other financial liabilities	21	5,764	(497)	5,267	5,776	(182)	5,594
Other non-current liabilities	22	–	169	169	–	–	–
Total Non-current Liabilities		**5,764**	**(328)**	**5,436**	**5,776**	**(182)**	**5,594**
Current Liabilities							
Financial Liabilities							
Short term borrowings	23	13,097	–	13,097	1,236	–	1,236
Trade payables	24	1,533	–	1,533	556	–	556
Other financial liabilities	25	49,126	–	49,126	48,688	–	48,688
Other current liabilities	26	681	317	998	1,015	170	1,185
Total Current liabilities		**64,437**	**317**	**64,754**	**51,495**	**170**	**51,665**
Total Equity and Liabilities		**205,728**	**7,667**	**213,395**	**209,957**	**61,149**	**271,106**

CIN : L65993KA1971PLC002106

Notes to Standalone Financial Statements for the year ended March 31, 2018

Statement of profit and loss for the year ended March 31, 2017

2.02 Reconciliation statement of Profit and Loss as previously reported under Indian GAAP to Ind AS

Rupees in Thousands

Particulars	Note No.	Year ended March 31, 2017		
		Indian GAAP	Effects of transition to Ind AS	Ind AS
Income:				
Revenue from operations	27	22,928	(3)	22,925
Other income	28	14,058	58,699	72,757
Total income		**36,986**	**58,696**	**95,682**
Expenses:				
Changes in inventories of traded goods	29	622	3,676	4,298
Employee benefits expense	30	7,664	(615)	7,049
Finance costs	31	738	315	1,053
Depreciation and amortization expense	32	1,218	–	1,218
Other Expenses	33	7,907	1,222	9,129
Total Expenses		**18,149**	**4,598**	**22,747**
Profit before tax		**18,837**	**54,098**	**72,935**
Less: Tax expense				
Current tax		1,650	–	1,650
Income tax for earlier years		28	–	28
Deferred tax		–	169	169
		1,678	**169**	**1,847**
Profit for the year		**17,159**	**53,929**	**71,088**
Other Comprehensive Income				
Items that will not be reclassified to Profit or Loss				
Remeasurement of net defined benefit plans	2.04(c)	–	(615)	(615)
Income tax effect	2.04(c)	–	169	169
Total Other Comprehensive Income (net of tax)		**–**	**(446)**	**(446)**
Total Comprehensive Income for the year		**17,159**	**53,483**	**70,642**

Statement of retained earnings as at April 01, 2016 and March 31, 2017 - Ind AS

2.03 Reconciliation of retained earnings as previously reported under Indian GAAP to Ind AS

Rupees in Thousands

Particulars	Note No.			
Opening Retained earnings as on March 31, 2016 (as per Previous GAAP)				(62,062)
Ind AS Adjustments as on April 1, 2016 (transition date)				
Effect of measuring fair value of investments	2.04(a)			8,316
Unwinding interest income on lease security deposit	2.04(b)			204
Unwinding Rental Income	2.04(b)			148
Unwinding interest expenses on financial liabilities	2.04(b)			(136)
Notional unwinding Rental expenses	2.04(b)			(854)
Retained Earnings as on April 1, 2016 as per Ind AS				**(54,384)**
Opening Retained Earnings as on April 1, 2016 as per Ind AS				(54,384)
Profit for the year ended March 31, 2017 (as per Previous GAAP)			17,159	
Ind AS adjustments increase/(decrease)				
Effect of measuring fair value of investments	2.04(a)	54,472		
Unwinding interest income on lease security deposit	2.04(b)	233		
Unwinding Rental Income	2.04(b)	316		
Unwinding interest expenses on financial liabilities	2.04(b)	(315)		
Notional unwinding Rental expenses	2.04(b)	(1,223)		
Remeasurement of net defined benefit plans reclassified under OCI	2.04(c)	615	54,098	
Profit before tax as per Ind AS			71,257	
Tax Expenses:				
Deferred Tax			(169)	
Profit after tax as per Ind AS			71,088	
Other comprehensive income/(expenses)				
Remeasurement of net defined benefit plans	2.04(c)	(615)		
Income tax effect	2.04(c)	169	(446)	70,642
Retained Earnings as on March 31, 2017 as per Ind AS				**16,258**

2.04 Notes to First Time Adoption of Ind AS

a) **Investment carried at Fair Value:** Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS these financial assets have been classified as Fair Value through Profit and Loss (FVTPL) on the date of transition and fair value changes after the date of transition have been recognised in statement of profit and loss.

Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Profit and Loss (FVTPL) at the date of transition.

b) **Security Deposit:** Under previous GAAP, interest free security deposit received from lessee and interest free security deposit given for lease (that are refundable in cash on completion of terms) were recorded at their transaction value. The Company has fair valued these financial liabilities/assets i.e., security deposit given/taken under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred revenue/prepaid rent.

c) **Remeasurement cost of post-employment benefit obligations:** Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

2.05 Statement of Cash Flow

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

3. Property, Plant and EQuipments

Rupees in Thousands

Description of the Assets	Tangible Assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Owned assets:					
Gross carrying amount					
Deemed cost as at April 01, 2016 [Refer Note (i) below]	188	63	–	99	350
Additions	–	–	–	32	32
Disposals/Adjustments	–	–	–	(27)	(27)
As at March 31, 2017	**188**	**63**	**–**	**104**	**355**
Additions during the year	55	–	3	54	112
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**243**	**63**	**3**	**158**	**467**
Accumulated Depreciation:					
Charge for the year	44	10	–	49	103
Disposals/Adjustments	–	–	–	(27)	(27)
As at March 31, 2017	**44**	**10**	**–**	**22**	**76**
Charge for the year	40	10	3	37	90
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**84**	**20**	**3**	**59**	**166**
Net block					
As at April 1, 2016	188	63	–	99	350
As at March 31, 2017	144	53	–	82	279
As at March 31, 2018	**159**	**43**	**–**	**99**	**301**

Notes:

i) The Company has elected to continue with the carrying value of Property Plant and Equipment as at the date of transition in its first Ind AS Financial Statements after making necessary adjustments as per Ind AS 101, "First Time Adoption of Indian Accounting Standards" as there is no change in the functional currency on the date of transition.

Disclosure of carrying value of Property Plant and Equipment as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date:

Rupees in Thousands

Particulars	Gross Block as at April 1, 2016	Accumulated Depreciation as at April 1, 2016	Accumulated Impairment loss as at April 1, 2016	Net Block Value as per IGAAP	Deemed Cost as at April 01, 2016
Plant & Machinery	381	193	–	188	188
Electrical Fittings	146	83	–	63	63
Furniture & Fittings	1,953	1,953	–	–	–
Office Equipments & Computers	525	426	–	99	99
	3,005	**2,655**	**–**	**350**	**350**

4. Investment Properties

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Gross Carrying amount			
Opening gross carrying amount/ Deemed cost [Refer note (a)]	**48,560**	48,560	48,560
Add : Additions	**–**	–	–
Closing cost	**48,560**	48,560	48,560
Accumulated depreciation			
Opening balance	**1,115**	–	–
Depreciation charge for the year	**1,115**	1,115	–
Closing balance	**2,230**	1,115	–
Net carrying amount	**46,330**	47,445	48,560

Notes:

a) The Company on transition to Ind AS, 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 & D13AA 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.

Disclosure of carrying value of Investment Property as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date :

Rupees in Thousands

Particulars	
Gross Block as at April 1, 2016	69,892
Accumulated Depreciation as at April 1, 2016	(21,332)
Net Block Value as per Indian GAAP	48,560
Ind AS Adjustment, if any	-
Deemed Cost as at April 01, 2016	**48,560**

b) Investment property includes shares of the face value of Rs.511/- (March 31, 2017 : Rs.511/-, April 1, 2016 : Rs.511/-) in Co-operative Housing Society.

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

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

Estimation of fair value

The Company has obtained independent valuation for its investment properties for the year ended March 31, 2018 on implementation of Ind AS. The best evidence for fair value is current prices in active market for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

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

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

Particulars	**March 31, 2018**	March 31, 2017
Rental Income	**4,417**	4,219
Direct operating expenses from property that generated rental income	**1,329**	901
Direct operating expenses from property that not generated rental income	**–**	–
Profit from Investment properties before Depreciation	**3,088**	3,318
Depreciation	**1,115**	1,115
Profit from investment properties	**1,973**	2,203

5 **Non-current investments** Rupees in Thousands

Particulars	**March 31, 2018**	March 31, 2017	April 01, 2016
Non-Current:			
Investment carried at cost:			
Wholly owned Subsidiary Companies			
Unquoted Equity shares (fully paid up)			
Manipal Properties Limited [Refer note 16(a)]	**999**	999	999
[9,989 (March 31, 2017: 9,989 and April 01, 2016: 9,989) shares of face value Rs.100/- each]			
Manipal Hotels Limited *	**500**	500	500
[50,000 (March 31, 2017: 50,000 and April 01, 2016: 50,000) shares of face value Rs.10/- each]			
Less: Provisions for diminution in value of investments Manipal Hotels Limited	**(500)**	(500)	(500)

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Investment carried at Fair Value through Profit or Loss			
In other Body Corporates:			
Unquoted Equity shares (fully paid up)			
Lingapur Estates Limited **	**1,734**	1,734	1,734
[153,392 (March 31, 2017 : 153,392 and April 01, 2016: 153,392) shares of face value Rs.10/- each]			
Manipal Housing Finance Syndicate Limited **	**9,103**	9,103	9,103
[729,000 (March 31, 2017 : 729,000 and April 01, 2016: 729,000) shares of face value Rs.10/- each]			
Manipal Finance Corporation Limited *	**9,181**	9,181	9,181
[449,163 (March 31, 2017 : 449,163 and April 01, 2016: 449.163) shares of face value Rs.10/- each]			
Quoted Equity shares (fully paid up)			
Development Cooperative Bank Ltd.	**194**	204	95
[1,200 (March 31, 2017 : 1,200 and April 01, 2016: 1,200) shares of face value Rs.10/- each]			
Less: Provisions for diminution in value of investments Manipal Finance Corporation Limited	**(9,181)**	(9,181)	(9,181)
Total	**12,030**	12,040	11,931

* impairment provision made for carrying value of investments.

** 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.

Break up of financial Investments

Investments carried at			
– cost	999	999	999
– fair value through profit or loss	11,031	11,041	10,932
Total	**12,030**	**12,040**	**11,931**

Aggregate cost amount of quoted investments	18	18	18
Aggregated market Value of quoted investments	194	204	95
Aggregate amount of unquoted investments (gross)	21,517	21,517	21,517
Aggregate amount of impairment in value of investments	(9,681)	(9,681)	(9,681)

6 **Long term loans**

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Rent and other deposits	**598**	598	650
Security deposit for lease	**4,672**	2,455	2,222
Total	**5,270**	3,053	2,872

Note:

The fair value of Loans is not materially different from the carrying value presented.

7 **Other non-current financial assets**

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Deposit with banks maturing after 12 months	**2,848**	235	1,070
Margin Deposit with banks [pledged as security against working capital loan]	**15,500**	15,500	15,500
Interest accrued on term deposits	**280**	265	537
Total	**18,628**	16,000	17,107

8 **Other non-current assets**

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Indirect tax input credit available	**144**	224	316
Prepaid Lease deposit	**41,870**	31,794	33,405
Total	**42,014**	32,018	33,721

9 **Non-current tax assets**

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Advance income tax(net)	**1,368**	102	3,351
Amount paid under protest [refer Note No. 38(b)]	**58,528**	52,528	50,744
Total [refer Note No. 10.03]	**59,896**	52,630	54,095

10 **Income Tax**

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Profit or loss section		
Current Tax	**11,560**	1,650
Income tax of earlier year	**–**	28
Deferred Tax	**150**	169
Tax expense/(credit) to Statement of Profit and Loss	**11,710**	1,847
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during in the year:		
Tax effect on re-measurement gains (losses) on defined benefit plans	**(150)**	(169)
Tax expense/(credit) to Other Comprehensive Income	**(150)**	(169)
Tax expense/(credit) to Total Comprehensive Income	**11,560**	1,678

10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Profit /(Loss) before tax	**47,744**	72,935
Applicable tax rate	**27.55%**	31.96%
Tax effect of income / (loss)	**13,155**	23,311
Adjustments:		
Tax effect on non-taxable income	**(731)**	(350)
Tax effect on non-deductible expenses	**494**	492
Portion of deferred tax asset not recognised on deductible expenses (net)	**(1,157)**	(22,167)
Effect on tax rate changes	**2**	(28)
Utilisation of unused tax allowances	**(11,613)**	(1,061)
Increase in minimum alternate tax over regular tax	**11,560**	1,650
Tax expense / (credit) to Statement of Profit and Loss	**11,710**	1,847
Tax expense / (credit) to Other Comprehensive Income	**(150)**	(169)
Tax expense / (credit) to Total Comprehensive Income	**11,560**	1,678
Effective Tax Rate	**24.21%**	2.30%

10.03 Non-current tax assets (net)

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening Balance receivable/(Payable)	**52,630**	54,095
Current tax payable for the year	**(11,560)**	(1,678)
Refund received during the year	**(325)**	–
Tax paid under protest	**6,000**	–
Current taxes paid	**13,151**	213
Closing balance of Non-current tax assets (net)	**59,896**	52,630
	–	–

10.04 Major component of deferred tax assets and liabilities for the year ended March 31, 2018 and March 31, 2017

Rupees in Thousands

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	For the year 2017-18	For the year 2016-17
Deferred tax liability on						
Accelerated depreciation for tax purposes		**3,672**	4,528	4,269	**(856)**	259
Fair valuation of investments		**16,918**	20,067	2,749	**(3,149)**	17,318
Gratuity Plan asset over liability		**174**	27	251	**147**	(224)
	(a)	**20,764**	24,622	7,269	**(3,858)**	17,353
Deferred Tax assets on:						
Income offered for income tax deductible in future on account of		**2,068**	3,974	13,336	**(1,906)**	(9,362)
unused business losses		–	3,334	4,569	**(3,334)**	(1,235)
unused depreciation allowance		**4,021**	14,756	15,335	**(10,735)**	(579)
Provision for doubtful debts		**46,593**	54,345	57,103	**(7,752)**	(2,758)
	(b)	**52,682**	76,409	90,343	**(23,727)**	(13,934)
Net deferred tax asset	**(a-b)**	**(31,918)**	(51,787)	(83,074)	**19,869**	31,287
Deferred tax (expense)/credit not recognised					**(19,869)**	(31,287)
Less: Net deferred tax asset not recognised [refer Note (a)]		**31,918**	51,787	83,074		
Net deferred tax asset		–	–	–		

Note: (a) The Company has not recognised deferred tax assets amounting to Rs.31,918 thousand (March 31, 2017: Rs.51,787 thousand, April 1, 2016: Rs.83,074 thousand) in respect of unused business loss, 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:

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unused business loss (Expiry period : AY 2021-22)	–	10,430	13,819
The unused depreciation allowances available for future taxable profit for unlimited period	**14,452**	46,169	46,381
Unused deductible temporary differences available for future taxable profit for unlimited period	**100,277**	105,432	191,059

10.06 Reconciliations of deferred tax (liabilities)/assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening balance	–	–
Tax income/(expense) during the period recognized in profit or loss	**150**	169
Tax income/(expense) during the period recognized in OCI	**(150)**	(169)
Closing balance	**–**	–

10.07 Amount recognized in other comprehensive income

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening balance	**(169)**	–
Add: Deferred tax asset / (liability) recognized during the year	**(150)**	(169)
Closing balance of deferred tax netted off with Other Comprehensive income	**(319)**	(169)

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 Inventories

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Stock on Hire (At agreement value less amount received and un-matured hire charges)			
Under Hire Purchase Agreements			
Considered Good	**–**	–	–
Considered Doubtful	**139,506**	141,906	144,401
	139,506	141,906	144,401
Less: Provision	**(139,506)**	(141,906)	(144,401)
(a)	**–**	–	–
Other Inventories			
Stock of Mobiles and Accessories	**–**	–	4,298
(b)	**–**	–	4,298
Total (a+b)	–	–	4,298

**valued at lower of cost or net realisable value

12 Current Investments

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Current:			
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, 2017 : 232,800 and April 01, 2016: 232,800) shares of face value Rs.10/- each]	**59,034**	50,529	2,329
Vedanta Ltd. [Nil (March 31, 2017 : 49,791 and April 01, 2016: 49,791) shares of face value Rs.1/- each]	–	13,690	4,474

Rupees in Thousands

Particulars	**March 31, 2018**	March 31, 2017	April 01, 2016
Reliance Industries Ltd. [2,000 (March 31, 2017 : 2,394 and April 01, 2016: 2,394) shares of face value Rs.10/- each]	**1,765**	3,162	2,502
The Sandur Manganese and Iron Ores Ltd. [Nil (March 31, 2017: 4,450 and April 01, 2016: 5,950) shares of face value Rs.10/- each]	**–**	3,089	2,761
HDFC Bank Ltd. [Nil (March 31, 2017 : 180 and April 01, 2016: 180) shares of face value Rs.10/- each]	**–**	260	193
Kirloskar Electric Co. Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/- each]	**–**	40	32
Panama Petrochem Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/- each]	**–**	147	64
Reliance Capital Ltd. [Nil (March 31, 2017 : 858 and April 01, 2016: 858) shares of face value Rs.10/- each]	**–**	528	316
Reliance Communications Ltd. [Nil (March 31, 2017 : 1,197 and April 01, 2016: 1,197) shares of face value Rs.10/- each]	**–**	46	60
Peria Karamalai Tea and Produce Company Ltd. [Nil (March 31, 2017: 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/- each]	**–**	160	133
Ultramarine & Pigments Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.2/- each]	**–**	184	109
Perfect-Octave Media Projects Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	**–**	–	6
Uniworth Ltd. [750 (March 31, 2017 : 750 and April 01, 2016: 750) shares of face value Rs.10/- each]	**1**	1	1
Libord Finance Ltd. [Nil (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	**–**	2	2
GTN Industries Ltd. [Nil (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	**–**	4	2
Mukesh Steels Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	**–**	3	3
Cimmco Birla Ltd. [Nil (March 31, 2017 : 6 and April 01, 2016: 6) shares of face value Rs.10/- each]	**–**	1	–
Summit Securities Ltd [Nil (March 31, 2017 : 1 and April 01, 2016: 1) shares of face value Rs.10/- each]	**–**	1	–
Precision Electronics Ltd. [25 (March 31, 2017 : 25 and April 01, 2016: 25) shares of face value Rs.10/- each]	**1**	1	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	**15**	–	–
Nova Iron & Steel Ltd. [240 (March 31, 2017 : 240 and April 01, 2016: 240) shares of face value Rs.10/- each]	**2**	3	2
Pirmal Glass Ltd. [Nil (March 31, 2017 : Nil and April 01, 2016: 7) shares of face value Rs.10/- each]	**–**	–	–
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	**–**	–	–
Twinstar Industries Ltd. [Nil (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	**–**	–	–

Rupees in thousands

Particulars	**March 31, 2018**	March 31, 2017	April 01, 2016
Adam Comsof Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	–	–	–
ICES Software Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	–	–	–
J. K. Pharmachemicals Pvt. Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Jalpac India Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Namtech Electronic Devices Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Sanghi Polyesters Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/- each]	–	–	–
SM Dyechem Ltd. [6 (March 31, 2017 : 6 and April 01, 2016: 6) shares of face value Rs.10/- each]	–	–	–
CMS Infotech Ltd. [500 (March 31, 2017 : 500 and April 01, 2016: 500) shares of face value Rs.10/- each]	–	–	–
Current:			
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, 2017 : 1,600 and April 01, 2016: 1,600) shares of face value Rs.10/- each]	–	–	–
Murugappa Holding Ltd. [Nil (March 31, 2017 : 66 and April 01, 2016: 66) shares of face value Rs.10/- each]	–	–	–
Adhunik Synthetics Ltd. [2,000 (March 31, 2017 : 2,000 and April 01, 2016: 2,000) shares of face value Rs.10/- each]	–	–	–
ATN International Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Genelec Ltd. [2,000 (March 31, 2017 : 2,000 and April 01, 2016: 2,000) shares of face value Rs.10/- each]	–	–	–
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2017 : 320,000 and April 01, 2016: 320,000) shares of face value Rs.10/- each]	–	–	–
Jayant Vitamins Ltd. [563 (March 31, 2017 : 563 and April 01, 2016: 563) shares of face value Rs.10/- each]	–	–	–
Parsurampuria Synthetics Ltd. [624 (March 31, 2017 : 624 and April 01, 2016: 624) shares of face value Rs.10/- each]	–	–	–
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2017 : 10,000 and April 01, 2016: 10,000) shares of face value Rs.10/- each]	–	–	–
Praman Capital Market Services Ltd. [191,500 (March 31, 2017: 191,500 and April 01, 2016: 191,500) shares of face value Rs.10/- each]	–	–	–

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
The Vijaykumar Mills Ltd. [8,000 (March 31, 2017 : 8,000 and April 01, 2016: 8,000) shares of face value Rs.10/- each]	–	–	–
Wartyhully Estates Ltd. [1,100 (March 31, 2017 : 1,100 and April 01, 2016: 1,100) shares of face value Rs.10/- each]	–	–	–
Datar Switch Gears Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Mega Centre Super Markets Ltd. [20,000 (March 31, 2017 : 20,000 and April 01, 2016: 20,000) shares of face value Rs.10/- each]	–	–	–
Nagarjuna Granites Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Pampasar Distilleries Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/- each]	–	–	–
Universal Print Systems Ltd. [Nil (March 31, 2017 : Nil and April 01, 2016: 5,000) shares of face value Rs.10/- each]	–	–	–
Quoted Debentures, fully paid up *			
Jayant Vitamins Ltd. [5,403 (March 31, 2017 : 5,403 and April 01, 2016: 5,403) debentures of face value Rs.10/- each]	–	–	–
Total	**60,818**	71,851	12,990

*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	**60,818**	71,851	12,990
Aggregate gross value of Unquoted Investment	–	–	–

13 Trade receivables

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Trade receivables - others	**872**	667	2,761
Total	**872**	667	2,761

Note:

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.

14 Cash and Cash Equivalents

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Cash and cash equivalents			
Cash on hand	**32**	49	22
Cheques, drafts and stamps on hand	**63**	500	5
Balances with banks in current accounts	**897**	890	3,698
Total	**992**	1,439	3,725

15 Other bank balances

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Restricted balances with banks in current account	**374**	374	374
Deposit with banks maturing between 3 to 12 months	**37,835**	16,901	12,603
Total	**38,209**	17,275	12,977

16 Short term loans

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Demerger receivables (secured)			
Considered good			
from wholly owned subsidiaries [Refer note (a)]	**1,266**	9,167	1,266
from Others	**–**	1,628	1,629
Considered doubtful			
from wholly owned subsidiaries [Refer note (b)]	**3,799**	3,799	11,667
from others	**101,006**	101,006	101,006
	106,071	115,600	115,568
Less: Provision	**(104,807)**	(104,805)	(112,674)
	1,264	10,795	2,894
Unsecured Loans			
Considered good	**2,703**	2,891	3,069
Considered doubtful	**62,650**	62,807	62,985
	65,353	65,698	66,054
Less: Provision	**(62,650)**	(62,807)	(62,985)
	2,703	2,891	3,069
Other Receivables	**29**	52	63
Total	**3,996**	13,738	6,026

Notes:

a) Demerger receivable:
Investment of Rs.999 thousands (March 31, 2017: Rs.999 thousands and April 01, 2016 : Rs.999 thousand) and demerger receivable of Rs.1,266 thousands (March 31, 2017: Rs.1,266 thousands and April 01, 2016 : Rs.1,266 thousand) being 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 respectively is considered good for recovery in the opinion of the management, as the present market value of the property vested in Manipal Properties Limited is adequate and in view of long term involvement with the said Company.

b) Demerger receivables considered doubtful includes Rs.3,799 thousands (March 31, 2017: Rs.3,799 thousand and April 01, 2016 : Rs.3,799 thousand) due from Manipal Properties Ltd., the wholly owned subsidiary companies.

17 Other Financial Assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Interest accrued on term deposits	**1,830**	973	1
Accrued Income	**76**	-	-
Total	**1,906**	973	1

18 Other Current Assets:

LIC Group Gratuity Fund Asset (net)	**627**	86	758
Prepaid Lease deposit	**1,807**	1,612	1,223
Total	**2,434**	1,698	1,981

19 Equity Share Capital

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Authorized Capital			
35,000,000 [March 31, 2017: 35,000,000 and April 01, 2016 : 35,000,000] Equity Shares of Rs.10/- each	**350,000**	350,000	350,000
15,000,000 [March 31, 2017: 15,000,000 and April 01, 2016 : 15,000,000] Preference Shares of Rs.10/- each	**150,000**	150,000	150,000
	500,000	500,000	500,000
Issued, Subscribed and Paid-Up Capital			
13,026,700 [March 31, 2017:13,026,700 and April 01, 2016 : 13,026,700] Equity Shares Rs.10 each fully paid-up	**130,267**	130,267	130,267
Total	**130,267**	130,267	130,267

Rupees in Thousands

	Number of shares	
Notes:		
a) Reconciliation of number of shares		
Equity shares of Rs.10 each		
March 31, 2018		
Balance at the beginning of the year	**13,026,700**	130,267
Shares issued during the year	**–**	–
Balance at the end of the year	**13,026,700**	130,267
March 31, 2017		
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
April 1, 2016		
Balance at the beginning of the year	**13,026,700**	130,267
Shares issued during the year	**–**	–
Balance at the end of the year	**13,026,700**	130,267

b) Rights, preferences and restrictions attached to shares

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2018.

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 shares held by shareholders holding more than 5% of the aggregate shares in the Company / Holding Company/ultimate Holding Company or its subsidiaries:

Name of the Share Holder	**March 31, 2018**		March 31, 2017		April 01, 2016	
	No. of Shares held	**% of Holding**	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%	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%	1,476,600	11.34%
Mahendra Girdharilal	**1,215,023**	**9.33%**	1,215,023	9.33%	1,215,023	9.33%
The Academy of General Education	**868,488**	**6.67%**	868,488	6.67%	868,488	6.67%
Life Insurance Corporation of India	**677,001**	**5.20%**	677,001	5.20%	677,001	5.20%

20 Other Equity

Rupees in Thousands

Particulars	**March 31, 2018**	March 31, 2017	April 01, 2016
Securities Premium [Refer Note (a) below]			
Opening Balance	**33,334**	33,334	33,334
Add: Additions during the year	–	–	–
Closing Balance	**33,334**	33,334	33,334
Other Reserve [Refer Note (b) below]			
Opening Balance	**33,988**	33,988	33,988
Add: Additions during the year	–	–	–
Closing Balance	**33,988**	33,988	33,988
Retained Earnings [Refer Note (c) below]			
Opening Balance	**16,258**	(54,384)	(62,062)
Add: Ind AS transitional adjustments	–	–	7,678
Add: Profit for the current year	**36,034**	71,088	–
Add: Remeasurement of post employee benefit obligation, net of tax	**(388)**	(446)	–
Closing Balance	**51,904**	16,258	(54,384)
Total	**119,226**	83,580	12,938

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.

21 Other financial liabilities Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Lease/Rent Deposits	**5,776**	5,594	5,267
Total	**5,776**	5,594	5,267

22 Other non-current liabilities Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Advance rent	–	–	169
Total	–	–	169

23 Short term borrowings Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Secured Loans			
Working Capital Loans from Banks	**5,404**	1,236	13,097
Total	**5,404**	1,236	13,097

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to Rs.15,500 thousands (March 31, 2017: Rs.15,500 thousands, April 01, 2016 : Rs.15,500 thousands).

Terms of repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 8.10% to 10.50% p.a.

24 Trade payables Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Due to Micro and small enterprises*	–	–	–
Due to other than Micro and small enterprises	**460**	556	1,533
Total	**460**	556	1,533

*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.

25 Other financial liabilities Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Public Liabilities			
- disputed public liabilities (a)	**739**	739	739
- interest on matured deposits (b)	**66**	6,080	6,215
- interest on matured debentures (b)	**10,132**	10,421	10,906
- interest on matured subordinated debts (b)	**2,060**	2,108	2,206
- other Public Liabilities (b)	**17,871**	28,900	28,994
Employee Dues	**444**	440	66
Total	**31,312**	48,688	49,126

a) Represents public liabilities which is held and not paid as the matter being subjudice with Honourable Courts.

b) The management is of the opinion that the due date for remittance of unclaimed public liabilities starts after seven years from the due date of the last instalment of the instrument as per the Scheme of Arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004 and filed with the Registrar of Companies, Karnataka on December 30, 2004 (i.e. effective date) in respect of repayment of instruments which were payable in more than one instalments. Accordingly the management considers Rs.30,114 thousands is due for payment to Investor Education and Protection Fund ('IEPF') and accordingly discharged the liability on May 22, 2018 and May 24, 2018.

26. Other current liabilities

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Other Payables	**980**	879	519
Statutory Dues	**271**	136	163
Advance Lease Rent	–	170	316
Total	**1,251**	1,185	998

27 Revenue from operations

Rupees in Thousands

Particulars	2017-18	2016-17
Operating revenue:		
Interest on demerger receivables	**10,600**	6,000
Bad debts recovered	**2,475**	1,225
Profit on sale of shares and securities	**33,641**	2,206
Sale of mobiles and accessories	**185**	1,813
Rent Received	**9,798**	10,049
Maintenance charges received	**1,064**	1,064
Other operating revenue:		
Service charges and commission	**586**	568
Total	**58,349**	22,925

28 Other income

Rupees in Thousands

Particulars	2017-18	2016-17
Dividend received from		
Non-current Investments	**598**	445
Others	**1,584**	132
Interest on term deposit	**3,639**	2,454
Interest on loans and advances	**73**	87
Other interest	–	320
Unwinding Rental Income	**169**	316
Unwinding interest on lease security deposit	**410**	233
Fair value gain/(loss) on financial instruments	**(1,814)**	58,151
Profit on sale of owned / leased assets	**9**	2
Sundry balances written back	–	51
Reversal of provisions no longer required	**2,557**	10,542
Miscellaneous income	**2**	24
Total	**7,227**	72,757

29 Changes in inventories of traded goods Rupees in Thousands

Particulars		2017-18	2016-17
Opening stock			
Mobiles and Accessories		–	4,298
	(a)	–	4,298
Closing stock			
Mobiles and Accessories		–	–
	(b)	–	–
Total	**(a-b)**	–	4,298

30 Employee benefits expense Rupees in Thousands

Particulars	2017-18	2016-17
Salaries, wages and bonus	**6,302**	5,808
Contribution to provident and other funds [Refer note no. 39]	**741**	713
Gratuity [Refer note no. 39]	**88**	67
Staff welfare expenses	**395**	461
Total	**7,526**	7,049

31 Finance Costs Rupees in Thousands

Particulars	2017-18	2016-17
Interest on		
– working capital loan from bank	**133**	707
Interest Others		
– delay in payment of taxes	–	2
Unwinding interest expenses on financial liabilities	**182**	315
Bank charges	**20**	29
Total	**335**	1,053

32 Depreciation expense Rupees in Thousands

Particulars	2017-18	2016-17
Depreciation on tangible assets	**90**	103
Depreciation on investment property	**1,115**	1,115
Total	**1,205**	1,218

33 Other Expenses Rupees in Thousands

Particulars	2017-18	2016-17
Rent, rates and taxes	**3,337**	3,423
Printing and stationery	**128**	165
Directors sitting fees	**33**	36
Travelling and conveyance	**460**	415
Postage, telegram and telephones	**249**	303
Insurance	**5**	35
Repairs and Maintenance:		
Buildings	**1,221**	1,029
Others	**190**	255
Advertisement and Business Promotion	**135**	114
Legal and Professional Charges	**2,267**	1,676
Auditors Remuneration:		
Audit Fees	**225**	172
Certification	**50**	87
Service Charges	**347**	359
Bad debts written off	–	885
Sundry Expenses	**119**	175
Total	**8,766**	9,129

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets carried at cost			
Investment in equity shares of subsidiary	**999**	999	999
Financial assets carried at amortised cost			
Trade Receivables	**872**	667	2,761
Cash and Cash equivalents	**992**	1,439	3,725
Bank balances other than above	**38,209**	17,275	12,977
Loans	**9,266**	16,791	8,898
Other financial assets	**20,534**	16,973	17,108
Financial assets carried at fair value through profit or loss			
Investments in equity/debt instruments	**71,849**	82,892	23,922
Total	**142,721**	137,036	70,390
Financial liabilities carried at amortised cost			
Borrowings	**5,404**	1,236	13,097
Trade payables	**460**	556	1,533
Other financial liabilities	**37,088**	54,282	54,393
Total	**42,952**	56,074	69,023

34.02 Fair value hierarchy

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

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

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

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

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

Rupees in thousands

Particulars	Level	March 31, 2018	March 31, 2017	April 01, 2016
Assets measured at fair value through profit or loss:				
Financial assets carried at fair value through profit or loss	Level 1	**61,012**	72,055	13,085
	Level 2	**10,837**	10,837	10,837
	Level 3	**–**	–	–
Liabilities measured at fair value through profit or loss:		–	–	–

During the year ended March 31, 2018 and March 31, 2017 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.

35 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.

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 borrowings and deposits.

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

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

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

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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Upto 3 months	**872**	667	2,761
3 to 6 months	**–**	–	–
More than 6 months	**–**	–	–
Total	**872**	667	2,761

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.

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

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

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

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

Non-derivative financial liabilities Rupees in thousands

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Financial liabilities					
Borrowings	5,404	5,404	–	–	–
Trade payables	460	–	460	–	–
Other financial liabilities	37,088	31,312	–	5,776	–
Total	**42,952**	**36,716**	**460**	**5,776**	**–**
As at March 31, 2017					
Financial liabilities					
Borrowings	1,236	1,236	–	–	–
Trade payables	556	–	556	–	–
Other financial liabilities	54,464	48,688	–	5,776	–
Total	**56,256**	**49,924**	**556**	**5,776**	**–**
As at April 1, 2016					
Financial liabilities					
Borrowings	13,097	13,097	–	–	–
Trade payables	1,533	–	1,533	–	–
Other financial liabilities	54,890	49,126	–	5,764	–
Total	**69,520**	**62,223**	**1,533**	**5,764**	**–**

35.04 Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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, 2018, March 31, 2017 and April 1, 2016. Thus, diluted EPS equals basic EPS.

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

Sl. No.	Particulars	2017-18	2016-17
a)	Nominal value per share (in Rupees)	**10**	10
b)	Net Profit available for equity share holders (Rupees in thousands)	**36,034**	71,088
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic / Diluted EPS of Rs.10/- each (in Rupees)	**2.77**	5.46

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 (i.e., effective date) the Company had implemented the scheme and accordingly repaid all instalments of debentures, deposits and subordinated debts, except to the extent unclaimed / cheques issued but not encashed by the instrument holders. The Company has filed an affidavit on August 31, 2010 before the Court stating that the scheme has been successfully implemented and the Court has passed an Order stating that Scheme of Arrangement sanctioned by the Court on October 15, 2004 is fully complied by the company.

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

38 Contingent liabilities and commitments

Rupees in Thousands

Sl. No.	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
1	Claims against the company/disputed liabilities not acknowledged as debt/liabilities [Refer note (a) below]	**2,222**	2,222	2,222
2	Block assessment from AYs 1987-88 to 1997-98 [Refer note (b) below]	**102,404**	102,404	102,404

Notes: a) The Company had entered into lease deed with Jai Bharath Mills Private Limited ('JBM / lessor') on July 12, 1974 in respect of certain land situated at Yeshwantpura Village of Bangalore on which Company had constructed industrial sheds and rented out for the lease period as per the lease deed. The said lease agreement with JBM is under dispute. JBM had referred the matter to an arbitrator, in respect of which arbitral award was given entitling the company to receive compensation for the Buildings constructed with a direction to vacate the said premises and payment of differential rents/mesne profits which was also been upheld by District & Sessions Judge (D&SJ) (Retired), Bangalore under Section 34 of Arbitration and Conciliation Act, 1996. The Company is in the process of filing an appeal against the Orders of D&SJ before the Hon'ble High Court of Karnataka. The Company's management is of the opinion that considering the proposed appeal against the said order and counter claims by the Company including the favourable award by way of compensation for improvements and construction of sheds by the arbitrator, the Company is confident of getting sufficient compensation on surrender of the disputed properties which would be more than the liability determined by the above said arbitral award and no additional liability would arise. Hence, the Company does not foresee any outflow in this regard and has not made any provision in the books of account.

b) Represents income tax demand of Rs.102,404 thousands (March 31, 2017 : Rs.102,404 thousands, April 1, 2016: Rs.102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987-88 to 1997-98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Company has deposited Rs.58,528 thousands (March 31, 2017: Rs.52,528 thousands, April 1, 2016 Rs.50,744 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.

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:

Rupees in Thousands

Particulars	2017-18	2016-17
Provident and pension fund	**545**	524
Employee state insurance	**172**	165
Total	**717**	689

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**3,939**	3,055
Current service cost	**141**	118
Interest cost	**301**	241
Actuarial loss / (gains)	**496**	601
Benefits paid	**(289)**	(76)
Closing defined benefit obligation	**4,588**	3,939

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Change in Fair Value of Assets		
Opening fair value of plan assets	**4,026**	3,814
Expected return on plan assets	**354**	302
Actuarial gain / (loss)	**(42)**	(14)
Actual Contributions by Employer	**1,167**	–
Benefits paid	**(289)**	(76)
Closing fair value of plan assets	**5,216**	4,026
Net (asset) / liability recognized	**(628)**	(87)
Expenses recognized during the year		
Current service cost	**141**	118
Net interest on net defined benefit liability/ (Asset)	**301**	241
Expected return on plan assets	**(354)**	(302)
Net gratuity cost	**88**	57
Remeasurement of the net defined benefit liability /(asset)		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumption	**(124)**	447
Actuarial changes arising from changes in experience adjustments	**620**	154
Actuarial changes arising from changes in discount rate	**42**	14
Return on plan assets excluding interest income	**–**	–
Recognized in other comprehensive income	**538**	615
Remeasurement of the net defined benefit liability /(asset)		
Net actuarial loss / (gain) recognized in OCI	**538**	615
	538	615
Actual return on plan assets	**312**	288
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**865**	152
Between 2 and 5 years	**2,691**	1,760
Between 5 and 10 years	**1,033**	2,027
vii) 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	**4,484**	3,761
(ii) one percentage point decrease in discount rate	**4,697**	4,130
(i) one percentage point increase in salary escalation rate	**4,705**	4,134
(ii) one percentage point decrease in salary escalation rate	**4,474**	3,755
(i) one percentage point increase in employee turnover rate	**4,589**	3,942
(ii) one percentage point decrease in employee turnover rate	**4,586**	3,937

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Sensitivity Analysis Method		
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all the other actuarial assumptions constant.		
The major category of plan assets as a percentage of the fair value of the total plan assets are as follows:		
Investment with Insurer managed funds	**100%**	100%
Principal actuarial assumptions used		
Discount rate (p.a.)	**7.93%**	8.00%
Expected rate of return on plan assets (p.a.)	**8.79%**	7.92%
Rate of increase in compensation levels	**5.00%**	6.00%
Weighted average duration of defined benefit obligation	**5.35 Years**	6.90 years
Attrition Rate	**3.00%**	3.00%
Retirement Age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Modified (Ultimate)	
Expected employer's contribution for the next year	**112**	110

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2018, March 31, 2017 and April 01, 2016, 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 Operating lease:

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Lease rentals under cancellable lease	**277**	411

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

i) Wholly owned subsidiaries	Manipal Hotels Limited Manipal Properties Limited
ii) Key Management Personnel	T. Mohandas Pai – Chairman and Whole-time Director H. N. S. Rao – Non-Independent director Vimala C. Kamath – Non-Independent director

iii) Details of the transactions *: Rupees in Thousands

Sl. No.	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
a)	Details of transaction are as follows:			
	i) Interest income on Demerger receivable from			
	- Wholly owned subsidiaries			
	Manipal Properties Limited	**5,000**	6,000	**
	Manipal Hotels Limited	**5,600**	–	**
	ii) Provisions no longer required			
	- Wholly owned subsidiaries			
	Manipal Hotels Limited	–	7,869	**
b)	Details of Balance sheet movement are as follows:			
	i) Reimbursement of expenses paid and recovered from			
	- Wholly owned subsidiaries			
	Manipal Properties Limited	**2,342**	1,344	1,246
	Manipal Hotels Limited	–	33	30
	ii) Recovery of Demerger receivable from			
	- Wholly owned subsidiaries			
	Manipal Properties Limited	**5,000**	6,000	2,546
	Manipal Hotels Limited	**5,600**	–	–
c)	Details of outstanding balances are as follows:			
	i) Investment in equity instrument of			
	- Wholly owned subsidiaries			
	Manipal Properties Limited	**999**	999	999
	Manipal Hotels Limited	**500**	500	500
	ii) Provision for Diminution in value of Investments in			
	- Wholly owned subsidiaries			
	Manipal Hotels Limited	**500**	500	500
	iii) Balance due from			
	- Wholly owned subsidiaries			
	Manipal Properties Limited (gross)	**5,065**	5,065	5,065
	Manipal Hotels Limited (gross)	–	7,901	7,869
	iv) Provisions recorded towards dues receivable including income reversal			
	- Wholly owned subsidiaries			
	Manipal Properties Limited	**11,232**	16,232	22,232
	Manipal Hotels Limited	–	–	7,869
d)	Sitting fees paid to non-independent directors during the year			
	H. N. S. Rao	**6**	6	**
	Vimala C. Kamath	**6**	6	**

* Related party transactions given above are as identified by the management.

** The related party disclosures for opening balances as at April 01, 2016 given above are only with regard to Balance Sheet items and does not include transactions taken place during the Financial Year 2015-16.

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

Details of Segmental information Rupees in Thousands

Particulars	**Financial Services (Recovery activities)**	**Trading Activities**	**Rent on premises**	**Others**	**Total**
Segment Revenue					
External Turnover	13,075	33,826	10,862	586	58,349
	7,225	*4,019*	*11,113*	*568*	*22,925*
Inter segment turnover	–	–	–	–	–
	–	–	–	–	–
Net Turnover	**13,075**	**33,826**	**10,862**	**586**	**58,349**
	7,225	*4,019*	*11,113*	*568*	*22,925*
Segment Results	6,555	30,888	8,736	275	46,454
	8,397	*55,881*	*9,631*	*262*	*74,171*
Unallocated expenses					(5,121)
					(5,213)
Sundry Balances written back					–
					51
Interest Income					3,639
					2,774
Dividend Income					2,182
					577
Other Income					590
					575
Profit before tax					**47,744**
					72,935
Taxes					11,710
					1,847
Net Profit After Tax					**36,034**
					71,088
Other Information					
Segment Assets	76,822	61,329	95,599	50	233,800
	61,985	*72,546*	*83,895*	*50*	*218,476*
Segment Liabilities	37,967	460	5,776	–	44,203
	50,939	*556*	*5,764*	–	*57,259*
Capital Expenditure					112
					32
Depreciation					1,205
					1,218

Notes:

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

b) No single external customer contributing 10% or more 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 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

ICDS LIMITED

CIN - L65993KA1971PLC002106

SCHEDULE TO THE BALANCE SHEET OF ICDS LIMITED

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

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side:		
1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	a) Debentures : Secured	–	–
	: Unsecured * (other than falling within the meaning of public deposits)	10,571	10,571
	b) Deferred Credits	–	–
	c) Term Loans	–	–
	d) Inter-corporate loans and borrowing	–	–
	e) Commercial Paper	–	–
	f) Public Deposits *	66	66
	g) Other Loans (subordinated debts, working capital loans) *	7,464	2,060
2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	a) In the form of Unsecured debentures	–	–
	b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	–	–
	c) Other public deposits *	66	66
	Assets side:	**Amount Outstanding**	**Amount Overdue**
3)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below):**		
	a) Secured	–	–
	b) Unsecured	2,703	–
4)	**Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:**		
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial lease	–	–
	b) Operating lease	–	–
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire	–	–
	b) Repossessed Assets	–	–
	iii) Hypothecation loans counting towards EL/HP activities:		
	a) Loans where assets have been repossessed	–	–
	b) Loans other than (a) above	–	–

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

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
5)	**Break-up of Investments:**		
	Current Investments: (Stock in trade considered)		
	1. **Quoted:**		
	i) Shares: a) Equity	71,851	–
	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	1,734	–
	b) Preference	–	–
	ii) Debentures and Bonds	–	–
	iii) Units of Mutual Bonds	–	–
	iv) Government Securities	–	–
	v) Others	–	–
	2. **Unquoted:**		
	i) Shares: a) Equity	10,120	–
	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	2,110	–

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	–	129,410	129,410
	Total	**–**	**129,410**	**129,410**

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)	999	999
	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	**10,120**	**10,120**
8)	**Other Information**		
	Particulars		**Amount**
	i) Gross Non-Performing Assets	–	313,294
	a) Related Parties	–	–
	b) Other than related parties	–	313,294
	ii) Net Non-Performing Assets	–	–
	a) Related Parties	–	–
	b) Other than related parties	–	–
	iii) Assets acquired in satisfaction of debt	–	1,584

Note:

1) The demerger receivables of Rs.12,499 thousands (Rs.12,66 thousands net of provisions) from Manipal Properties Ltd., are not shown in the above statement (Item No. 6 & 8) as the same are not in the nature of loans and advances in the opinion of the management in view of prudence.
2) Loans and advances, stock on hire are shown at net of provisions.
3) Matured Debentures are not shown as public deposits in line with the disclosure requirements.
4) Stock in trade of shares are shown at cost or market value whichever is less and are considered as current investments.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF ICDS LIMITED

We have audited the accompanying consolidated Ind AS financial statement of ICDS Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance (including Other Comprehensive Income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind As 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 Ind As Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, referred to in the Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by 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, 2018, their Consolidated Profit (including Other Comprehensive Income), their Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Other Matters

a) We did not audit the financial statements and other financial information, in respect of two Subsidiary Companies, whose financial statements include total assets of Rs.33,483 thousands as at March 31, 2018, total revenue of Rs.8,303 thousands and net cash inflows of Rs.123 thousands for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

b) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the statutory consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India audited by M/s Chaturvedi & Shah, Chartered Accountants (predecessor auditor), whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 18, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as referred in the 'Other Matters' 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   c) The Consolidated Balance Sheet, 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 Ind AS financial statements;

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

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries incorporated in India, none of the directors of the Group's Companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries refer to our separate report in "Annexure - A" to this report;

   g) 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 consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 39 to the consolidated Ind AS financial statements.

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

      iii. The Holiday Company during the year has remitted with delay an amount of Rs.16,923 thousand which was due to the Investor Education and Protection Fund (IEPF) and the balance amount of Rs.30,114 thousands, which was due to IEPF on balance sheet date has been remitted to IEPF before signing of the financial statement for the year ended March 31, 2018. Further, an amount of Rs.739 thousands is not remitted to IEPF as the matter being subjudice.

      iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 08, 2016 to December 30, 2016 which are not relevant to these consolidated Ind AS financial statements. Hence, reporting under this Clause is not applicable.

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

Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 29.05.2018

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF ICDS LIMITED

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **ICDS Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries which are incorporated in India together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries which are incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective Companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to separate financial statements of two subsidiaries, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies.

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

Sudhir Prabhu K.
Partner
Membership Number: 209589

Place : Bengaluru
Date : 29.05.2018

ICDS LIMITED

CIN - L65993KA1971PLC002106

Consolidated Balance Sheet as at March 31, 2018

Rupees in Thousands

Particulars	Note No.	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipments	3	**301**	279	350
Investment property	4	**74,572**	75,841	77,110
Financial Assets:				
Investments	5	**11,031**	11,041	10,932
Long term loans	6	**5,270**	3,053	2,872
Other financial assets	7	**18,628**	16,000	17,107
Other Non-current assets	8	**42,014**	32,018	33,721
Non-current tax assets (Net)	9	**59,918**	52,630	54,243
Deferred tax assets (Net)	10	–	–	–
Total Non-Current Assets		**211,734**	190,862	196,335
Current Assets				
Inventories	11	–	–	4,298
Financial Assets:				
Investments	12	**60,818**	71,851	12,990
Trade Receivable	13	**1,272**	1,031	3,156
Cash and cash equivalents	14	**1,482**	1,806	4,273
Bank balances other than above	15	**42,480**	21,338	16,777
Short term loans	16	**2,731**	18,089	12,590
Other financial assets	17	**1,963**	1,029	65
Other Current Assets	18	**2,434**	1,698	1,981
Total Current Assets		**113,180**	116,842	56,130
Total Assets		**324,914**	307,704	252,465
EQUITY AND LIABILITIES				
Equity:				
Equity Share Capital	19	**130,267**	130,267	130,267
Other Equity	20	**146,170**	115,560	47,653
Total Equity		**276,437**	245,827	177,920
Non-Current Liabilities				
Financial Liabilities				
Other financial liabilities	21	**7,761**	8,804	8,172
Other non-current liabilities	22	**208**	483	987
Total Non-current liabilities		**7,969**	9,287	9,159
Current Liabilities				
Financial Liabilities				
Short term borrowings	23	**5,404**	1,236	13,097
Trade payables	24	**460**	556	1,533
Other financial liabilities	25	**31,312**	48,688	49,126
Other current liabilities	26	**3,243**	1,552	1,630
Short term provisions	27	**89**	558	–
Total Current Liabilities		**40,508**	52,590	65,386
Total Equity and Liabilities		**324,914**	307,704	252,465

Significant Accounting Policies 1

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

As per our report of even date attached.

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Rupees in Thousands

Particulars	Note No.	2017-18	2016-17
Income			
Revenue from operations	28	**55,243**	23,987
Other income	29	**8,036**	71,206
Total Income		**63,279**	95,193
Expenses:			
Changes in inventories of traded goods	30	–	4,298
Employee benefits expense	31	**7,588**	7,049
Finance costs	32	**697**	1,407
Depreciation expense	33	**1,359**	1,372
Other Expenses	34	**9,656**	9,573
Total Expenses		**19,300**	23,699
Profit before tax		**43,979**	71,494
Less: Tax expense			
Current tax	10	**12,831**	2,944
Income tax for earlier years		–	28
Deferred tax	10	**150**	169
		12,981	3,141
Profit for the year		**30,998**	68,353
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit plans	40	**(538)**	(615)
Income tax effect	10	**150**	169
Total Other Comprehensive Income (Net of Tax)		**(388)**	(446)
Total Comprehensive Income for the year		**30,610**	67,907
Earnings per equity share of face value of Rs.10/- each			
Basic and Diluted (in Rupees)	37	**2.38**	5.25

Significant Accounting Policies 1

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

As per our report of even date attached.

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

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

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

CIN : L65993KA1971PLC002106

Consolidated Statement of changes in equity for the year ended March 31, 2018

Rupees in Thousands

Particulars	Equity Share Capital	Securities premium	Other Reserve	Retained earnings	Total equity
Balance as at April 1, 2016	**130,267**	**33,334**	**33,988**	**(19,669)**	**177,920**
Changes in equity for the year ended March 31, 2017					
Profit for the year	–	–	–	68,353	**68,353**
Other comprehensive income					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	–	(446)	**(446)**
Balance as at March 31, 2017	**130,267**	**33,334**	**33,988**	**48,238**	**245,827**
Changes in equity for the year ended March 31, 2018					
Profit for the year	–	–	–	30,998	**30,998**
Other comprehensive income					
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	–	–	–	(388)	**(388)**
Balance as at March 31, 2018	**130,267**	**33,334**	**33,988**	**78,848**	**276,437**

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

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

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

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

Sd/-
H. N. S. Rao
Director
DIN-00106953

Sd/-
Bharath K. Nayak
Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

CIN : L65993KA1971PLC002106

Consolidated Statement of Cash Flows for the year ended March 31, 2018

Rupees in Thousands

	Particulars	2017-18	2016-17
(A)	**Cash flow From operating activities**		
	Profit before tax	**43,979**	71,494
	Adjustments for:		
	Depreciation and amortization expense	**1,359**	1,372
	Interest expenses	**133**	707
	Profit on sale of fixed assets	**(9)**	(2)
	Profit on sale of investments	**(33,641)**	(2,206)
	Fair value gain on financial instrument	**1,814**	(58,151)
	Unwinding of income	**(914)**	(883)
	Unwinding charges of expenses	**2,131**	1,843
	Interest on term deposits	**(4,031)**	(2,744)
	Dividends	**(2,182)**	(577)
	Reversal of provisions and balances written back	**(2,639)**	(8,412)
	Bad debts written off	**–**	885
	Operating profit before working capital changes	**6,000**	3,326
	Adjustments for change in working capital		
	(Increase)/decrease in trade receivables	**(241)**	1,240
	(Increase)/decrease in loans & advances and other assets	**832**	567
	(Increase)/decrease in Inventories	**2,400**	6,793
	Increase/(decrease) in Trade Payables and other liabilities	**(10,763)**	(566)
	Cash generated from operations	**(1,772)**	11,360
	Less: Interest paid	**(6,484)**	(1,425)
	Income Tax (paid)/refunded	**(20,588)**	(801)
	Net cash from/(used in) operating activities	**(28,844)**	9,134
(B)	**Cash flow from Investing activities**		
	Purchase of fixed assets	**(112)**	(32)
	Sale of fixed assets	**9**	2
	Sale of non-current investments	**10**	-
	Sale proceeds of current investment	**42,883**	2,209
	Purchase of investment for trading	**(23)**	(822)
	Decrease/(increase) in restricted deposits/bank balances	**(23,755)**	(3,726)
	Interest received	**3,158**	2,052
	Dividend received	**2,182**	577
	Net cash from/(used in) investing activities	**24,352**	260
(C)	**Cash flow from Financing activities:**		
	Increase/(decrease) of Bank Borrowing	**4,168**	(11,861)
	Net Cash from/(used in) Financing Activities	**4,168**	(11,861)
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	**(324)**	(2,467)
	Cash and Cash Equivalents at Beginning of the Year	**1,806**	4,273
	Cash and Cash Equivalents at End of the Year	**1,482**	1,806

Rupees in Thousands

Particulars	2017-18	2016-17
Break-up of cash and cash equivalents		
Cash on hand	32	49
Cheques, drafts and stamps on hand	63	500
Balances with banks in current accounts	1,387	1,257
Cash and Cash Equivalent as at end of the year	**1,482**	**1,806**

Notes:

1. The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows.
2. Effective from April 01, 2017, the Company adopted the amendments to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash charges, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. Since the Company has adopted amendments to Ind AS 7 for the first time during the year, previous year reconciliation are not given. The reconciliation is as given below:

Rupees in Thousands

Particulars	March 31,2018
Short Term Borrowings	
Opening Balance	**1,236**
Proceeds/(repayment) of short term borrowings (net)	**4,168**
Non-cash fair value charges	–
Closing balance	**5,404**

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

As per our report of even date attached.

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sudhir Prabhu K.	**H. N. S. Rao**	**Bharath K. Nayak**	**G. R. Nayak**	**Veena Hegde**
Partner	*Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No.: 209589	DIN-00106953	DIN-00776729		Membership No.: A45746

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

Significant Accounting Policies and Notes to Consolidated Financial Statements

1. Group Overview and Significant Accounting Policies

1.1 Group overview

ICDS Limited ("the Company"/"the Parent Company") is incorporated on October 21, 1971 and registered as a Non-Banking Financial Company (NBFC). The ICDS Limited together with all of its subsidiaries hereinafter referred to as "the Group". The parent 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 mobiles and accessories, marketing of the insurance products of life and general insurance companies and earning income from letting out of premises. The Group is diversifying into more fee based activities.

The Group's Consolidated Ind AS financial statements for the year ended March 31, 2018 were authorised for issue in accordance with a resolution of the directors on May 29, 2018.

1.2 Significant accounting policies

0.01 Basis of preparation of consolidated financial statements

These consolidated 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 ('Act') (to the extent notified). 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".

For all periods up to and including the year ended March 31, 2017, the Group has prepared its consolidated financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Group has prepared consolidated Ind AS financial statements for the first time for the year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies on a going concern basis. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.

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.

0.02 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:

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

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

c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

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

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

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

g) **The subsidiary Companies considered in consolidation are:**

Name of the Company	Country of Incorporation	Extent of holding & Voting Power		
		As on March 31, 2018	As on March 31, 2017	As on April 01, 2016
a) Manipal Hotels Limited*	India	**100.00%**	100.00%	100.00%
b) Manipal Properties Limited**	India	**100.00%**	100.00%	100.00%

* ceased to be subsidiary w.e.f. May 28, 2018.

** Including 11 shares held by Manipal Hotels Limited.

h) The financial statements of the Company and its subsidiaries and associates used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e., year ended March 31, 2018.

1.3 Other Significant Accounting Policies

0.01 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.

0.02 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.

0.03 Revenue Recognition

a) Revenue is recognized when there is no uncertainty about recovery and the significant risks and rewards of ownership of goods/services have been passed to the retailer/buyer, which generally coincide with the dispatch of goods.

b) Interest is recognized using the time proportion basis based on rates implicit in the transaction.

c) Brokerage/commission received on sale of mobiles and accessories, insurance agency services has been accounted on accrual basis on certainty of realisation.

d) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

0.04 Property, Plant & Equipments

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Recognition

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

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

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

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

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

Depreciation

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

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

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

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

0.05 Investment Properties

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

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

The Company on transition to Ind AS, has elected to continue with the carrying value (including previous GAAP revaluation 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.

0.06 Investments in subsidiaries and associates

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

0.07 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.

0.08 Leases

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

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

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

0.09 Inventories

Inventories are valued as follows:

a) Stock on hire is valued at agreement values net of recoveries.

b) Stock of mobiles and accessories are valued at lower of cost or net realisable value. Cost includes all applicable costs incurred in bringing goods to its present location and condition. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

0.10 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.

0.11 Provisions and Contingent Liabilities

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.

0.12 Employee Benefits

a) 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.

b) Defined contribution plan

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

c) 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.

d) 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.

0.13 Financial Instruments

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

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

Effective Interest Method

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

a) Financial Assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

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

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

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

b) 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.35.

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.

0.14 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.

0.15 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.

0.16 Taxes on Income

Current Income Tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

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

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

0.17 Earnings per Share

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

1.4 Significant accounting judgements, estimates and assumptions

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

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

A) Critical Accounting Estimates and Assumptions

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

i) Taxes

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

ii) Fair value measurement of financial instruments

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

iii) Contingencies

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

iv) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note No. 40(b).

B) Significant Judgements

i) Property, Plant and Equipment and Investment properties

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

ii) Fair value measurement of financial instruments

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

iii) Taxes

Deferred tax assets recognised to the extent of the corresponding deferred tax liability on remeasurement of net defined benefit plans. (refer Note No. 10.05).

1.5 New and amended Ind AS effective as on April 1, 2017

As per Companies (Indian Accounting Standards) Amendment Rules, 2017, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2017:

Ind AS 102 – Share based payments

The amendments to Ind AS 102 addresses three classification and measurement issues. These relate to measurement of cash-settled awards, modification of cash-settled awards and equity-settled awards that include a 'net settlement' feature in respect of withholding taxes. Amendments to Ind AS 102 does not have an impact on the financial position of the Company.

Ind AS 7 – Statement of Cash Flows

The amendments to Ind AS 7 introduces an additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from i) cash flows, such as draw downs and repayments of borrowings, ii) non-cash changes (ie., changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and the effect of foreign exchange differences.

The Management is of the opinion that the disclosure requirements contained therein have been fully adhered to and are appropriately disclosed in the Statement of Cash Flows forming part of these financial statements and there is no material implication which is necessary to be effected in the statement of cash flows.

1.6 Introduction of new standards and amendments to existing standards issued but not effective as on April 1, 2017

A) The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The amendments are applicable to the Company from April 01, 2018. The amendments made in the Rules are with respect to the following standards:

New Standard Ind AS 115, 'Revenue from Contracts with Customers' which supersedes Ind AS 11, 'Construction Contracts' and Ind AS 18, 'Revenue' and consequential amendments to other Ind AS due to notification of Ind AS 115.

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' clarifying that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.

Amendments to Ind AS 12, 'Income Taxes', clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments further clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.

B) These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IFRS 15, 'Revenue for Contracts with Customers', IAS 21, 'The Effects of Changes in Foreign Exchange Rates ' and IAS 12, 'Income Taxes' respectively.

Ind AS 40 – Investment Property, Ind AS 28 – Investment in Associates and Joint Ventures, Ind AS 112 – Disclosure of Interests in Other entities have also been amended with effect from 1st April, 2018 which are not applicable to the standalone financial statements of the Company.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the standalone financial statements. The Management however believes that the implication on financial statement of the above mentioned standards if any will not be material.

2. First Time Adoption of Ind AS

The Group has adopted Ind AS from April 01 , 2017 and the date of transition to Ind AS is April 01, 2016. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standards". The Group has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS at April 1, 2016 and March 31, 2017 and of the total comprehensive income for the year ended March 31, 2017 as required by Ind AS 101.

The Group, accordingly has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 and March 31, 2018.

Exemptions Applied

I. Mandatory Exceptions

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Derecognition of financial assets and financial liabilities.

The Group has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

II. Classification and Measurement of Financial Assets

Optional Exemptions:

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

The Group has elected to continue to recognise with the carrying value of all its property, plant and equipments and investment property as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

Consolidated Balance sheet as at April 01, 2016 and March 31, 2017 – Ind AS

2.01 Reconciliation of consolidated Balance Sheet as previously reported under Indian GAAP to Ind AS

Rupees in Thousands

Particulars	Notes	As at April 01, 2016			As at March 31, 2017		
		Indian GAAP	Effect of Transition to Ind AS	Ind AS	Indian GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS							
Non–current assets							
Property, plant and equipments	3	350	–	350	279	–	279
Investment property	4	77,110	–	77,110	75,841	–	75,841
Financial Assets:							–
Investments	5	10,855	77	10,932	10,855	186	11,041
Long term Loans	6	38,150	(35,278)	2,872	38,098	(35,045)	3,053
Other financial assets	7	17,107	–	17,107	16,000	–	16,000
Non-current tax assets (Net)	8	54,243	–	54,243	52,630	–	52,630
Other non-current assets	9	316	33,405	33,721	224	31,794	32,018
Total Non-Current Assets		**198,131**	**(1,796)**	**196,335**	**193,927**	**(3,065)**	**190,862**
Current assets							
Inventories	11	9,048	(4,750)	4,298	9,249	(9,249)	–
Financial Assets:							–
Investments	12	–	12,990	12,990	–	71,851	71,851
Trade Receivable	13	3,156	–	3,156	1,031	–	1,031
Cash and cash equivalents	14	4,273	–	4,273	1,806	–	1,806
Bank balances other than above	15	16,777	–	16,777	21,338	–	21,338
Short term Loans	16	12,590	–	12,590	18,089	–	18,089
Other Financials assets	17	65	–	65	1,029	–	1,029
Other current assets	18	758	1,223	1,981	86	1,612	1,698
Total Non-Current Assets		**46,667**	**9,463**	**56,130**	**52,628**	**64,214**	**116,842**
TOTAL ASSETS		**244,798**	**7,667**	**252,465**	**246,555**	**61,149**	**307,704**
EQUITY AND LIABILITIES							
Equity:							
Equity Share capital	19	130,267	–	130,267	130,267	–	130,267
Other Equity	20	39,938	7,715	47,653	54,333	61,227	115,560
Total Equity		**170,205**	**7,715**	**177,920**	**184,600**	**61,227**	**245,827**
Non-current liabilities							
Financial Liabilities							
Other financial liabilities	21	9,857	(1,685)	8,172	9,868	(1,064)	8,804
Other non-current liabilities	22	–	987	987	–	483	483
Total Non-Current Liabilities		**9,857**	**(698)**	**9,159**	**9,868**	**(581)**	**9,287**
Current liabilities							
Financial Liabilities							
Short term borrowings	23	13,097	–	13,097	1,236	–	1,236
Trade payables	24	1,533	–	1,533	556	–	556
Other financial liabilities	25	49,126	–	49,126	48,688	–	48,688
Other current liabilities	26	980	650	1,630	1,049	503	1,552
Short-term provisions	27	–	–	–	558	–	558
Total Current liabilities		**64,736**	**650**	**65,386**	**52,087**	**503**	**52,590**
Total Equity and Liabilities		**244,798**	**7,667**	**252,465**	**246,555**	**61,149**	**307,704**

Consolidated statement of profit and loss for the year ended March 31, 2017

2.02 Reconciliation consolidated statement of Profit and Loss as previously reported under Indian GAAP to Ind AS

Rupees in Thousands

Particulars	Notes	Year ended March 31, 2017		
		Indian GAAP	Effects of transition to Ind AS	Ind AS
Income:				
Revenue from operations	28	23,990	(3)	23,987
Other income	29	12,173	59,033	71,206
Total income		**36,163**	**59,030**	**95,193**
Expenses:				
Changes in inventories of traded goods	30	622	3,676	4,298
Employee benefits expense	31	7,664	(615)	7,049
Finance costs	32	787	620	1,407
Depreciation and amortization expense	33	1,372	–	1,372
Other Expenses	34	8,351	1,222	9,573
Total Expenses		**18,796**	**4,903**	**23,699**
Profit before tax		**17,367**	**54,127**	**71,494**
Less: Tax expense				
Current tax		2,944	–	2,944
Income tax for earlier years		28	–	28
Deferred tax		–	169	169
		2,972	**169**	**3,141**
Profit for the year		**14,395**	**53,958**	**68,353**
Other Comprehensive Income				
Items that will not be reclassified to profit or Loss				
Remeasurement of net defined benefit plans	2.04(c)	–	(615)	(615)
Income tax effect	2.04(c)	–	169	169
Total Other Comprehensive income (net of tax)		**–**	**(446)**	**(446)**
Total Comprehensive Income for the year		**14,395**	**53,512**	**67,907**

Consolidated statement of retained earnings as at April 01, 2016 and March 31, 2017 - Ind AS

2.03 Reconciliation of consolidated retained earnings as previously reported under Indian GAAP to Ind AS

Rupees in Thousands

Particulars	Note No.			
Opening Retained earnings as on March 31, 2016 (as per Previous GAAP)				(27,384)
Ind AS Adjustments as on April 1, 2016 (transition date):				
Effect of measuring fair value of investments	2.04(a)			8,316
Unwinding interest income on lease security deposit	2.04(b)			204
Unwinding Rental Income	2.04(b)			148
Unwinding interest expenses on financial liabilities	2.04(b)			(99)
Notional unwinding Rental expenses	2.04(b)			(854)
Retained Earnings as on April 1, 2016 as per Ind AS				**(19,669)**
Opening Retained Earnings as on April 1, 2016 as per Ind AS				(19,669)
Profit for the year ended March 31, 2017 (as per Previous GAAP)			14,395	
Ind AS adjustments increase/(decrease)				
Effect of measuring fair value of investments	2.04(a)	54,472		
Unwinding interest income on lease security deposit	2.04(b)	233		
Unwinding Rental Income	2.04(b)	650		
Unwinding interest expenses on financial liabilities	2.04(b)	(620)		
Notional unwinding Rental expenses	2.04(b)	(1,223)		
Remeasurement of net defined benefit plans reclassified under OCI	2.04(c)	615	54,127	
Profit before tax as per Ind AS			68,522	
Tax Expenses:				
Deferred Tax			(169)	
Profit after tax as per Ind AS			68,353	
Other comprehensive income/(expenses)				
Remeasurement of net defined benefit plans	2.04(c)	(615)		
Income tax effect	2.04(c)	169	(446)	67,907
Retained Earnings as on March 31, 2017 as per Ind AS				**48,238**

2.04 Notes to First Time Adoption of Ind AS

a) **Investment carried at Fair Value:** Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS these financial assets have been classified as Fair Value through Profit and Loss (FVTPL) on the date of transition and fair value changes after the date of transition have been recognised in statement of profit and loss.

Under previous GAAP, non-current investments were stated at cost less provision for diminution in value of investment, if any. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Profit & Loss (FVTPL) at the date of transition.

b) **Security Deposit:** Under previous GAAP, interest free security deposit received from lessee and interest free security deposit given for lease (that are refundable in cash on completion of terms) were recorded at their transaction value. The Company has fair valued these financial liabilities/assets i.e., security deposit given/taken under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred revenue/prepaid rent.

c) **Remeasurement cost of post employment benefit obligations:** Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI, net of tax.

2.05 Statement of cash flow

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

3. Property, plant and equipments

Rupees in Thousands

Description of the assets	Tangible assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
Owned assets:					
Gross carrying amount					
Deemed cost as at April 01, 2016 [Refer Note (i) below]	188	63	–	99	350
Additions	–	–	–	32	32
Disposals/Adjustments	–	–	–	(27)	(27)
As at March 31, 2017	**188**	**63**	**–**	**104**	**355**
Additions during the year	55	–	3	54	112
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**243**	**63**	**3**	**158**	**467**
Accumulated Depreciation:					
Charge for the year	44	10	–	49	103
Disposals/Adjustments	–	–	–	(27)	(27)
As at March 31, 2017	**44**	**10**	**–**	**22**	**76**
Charge for the year	40	10	3	37	90
Disposals/Adjustments	–	–	–	–	–
As at March 31, 2018	**84**	**20**	**3**	**59**	**166**
Net block					
As at April 1, 2016	188	63	–	99	350
As at March 31, 2017	144	53	–	82	279
As at March 31, 2018	**159**	**43**	**–**	**99**	**301**

Notes:

i) The Company has elected to continue with the carrying value of Property Plant and Equipment as at the date of transition in its first Ind AS Financial Statements after making necessary adjustments as per Ind AS 101, "First Time Adoption of Indian Accounting Standards" as there is no change in the functional currency on the date of transition.

Disclosure of carrying value of Property Plant and Equipment as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date.

Rupees in Thousands

Particulars	Gross Block as at April 1, 2016	Accumulated Depreciation as at April 1, 2016	Accumulated Impairment loss as at April 1, 2016	Net Block Value as per IGAAP	Deemed Cost as at April 01, 2016
Plant and Machinery	381	193	–	188	188
Electrical Fittings	146	83	–	63	63
Furniture & Fittings	1,953	1,953	–	–	–
Office Equipments & Computers	525	426	–	99	99
	3,005	**2,655**	**–**	**350**	**350**

4. Investment Properties

Rupees in Thousands

Particulars		March 31, 2018	March 31, 2017	April 01, 2016
Freehold Land [Refer note no. (b)]				
Opening gross carrying amount/ Deemed cost [Refer note (a)]		**21,466**	21,466	21,466
Add : Additions				–
Net carrying amount of Land	**(a)**	**21,466**	21,466	21,466
Building [Refer note no. (c)]				
Opening gross carrying amount/ Deemed cost [Refer note (a)]		**55,644**	55,644	55,644
Add : Additions		**–**	–	–
Closing cost		**55,644**	55,644	55,644
Accumulated depreciation				
Opening balance		**1,269**	–	–
Depreciation charge for the year		**1,269**	1,269	–
Closing balance		**2,538**	1,269	–
Net carrying amount of Building	**(b)**	**53,106**	54,375	55,644
Net carrying amount of Freehold Land and Building	**(c)=(a–b)**	**74,572**	75,841	77,110

Notes:

a) The Company on transition to Ind AS, 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 & D13AA 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.

Disclosure of carrying value of Investment Property as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date :

Rupees in Thousands

Particulars	Land	Building	Total
Gross Block as at April 1, 2016	21,466	79,946	101,412
Accumulated Depreciation as at April 1, 2016	–	(24,302)	(24,302)
Net Block Value as per Indian GAAP	21,466	55,644	77,110
Ind AS Adjustment, if any	–	–	–
Deemed Cost as at April 01, 2016	**21,466**	**55,644**	**77,110**

b) Freehold Land represents proportionate undivided share of land for the office premises owned in Manipal Properties Limited.

c) Building includes shares of the face value of Rs.511/– (March 31, 2017 : Rs.511/–, April 1, 2016 : Rs.511/–) in Co–operative Housing Society.

d) Fair Value:

Rupees in Thousands

Particulars	March 31, 2018
Investment properties	**394,882**

Estimation of fair value:

The Company has obtained independent valuation for its investment properties for the year ended March 31, 2018 on implementation of Ind AS. The best evidence for fair value is current prices in active market 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.

The investment property held by one of its subsidiary are not valued considering the fact that the major part of the assets acquired/ constructed in the recent past and also considering the cost involved therein. However the management is of the opinion that the carrying value of the asset as aforesaid does not exceed its recoverable value. Further the Company does not have any information whether internal or external, that indicates that "impairment loss may have occurred". Accordingly the question of impairment of investment property does not arise.

e) Amount recognised in Profit or Loss for investment properties

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Rental Income	**11,911**	11,281
Direct operating expenses from property that generated rental income	**2,142**	1,283
Direct operating expenses from property that not generated rental income	–	–
Profit from Investment properties before Depreciation	**9,769**	9,998
Depreciation	**1,269**	1,269
Profit from investment properties	**8,500**	8,729

5. Non–current investments

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Non–current:			
Investment carried at Fair Value through Profit or Loss			
In other Body Corporates:			
Unquoted Equity shares (fully paid–up)			
Lingapur Estates Limited **	**1,734**	1,734	1,734
[153,392 (March 31, 2017 : 153,392 and April 01, 2016: 153,392) shares of face value Rs.10/– each]			
Manipal Housing Finance Syndicate Limited **	**9,103**	9,103	9,103
[729,000 (March 31, 2017 : 729,000 and April 01, 2016: 729,000) shares of face value Rs.10/– each]			
Manipal Finance Corporation Limited *	**9,181**	9,181	9,181
[449,163 (March 31, 2017 : 449,163 and April 01, 2016: 449,163) shares of face value Rs.10/– each]			
Blue Cross Builders and Investors Limited*	**401**	401	401
[39,970 (March 31, 2017 : 39,970 and April 01, 2016: 39,970) shares of face value Rs.10/– each]			
Quoted Equity shares (fully paid–up)			
Development Co–operative Bank Ltd.	**194**	204	95
[1,200 (March 31, 2017 : 1,200 and April 01, 2016: 1,200) shares of face value Rs.10/– each]			
Less: Provisions for diminution in value of investments			
Manipal Finance Corporation Limited	**(9,181)**	(9,181)	(9,181)
Blue Cross Builders and Investors Limited	**(401)**	(401)	(401)
Total	**11,031**	11,041	10,932

* Impairment provision made for carrying value of investments.

** 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.

Break up of financial Investments

Investments carried at			
– cost	–	–	–
– fair value through profit or loss	11,031	11,041	10,932
Total	**11,031**	**11,041**	**10,932**
Aggregate cost amount of quoted investments	18	18	18
Aggregated market Value of quoted investments	194	204	95
Aggregate amount of unquoted investments (gross)	20,419	20,419	20,419
Aggregate amount of impairment in value of investments	(9,582)	(9,582)	(9,582)

6. Long Term Loans

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Rent and other deposits	**598**	598	650
Security deposit for lease	**4,672**	2,455	2,222
Total	**5,270**	3,053	2,872

Note:

The fair value of Loans is not materially different from the carrying value presented.

7. Other Non–current financial assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Deposit with banks maturing after 12 months	**2,848**	235	1,070
Margin Deposit with banks [pledged as security against working capital loan]	**15,500**	15,500	15,500
Interest accrued on term deposits	**280**	265	537
Total	**18,628**	16,000	17,107

8. Other Non–current assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Indirect tax input credit available	**144**	224	316
Prepaid Lease deposit	**41,870**	31,794	33,405
Total	**42,014**	32,018	33,721

9. Non–current Tax Assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Advance income tax(net)	**1,390**	102	3,499
Amount paid under protest [Refer Note No. 39(b)]	**58,528**	52,528	50,744
Total	**59,918**	52,630	54,243

10 Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Profit or loss section		
Current Tax	**12,831**	2,944
Income tax of earlier year	**–**	28
Deferred Tax	**150**	169
Tax expense / (credit) to Statement of Profit and Loss	**12,981**	3,141
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during in the year:		
Tax effect on re–measurement gains (losses) on defined benefit plans	**(150)**	(169)
Tax expense / (credit) to Other Comprehensive Income	**(150)**	(169)
Tax expense / (credit) to Total Comprehensive Income	**12,831**	2,972

10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Profit /(Loss) before tax	**43,979**	71,494
Applicable tax rate	**27.55%**	31.96%
Tax effect of income / (loss)	**12,117**	22,850
Adjustments:		
Tax effect on non–taxable income	**(823)**	(457)
Tax effect on non–deductible expenses	**792**	659
Portion of deferred tax asset not recognised on deductible expenses (net)	**(261)**	(20,312)
Effect on tax rate changes	**28**	9
Utilisation of earlier years unused tax allowances	**(11,613)**	(1,609)
Increase in minimum alternate tax over regular tax	**12,831**	2,001
Utilisation of minimum alternate tax	**(90)**	–
Tax expense / (credit) to Statement of Profit and Loss	**12,981**	3,141
Tax expense / (credit) to Other Comprehensive Income	**(150)**	(169)
Tax expense / (credit) to Total Comprehensive Income	**12,831**	2,972
Effective Tax Rate	**29.18%**	4.16%

10.03 Non–current tax assets (net)

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening Balance receivable/(Payable)	**52,630**	54,095
Transferred from provision for current tax (net)	**–**	148
Current tax payable for the year	**(11,560)**	(1,678)
Refund received during the year	**(325)**	–
Tax paid under protest	**6,000**	–
Current taxes paid	**13,173**	65
Closing balance of Non–current tax assets (net)	**59,918**	52,630

10.04 Provision for Income tax (net)

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening provision for current tax (liability)/receivable (net)	**(558)**	148
Transferred to non–current tax assets (net)	**–**	(148)
Current tax payable for the year	**(1,271)**	(1,294)
Current taxes paid	**1,740**	736
Closing provision for current tax liability (net)	**(89)**	(558)

ICDS LIMITED

10.05 Major component of deferred tax assets and liabilities for the year ended March 31, 2018 and March 31, 2017

Rupees in Thousands

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	For the year 2017–18	For the year 2016–17
Deferred Tax Liability on						
Accelerated depreciation for tax purposes		**3,672**	4,528	4,269	**(856)**	259
Fair valuation of investments		**16,918**	20,067	2,749	**(3,149)**	17,318
Gratuity Plan asset over liability		**174**	27	251	**147**	(224)
	(a)	**20,764**	24,622	7,269	**(3,858)**	17,353
Deferred Tax Assets on:						
Income offered for income tax deductible in future on account of		**2,068**	3,974	13,336	**(1,906)**	(9,362)
unused business losses		**–**	3,334	4,569	**(3,334)**	(1,235)
unused house property losses		**–**	–	567	**–**	(567)
unused capital losses		**239**	237	237	**2**	–
unused depreciation allowance		**4,703**	15,400	15,947	**(10,697)**	(547)
Provision for doubtful debts		**46,593**	54,345	57,103	**(7,752)**	(2,758)
MAT credit entitlement		**1,438**	1,528	1,187	**(90)**	341
	(b)	**55,041**	78,818	92,946	**(23,777)**	(14,128)
Net deferred tax asset	**(a–b)**	**(34,277)**	(54,196)	(85,677)	**19,919**	31,481
Deferred tax (expense)/credit not recognised					**(19,919)**	(31,481)
Less: Net deferred tax asset not recognised [refer note (a)]		**34,277**	54,196	85,677		
Net deferred tax asset		**–**	–	–		

Note: (a) The Company has not recognised deferred tax assets amounting to Rs.34,277 thousand (March 31, 2017 : Rs.54,196 thousand, April 1, 2016 : Rs.85,677 thousand) in respect of unused business loss, unused depreciation allowances and provision for doubtful debts (net) in view of prudence.

10.06 The unused losses, tax credit and allowances is allowable in future period against taxable profit as follows:

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unused business loss (Expiry period FY 2020–21)	**–**	10,430	13,819
Unused loss from house property (utilised in FY 2016–17)	–	–	1,836
Unused loss under the head long term capital gains (Expiry period FY 2023–24)	**1,151**	1,151	1,151
Unused tax credit available on account of minimum alternate tax (Expiry Period : FY 2027–28 Rs.127 thousands, FY 2028–29 Rs.215 thousands, FY 2029–30 Rs.231 thousands, FY 2030–31 Rs.514 thousands and FY 2031–32 Rs.351 thousands)	**1,438**	1,528	1,187
The unused depreciation allowances available for future taxable profit for unlimited period	**17,730**	49,293	49,351
Unused deductible temporary differences available for future taxable profit for unlimited period	**100,277**	105,432	191,059

10.07 Reconciliations of deferred tax (liabilities)/assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening balance	**–**	–
Tax income/(expense) during the period recognized in profit or loss	**150**	169
Tax income/(expense) during the period recognized in OCI	**(150)**	(169)
Closing balance	**–**	–

10.08 Amount recognized in other comprehensive income

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Opening balance	**(169)**	–
Add: Deferred tax asset / (liability) recognized during the year	**(150)**	(169)
Closing balance of deferred tax netted off with Other Comprehensive income	**(319)**	(169)

10.09 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 Inventories

Rupees in Thousands

Particulars		March 31, 2018	March 31, 2017	April 01, 2016
Stock on Hire				
(At agreement value less amount received and unmatured hire charges)				
Under Hire Purchase Agreements				
Considered Good		**–**	–	–
Considered Doubtful		**139,506**	141,906	144,401
		139,506	141,906	144,401
Less: Provision		**(139,506)**	(141,906)	(144,401)
	(a)	**–**	–	–
Other Inventories				
Stock of Mobiles and Accessories		**–**	–	4,298
	(b)	**–**	–	4,298
Total	**(a+b)**	**–**	–	4,298

**valued at lower of cost or net realisable value

12 Current Investments

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Current:			
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, 2017 : 232,800 and April 01, 2016: 232,800) shares of face value Rs.10/– each]	**59,034**	50,529	2,329
Vedanta Ltd. [Nil (March 31, 2017 : 49,791 and April 01, 2016: 49,791) shares of face value Rs.1/– each]	–	13,690	4,474
Reliance Industries Ltd. [2,000 (March 31, 2017 : 2,394 and April 01, 2016: 2,394) shares of face value Rs.10/– each]	**1,765**	3,162	2,502
The Sandur Manganese and Iron Ores Ltd. [Nil (March 31, 2017 : 4,450 and April 01, 2016: 5,950) shares of face value Rs.10/– each]	–	3,089	2,761
HDFC Bank Ltd. [Nil (March 31, 2017 : 180 and April 01, 2016: 180) shares of face value Rs.10/– each]	–	260	193
Kirloskar Electric Co. Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/– each]	–	40	32
Panama Petrochem Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/– each]	–	147	64

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Reliance Capital Ltd. [Nil (March 31, 2017 : 858 and April 01, 2016: 858) shares of face value Rs.10/– each]	–	528	316
Reliance Communications Ltd. [Nil (March 31, 2017 : 1,197 and April 01, 2016: 1,197) shares of face value Rs.10/– each]	–	46	60
Peria Karamalai Tea and Produce Company Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.10/– each]	–	160	133
Ultramarine & Pigments Ltd. [Nil (March 31, 2017 : 1,000 and April 01, 2016: 1,000) shares of face value Rs.2/– each]	–	184	109
Perfect–Octave Media Projects Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	–	6
Uniworth Ltd. [750 (March 31, 2017 : 750 and April 01, 2016: 750) shares of face value Rs.10/– each]	1	1	1
Libord Finance Ltd. [Nil (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	2	2
GTN Industries Ltd. [Nil (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	4	2
Mukesh Steels Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	3	3
Cimmco Birla Ltd. [Nil (March 31, 2017 : 6 and April 01, 2016: 6) shares of face value Rs.10/– each]	–	1	–
Summit Securities Ltd. [Nil (March 31, 2017 : 1 and April 01, 2016: 1) shares of face value Rs.10/– each]	–	1	–
Precision Electronics Ltd. [25 (March 31, 2017 : 25 and April 01, 2016: 25) shares of face value Rs.10/– each]	1	1	1
Maharashtra Apex Corporation Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	15	–	–
Nova Iron & Steel Ltd. [240 (March 31, 2017 : 240 and April 01, 2016: 240) shares of face value Rs.10/– each]	2	3	2
Pirmal Glass Ltd. [Nil (March 31, 2017 : Nil and April 01, 2016: 7) shares of face value Rs.10/– each]	–	–	–
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Twinstar Industries Ltd. [Nil (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Adam Comsof Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	–	–
ICES Software Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	–	–
J K Pharmachemicals Pvt. Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Jalpac India Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Namtech Electronic Devices Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Sanghi Polyesters Ltd. [200 (March 31, 2017 : 200 and April 01, 2016: 200) shares of face value Rs.10/– each]	–	–	–
SM Dyechem Ltd. [6 (March 31, 2017 : 6 and April 01, 2016: 6) shares of face value Rs.10/– each]	–	–	–

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
CMS Infotech Ltd. [500 (March 31, 2017 : 500 and April 01, 2016: 500) shares of face value Rs.10/– each]	–	–	–
Current:			
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, 2017 : 1,600 and April 01, 2016: 1,600) shares of face value Rs.10/– each]	–	–	–
Murugappa Holding Ltd. [Nil (March 31, 2017 : 66 and April 01, 2016: 66) shares of face value Rs.10/– each]	–	–	–
Adhunik Synthetics Ltd. [2,000 (March 31, 2017 : 2,000 and April 01, 2016: 2,000) shares of face value Rs.10/– each]	–	–	–
ATN International Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Genelec Ltd. [2,000 (March 31, 2017 : 2,000 and April 01, 2016: 2,000) shares of face value Rs.10/– each]	–	–	–
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2017 : 320,000 and April 01, 2016: 320,000) shares of face value Rs.10/– each]	–	–	–
Jayant Vitamins Ltd. [563 (March 31, 2017 : 563 and April 01, 2016: 563) shares of face value Rs.10/– each]	–	–	–
Parsurampuria Synthetics Ltd. [624 (March 31, 2017 : 624 and April 01, 2016: 624) shares of face value Rs.10/– each]	–	–	–
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2017 : 10,000 and April 01, 2016: 10,000) shares of face value Rs.10/– each]	–	–	–
Praman Capital Market Services Ltd. [191,500 (March 31, 2017 : 191,500 and April 01, 2016: 191,500) shares of face value Rs.10/– each]	–	–	–
The Vijaykumar Mills Ltd. [8,000 (March 31, 2017 : 8,000 and April 01, 2016: 8,000) shares of face value Rs.10/– each]	–	–	–
Wartyhully Estates Ltd. [1,100 (March 31, 2017 : 1,100 and April 01, 2016: 1,100) shares of face value Rs.10/– each]	–	–	–
Datar Switch Gears Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Mega Centre Super Markets Ltd. [20,000 (March 31, 2017 : 20,000 and April 01, 2016: 20,000) shares of face value Rs.10/– each]	–	–	–
Nagarjuna Granites Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Pampasar Distilleries Ltd. [100 (March 31, 2017 : 100 and April 01, 2016: 100) shares of face value Rs.10/– each]	–	–	–
Universal Print Systems Ltd. [Nil (March 31, 2017 : Nil and April 01, 2016: 5,000) shares of face value Rs.10/– each]	–	–	–
Quoted Debentures (fully paid up) *			
Jayant Vitamins Ltd. [5,403 (March 31, 2017 : 5,403 and April 01, 2016: 5,403) debentures of face value Rs.10/– each]	–	–	–
Total	**60,818**	71,851	12,990

*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	**60,818**	71,851	12,990
Aggregate gross value of Unquoted Investment	–	–	–

ICDS LIMITED

13 Trade Receivables

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Trade receivables – others	**1,272**	1,031	3,156
Total	**1,272**	1,031	3,156

Note: 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.

14 Cash and Cash Equivalents

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Cash and cash equivalents			
Cash on hand	**32**	49	22
Cheques, drafts and stamps on hand	**63**	500	5
Balances with banks in current accounts	**1,387**	1,257	4,246
Total	**1,482**	1,806	4,273

15 Other Bank Balances

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Restricted balances with banks in current account	**374**	374	374
Deposit with banks maturing between 3 to 12 months	**42,106**	20,964	16,403
Margin Deposit with banks [pledged as security against working capital loan]	**–**	–	–
Total	**42,480**	21,338	16,777

16 Short Term Loans

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Demerger receivables (secured)			
from others			
Considered good	**–**	1,628	1,629
Considered doubtful	**101,006**	101,006	101,006
	101,006	102,634	102,635
Less: Provision	**(101,006)**	(101,006)	(101,006)
	–	1,628	1,629
Unsecured Loans			
Considered good	**2,702**	16,409	10,899
Considered doubtful	**63,239**	63,478	69,344
	65,941	79,887	80,243
Less: Provision	**(63,239)**	(63,478)	(69,344)
	2,702	16,409	10,899
Other Receivables	**29**	52	62
Total	**2,731**	18,089	12,590

17 Other Financial Assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Interest accrued on term deposits	**1,887**	1,029	65
Accrued Income	**76**	–	–
Total	**1,963**	1,029	65

18 Other Current Assets

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
LIC Group Gratuity Fund Asset (net)	**627**	86	758
Prepaid Lease deposit	**1,807**	1,612	1,223
Total	**2,434**	1,698	1,981

19 Equity Share Capital

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Authorized Capital			
35,000,000 [March 31, 2017 : 35,000,000 and April 01, 2016 : 35,000,000] Equity Shares of Rs.10/– each	**350,000**	350,000	350,000
15,000,000 [March 31, 2017 : 15,000,000 and April 01, 2016 : 15,000,000] Preference Shares of Rs.10/– each	**150,000**	150,000	150,000
	500,000	500,000	500,000
Issued, Subscribed and Paid–Up Capital			
13,026,700 [March 31, 2017 : 13,026,700 and April 01, 2016 : 13,026,700] Equity Shares Rs.10/– each fully paid up	**130,267**	130,267	130,267
Total	**130,267**	130,267	130,267

Notes:

Rupees in Thousands

a) **Reconciliation of number of shares**	**Number of Shares**	
Equity Shares of Rs.10/– each		
March 31, 2018		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	–	–
Balance at the end of the year	13,026,700	130,267
March 31, 2017		
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
April 1, 2016		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	–	–
Balance at the end of the year	13,026,700	130,267

b) Rights, preferences and restrictions attached to Shares:

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs.10/– each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2018.

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 and 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 shares held by shareholders holding more than 5% of the aggregate shares in the Company / Holding Company/ ultimate Holding Company or its subsidiaries:**

Name of the Share Holder	March 31, 2018		March 31, 2017		April 01, 2016	
	No. of Shares held	% of Holding	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%	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%	1,476,600	11.34%
Mahendra Girdharilal	**1,215,023**	**9.33%**	1,215,023	9.33%	1,215,023	9.33%
The Academy of General Education	**868,488**	**6.67%**	868,488	6.67%	868,488	6.67%
Life Insurance Corporation of India Ltd.	**677,001**	**5.20%**	677,001	5.20%	677,001	5.20%

20. Other Equity

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Security Premium [Refer Note (a) below]:			
Opening Balance	**33,334**	33,334	33,334
Add: Additions during the year	**–**	–	–
Closing Balance	**33,334**	33,334	33,334
Other Reserve [Refer Note (b) below]:			
Opening Balance	**33,988**	33,988	33,988
Add: Additions during the year	**–**	–	–
Closing Balance	**33,988**	33,988	33,988
Retained Earnings [Refer Note (c) below]:			
Opening Balance	**48,238**	(19,669)	(27,384)
Add: Ind AS transitional adjustments	**–**	–	7,715
Add: Profit for the current year	**30,998**	68,353	–
Add: Remeasurement of post–employee benefit obligation, net of tax	**(388)**	(446)	
Closing Balance	**78,848**	48,238	(19,669)
Total	**146,170**	115,560	47,653

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.

21. Other Financial Liabilites

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Lease/Rent Deposits	**7,761**	8,804	8,172
Total	**7,761**	8,804	8,172

22. Other Non–current Liabilities

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Advance rent	**208**	483	987
Total	**208**	483	987

23. Shot Term Borrowings

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Secured Loans			
Working Capital Loans from Banks	**5,404**	1,236	13,097
Total	**5,404**	1,236	13,097

Notes:

Nature of Security

The above working capital loan is secured by deposit with banks amounting to Rs.15,500 thousands (March 31, 2017: Rs.15,500 thousands, April 01, 2016 : Rs.15,500 thousands).

Terms of Repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 8.10% to 10.50% p.a.

24. Trade Payables

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Due to Micro and Small enterprises*	**–**	–	–
Due to other than Micro and small enterprises	**460**	556	1,533
Total	**460**	556	1,533

*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.

25. Other Financial Liabilities

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Public Liabilities			
– disputed public liabilities (a)	**739**	739	739
– interest on matured deposits (b)	**66**	6,080	6,215
– interest on matured debentures (b)	**10,132**	10,421	10,906
– interest on matured subordinated debts (b)	**2,060**	2,108	2,206
– other public liabilities (b)	**17,871**	28,900	28,994
Employee Dues	**444**	440	66
Total	**31,312**	48,688	49,126

a) Represents public liabilities which is held and not paid as the matter being subjudice with Honourable Courts.

b) The management is of the opinion that the due date for remittance of unclaimed public liabilities starts after seven years from the due date of the last instalment of the instrument as per the Scheme of Arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004 and filed with the Registrar of Companies , Karnataka on December 30, 2004 (i.e., effective date) in respect of repayment of instruments which were payable in more than one instalments. Accordingly the management considers Rs.30,114 thousands is due for payment to Investor Education and Protection Fund ('IEPF') and accordingly discharged the liability on May 22, 2018 and May 24, 2018.

26. Other Current Liabilities

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Other Payables	**980**	912	550
Statutory Dues	**426**	136	430
Advance Lease Rent	**1,837**	504	650
Total	**3,243**	1,552	1,630

27 Short Term Provisions

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Provision for Income tax (net)	**89**	558	–
Total	**89**	558	–

28 Revenue from Operations

Rupees in Thousands

Particulars	2017–18	2016–17
Operating Revenue:		
Bad debts recovered	**2,475**	1,225
Profit on sale of shares and securities	**33,641**	2,206
Sale of mobiles and accessories	**185**	1,813
Rent received	**17,292**	17,111
Maintenance charges received	**1,064**	1,064
Other Operating Revenue:		
Service charges and commission	**586**	568
Total	**55,243**	23,987

29 Other Income

Rupees in Thousands

Particulars	2017–18	2016–17
Dividend received from		
Non-current Investments	**598**	445
Others	**1,584**	132
Interest on term deposit	**4,031**	2,744
Interest on loans and advances	**73**	87
Other interest	**–**	326
Unwinding Rental Income	**504**	650
Unwinding interest on lease security deposit	**410**	233
Fair value gain/(loss) on financial instruments	**(1,814)**	58,151
Profit on sale of owned/leased assets	**9**	2
Sundry balances written back	**–**	51
Reversal of provisions no longer required (net)	**2,639**	8,361
Miscellaneous income	**2**	24
Total	**8,036**	71,206

30 Changes in Inventories of Traded Goods

Rupees in Thousands

Particulars		2017–18	2016–17
Opening stock			
Mobiles and Accessories		**–**	4,298
	(a)	**–**	4,298
Closing stock			
Mobiles and Accessories		**–**	–
	(b)	**–**	–
Total	**(a-b)**	**–**	4,298

31 Employee Benefits Expense

Rupees in Thousands

Particulars	2017–18	2016–17
Salaries, wages and bonus	**6,364**	5,808
Contribution to provident and other funds [Refer Note No. 40]	**741**	713
Gratuity [Refer Note No. 40]	**88**	67
Staff welfare expenses	**395**	461
Total	**7,588**	7,049

32 Finance Costs

Rupees in Thousands

Particulars	2017–18	2016–17
Interest on		
– working capital loan from bank	**133**	707
– Interest others	**25**	–
Interest others		
– delay in payment of taxes	**–**	50
Unwinding interest expenses on financial liabilities	**519**	620
Bank charges	**20**	30
Total	**697**	1,407

33 Depreciation Expense

Rupees in Thousands

Particulars	2017–18	2016–17
Depreciation on tangible assets	**90**	103
Depreciation on investment property	**1,269**	1,269
Total	**1,359**	1,372

34 Other Expenses

Rupees in Thousands

Particulars	2017–18	2016–17
Rent, rates and taxes	**3,797**	3,772
Printing and stationery	**128**	165
Directors sitting fees	**33**	36
Travelling and conveyance	**460**	415
Postage, telegram and telephones	**249**	303
Insurance	**10**	40
Repairs and Maintenance:		
Buildings	**1,221**	1,029
Others	**190**	255
Advertisement and Business Promotion	**135**	114
Legal and Professional Charges	**2,646**	1,729
Auditors Remuneration:		
Audit Fees	**272**	203
Certification	**50**	93
Service Charges	**347**	359
Bad debts written off	**–**	885
Sundry Expenses	**118**	175
Total	**9,656**	9,573

35 Financial Instruments

35.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets carried at cost			
Investment in equity shares of subsidiary	**–**	–	–
Financial assets carried at amortised cost			
Trade Receivables	**1,272**	1,031	3,156
Cash and Cash equivalents	**1,482**	1,806	4,273
Bank balances other than above	**42,480**	21,338	16,777
Loans	**8,001**	21,142	15,462
Other financial assets	**20,591**	17,029	17,172
Financial assets carried at fair value through profit or loss			
Investments in equity/debt instruments	**71,849**	82,892	23,922
Total	**145,675**	145,238	80,762
Financial liabilities carried at amortised cost			
Borrowings	**5,404**	1,236	13,097
Trade payables	**460**	556	1,533
Other financial liabilities	**39,073**	57,492	57,298
Total	**44,937**	59,284	71,928

35.02 Fair value hierarchy

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

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

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

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

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

Rupees in Thousands

Particulars	Level	March 31, 2018	March 31, 2017	April 01, 2016
Assets measured at fair value through profit or loss:				
Financial assets carried at fair value through profit or loss	Level 1	**61,012**	72,055	13,085
	Level 2	**10,837**	10,837	10,837
	Level 3	–	–	–
Liabilities measured at fair value through profit or loss:		–	–	–

During the year ended March 31, 2018 and March 31, 2017 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.

36 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.

36.01 Market risk

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

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

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

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

36.02 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) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

Aging analysis of the trade receivables has been considered from the date it is due — Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Upto 3 months	**1,272**	1,031	3,156
3 to 6 months	–	–	–
More than 6 months	–	–	–
Total	**1,272**	1,031	3,156

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.

36.03 Liquidity risk

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

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

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

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

Non–derivative Financial Liabilities Rupees in Thousands

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2018					
Financial liabilities					
Borrowings	5,404	5,404	–	–	–
Trade payables	460	–	460	–	–
Other financial liabilities	39,620	29,750	1,650	8,220	–
Total	**45,484**	**35,154**	**2,110**	**8,220**	**–**
As at March 31, 2017					
Financial liabilities					
Borrowings	1,236	1,236	–	–	–
Trade payables	556	–	556	–	–
Other financial liabilities	58,558	48,688	–	9,870	–
Total	**60,350**	**49,924**	**556**	**9,870**	**–**
As at April 1, 2016					
Financial liabilities					
Borrowings	13,097	13,097	–	–	–
Trade payables	1,533	–	1,533	–	–
Other financial liabilities	58,984	49,126	–	9,858	–
Total	**73,614**	**62,223**	**1,533**	**9,858**	**–**

36.04 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 and its group. The results of the Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

37 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, 2018, March 31, 2017 and April 1, 2016. Thus, diluted EPS equals basic EPS.

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

Sl. No.	Particulars	2017–18	2016–17
a)	Nominal value per share (in Rupees)	**10**	10
b)	Net Profit available for equity share holders (Rupees in Thousands)	**30,998**	68,353
c)	Weighted Average No. of Equity Shares (Nos.)	**13,026,700**	13,026,700
d)	Basic/Diluted EPS of Rs.10/– each (in Rupees)	**2.38**	5.25

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

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

39 Contingent liabilities and commitments

Rupees in Thousands

Sl. No.	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
1	Claims against the company/disputed liabilities not acknowledged as debt/ liabilities [Refer note (a) below]	**2,222**	2,222	2,222
2	Block assessment from AYs 1987–88 to 1997–98 [Refer note (b) below]	**102,404**	102,404	102,404

Notes:

a) The Company had entered into lease deed with Jai Bharath Mills Private Limited ('JBM / lessor') on July 12, 1974 in respect of certain land situated at Yeshwantpura Village of Bangalore on which Company had constructed industrial sheds and rented out for the lease period as per the lease deed. The said lease agreement with JBM is under dispute. JBM had referred the matter to an arbitrator, in respect of which arbitral award was given entitling the company to receive compensation for the Buildings constructed with a direction to vacate the said premises and payment of differential rents/ mesne profits which was also been upheld by District & Sessions Judge (D&SJ) (Retired), Bangalore under section 34 of Arbitration and Conciliation Act, 1996. The Company is in the process of filing an appeal against the Orders of D&SJ before the Hon'ble High Court of Karnataka. The Company's management is of the opinion that considering the proposed appeal against the said order and counter claims by the Company including the favourable award by way of compensation for improvements and construction of sheds by the arbitrator, the Company is confident of getting sufficient compensation on surrender of the disputed properties which would be more than the liability determined by the above said arbitral award and no additional liability would arise. Hence, the Company does not foresee any outflow in this regard and has not made any provision in the books of account.

b) Represents Income Tax demand of Rs.102,404 thousands (March 31, 2017 : Rs.102,404 thousands, April 1, 2016: Rs.102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987–88 to 1997–98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Company has deposited Rs.58,528 thousands (March 31, 2017: Rs.52,528 thousands, April 1, 2016 Rs.50,744 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.

40 Employee Benefits

a) Defined Contribution Plans

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

Rupees in Thousands

Particulars	2017–18	2016–17
Provident and pension fund	**545**	524
Employee state insurance	**172**	165
Total	**717**	689

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

Rupees in Thousands

Particulars	March 31, 2018	March 31, 2017
Change in Defined Benefit Obligation		
Opening defined benefit obligation	**3,939**	3,055
Current service cost	**141**	118
Interest cost	**301**	241
Actuarial loss / (gains)	**496**	601
Benefits paid	**(289)**	(76)
Closing defined benefit obligation	**4,588**	3,939
Change in Fair Value of Assets		
Opening fair value of plan assets	**4,026**	3,814
Expected return on plan assets	**354**	302
Actuarial gain / (loss)	**(42)**	(14)
Actual Contributions by Employer	**1,167**	–
Benefits paid	**(289)**	(76)
Closing fair value of plan assets	**5,216**	4,026
Net (asset) / liability recognized	**(628)**	(87)
Expenses recognized during the year		
Current service cost	**141**	118
Net interest on net defined benefit liability/(Asset)	**301**	241
Expected return on plan assets	**(354)**	(302)
Net gratuity cost	**88**	57
Remeasurement of the net defined benefit liability /(asset)		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumption	**(124)**	447
Actuarial changes arising from changes in experience adjustments	**620**	154
Actuarial changes arising from changes in discount rate	**42**	14
Return on plan assets excluding interest income	**–**	–
Recognized in other comprehensive income	**538**	615
Remeasurement of the net defined benefit liability /(asset)		
Net actuarial loss / (gain) recognized in OCI	**538**	615
	538	615
Actual return on plan assets	**312**	288
vi) Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	**865**	152
Between 2 and 5 years	**2,691**	1,760
Between 5 and 10 years	**1,033**	2,027

Rupees in Thousands

Particulars	**March 31, 2018**	March 31, 2017
vii) 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	**4,484**	3,761
(ii) one percentage point decrease in discount rate	**4,697**	4,130
(i) one percentage point increase in salary escalation rate	**4,705**	4,134
(ii) one percentage point decrease in salary escalation rate	**4,474**	3,755
(i) one percentage point increase in employee turnover rate	**4,589**	3,942
(ii) one percentage point decrease in employee turnover rate	**4,586**	3,937
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.)	**7.93%**	8.00%
Expected rate of return on plan assets (p.a.)	**8.79%**	7.92%
Rate of increase in compensation levels	**5.00%**	6.00%
Weighted average duration of defined benefit obligation	**5.35 Years**	6.90 years
Attrition Rate	**3.00%**	3.00%
Retirement age	**58 years**	58 years
Mortality Rate	Indian Assured Lives Mortality (2006 – 08) Modified (Ultimate)	
Expected employer's contribution for the next year	112	110

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2018, March 31, 2017 and April 01, 2016, 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.

41 **Operating lease:**

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

Rupees in Thousands

Particulars	**March 31, 2018**	March 31, 2017
Lease rentals under cancellable lease	**277**	411

42 **List of Related Parties with whom transactions have taken place during the year:**

i) Key Management Personnel

T. Mohandas Pai – Chairman and Whole-time director
H. N. S. Rao – Non-Independent director
Vimala C. Kamath – Non-Independent director

ii) Details of the transactions*:

Rupees in Thousands

Sl. No.	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
a)	Sitting fees paid to directors during the year			
	H. N. S. Rao	**6**	6	**
	Vimala C. Kamath	**6**	6	**

* Related party transactions given above are as identified by the management.

** The related party disclosures for opening balances as at April 01, 2016 given above are only with regard to Balance Sheet items and does not include transactions taken place during the Financial Year 2015–16.

43 The Whole-time Director and 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), Sale of Mobiles and Accessories and rent on premises. Others include marketing of the insurance products of life and general insurance companies. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. Accordingly segment reporting disclosures as envisaged in Ind AS 108 on Segmental Reporting, are given below:

Details of consolidated segmental information

Rupees in Thousands

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on Premises	Others	Inter–segment Eliminations	Total
Segment Revenue						
External Turnover	2,475	33,826	18,356	586	–	55,243
	1,225	*4,019*	*18,175*	*568*	–	*23,987*
Inter-segment turnover	10,600	–	–	–	(10,600)	–
	6,000	–	–	–	*(6,000)*	–
Net Turnover	13,075	33,826	18,356	586	(10,600)	55,243
	7,225	*4,019*	*18,175*	*568*	*(6,000)*	*23,987*
Segment Results	(4,045)	30,888	15,140	314	–	42,297
	(5,472)	*55,881*	*16,108*	*262*	–	*66,779*
Unallocated expenses						(5,121)
						(5,213)
Provision for diminution in value of investments no longer required						–
						5,655
Sundry Balances written back						–
						51
Interest income						4,104
						3,157
Dividend Income						2,182
						577
Other Income						517
						488
Profit before tax						**43,979**
						71,494
Taxes						12,981
						3,141
Net Profit after Tax						30,998
						68,353

Other Information

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Total
Segment Assets	74,556	61,329	128,881	230	264,996
	51,818	*72,546*	*117,107*	*13,603*	*255,074*
Segment Liabilities	37,967	460	9,950	12	48,389
	50,939	*556*	*9,815*	*9*	*61,319*
Capital Expenditure					112
					32
Depreciation					1,359
					1,372

Notes:

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

b) No single external customer contributing 10% or more of the Group'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.

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**
Chartered Accountants
Firm Registration No.: 107783W

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

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

Sd/-
H. N. S. Rao
Director
DIN-00106953

Sd/-
Bharath K. Nayak
Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

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

Place : Bengaluru
Date : 29.05.2018

Place : Manipal
Date : 29.05.2018

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, 2018

Part "A" – Subsidiaries

(Amount in Thousands)

Name of the Subsidiary Company	Manipal Hotels Ltd.	Manipal Properties Ltd.
Issued & Subscribed Capital	500	1,000
Reserves & Surplus	(310)	15520
Total Assets	202	33282
Total Liabilities	202	33282
Investments	1	28242
Turnover	5,643	8113
Profit/(Loss) before Tax	(5,453)	6687
Provision for Tax	–	1271
Profit/(Loss) after Tax	(5,453)	5416
Proposed Dividend	–	–
% of shareholding	100%	100%

Notes: 1. Reporting Period and reporting currency of the subsidiaries are the same as that of the Company.

2. Part B of the Annexure is not applicable as there are no associate companies/joint ventures of the Company as on 31st March, 2018.

Sd/-	*Sd/-*	*Sd/-*	*Sd/-*	*Sd/-*
T. Mohandas Pai	**H. N. S. Rao**	**Bharath K. Nayak**	**Veena Hegde**	**G. R. Nayak**
Chairman & Whole-time Director	*Director*	*Director*	*Company Secretary*	*Chief Financial Officer*
(DIN-00104336)	(DIN-00106953)	(DIN-00776729)	Membership No.: A45746	

Place : Manipal
Date : 29.05.2018

ICDS LIMITED

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) ....

Registered Address ....

E-mail Id .... Folio No./Client ID .... DP ID ....

I/We, being the member(s) of .... shares of the above named company, hereby appoint

Name : .... E-mail Id: ....

Address: ....

Signature, or failing him...

Name : .... E-mail Id: ....

Address: ....

Signature, or failing him...

Name : .... E-mail Id: ....

Address: ....

Signature, or failing him...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Tuesday, the **25th September, 2018 at 4.00 p.m.** at Rotary Hall, Manipal – 576 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
	Ordinary Business:		
1.	To adopt statement of Profit & Loss, Balance Sheet, Report of Board and Auditor's for the financial year 31st March, 2018.		
2.	Re-appointment of Mrs. Vimal C. Kamath, Director who retires by rotation and being eligible offers herself for re-appointment.		
3.	To appoint M/s Pathak H. D. & Associates, Chartered Accountants, Mumbai as Statutory Auditors & fixing their remuneration.		

* Applicable for investors holding shares in Electronic form.

Signed this ________ day of __________ 2018

Affix Revenue Stamp

Signature of Shareholder   Signature of Proxy holder   Signature of the Shareholder across Revenue Stamp

Notes: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the Company.

CUT HERE

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

47th Annual General Meeting on Tuesday, the 25th September, 2018 at 4.00 p.m.

Full name of the members attending ....
(In block capitals)

Ledger Folio No./Client ID No. .... No. of Shares held: ....

Name of Proxy ....

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 47th Annual General Meeting of the Company held on Tuesday, the 25th September, 2018 at 4.00 p.m.

(Member's/Proxy's Signature)

Notes: 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.

3) A Proxy need not be a member of the Company.

4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

BOOK-POST

If undelivered please return to :

ICDS LIMITED

Syndicate House
MANIPAL – 576 104

info@manipalgroup.info