



Regd. Office: Syndicate House, Manipal – 576 104

# **50th Annual Report**

## **2020 – 2021**

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

## NOTICE

NOTICE is hereby given that the 50<sup>th</sup> ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Tuesday, **the 28<sup>th</sup> September, 2021 at 3.30 p.m.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Consolidated financial statements) for the financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Tonse Mohandas Pai [DIN: 00104336] who retires by rotation and being eligible, offers himself for reappointment.

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

**"RESOLVED THAT** pursuant to provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Sri Tonse Mohandas Pai (DIN: 00104336), Director, who retires by rotation, be and is hereby reappointed as a Director of the Company".

### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, approval of members be and hereby accorded to reappoint Mr. Bharath Krishna Nayak (DIN: 00776729) as Managing Director of the Company without remuneration for a further period of two years with effect from 5<sup>th</sup> December, 2021 to 4<sup>th</sup> December, 2023.

#### General Terms:

- a) The Managing Director will perform his duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- b) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- c) The Managing Director shall satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

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

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

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

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

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

#### Registered Office:

Syndicate House  
Manipal – 576 104  
Date: 11.08.2021

By Order of the Board  
Sd/-

**T. Mohandas Pai**  
Chairman  
DIN: 00104336

## NOTES:

1. In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. MCA vide its Circular No. 02/2021 dated January 13, 2021 extended the time line for holding of Annual General Meetings through VC/OAVM till December 31, 2021. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020, permitted holding of Annual General Meetings through VC/OAVM which was further extended by its circular dated January 15, 2021 ("SEBI Circulars") till December 31, 2021. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circulars, the 50<sup>th</sup> Annual General Meeting (AGM) of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. Corporate Members intending to attend the meeting through VC/OAVM are requested to send a scanned copy of the certified true copy of Board Resolution/Power of Attorney from the Corporate Member's registered e-mail address authorizing their representatives to attend the AGM on their behalf, at the e-mail ID, [info@icdslimited.com](mailto:info@icdslimited.com). Further, the Corporate Members are requested to also state the Client ID/DP ID in which the Company's shares are held.
3. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent. As per Regulation 40 of SEBI Listing Regulations (as amended), requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.
5. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 50<sup>th</sup> Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company (E-mail ID: [info@icdslimited.com](mailto:info@icdslimited.com)) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
  - a) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.
  - b) All such documents referred to in the accompanying Notice and the Explanatory Statement.
6. **General Instructions for accessing and participating at the 50<sup>th</sup> AGM through Electronic Means (VC/OAVM)**
  1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
  2. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
  3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  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.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circulars, the notice of the 50<sup>th</sup> AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that this Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.icdslimited.com](http://www.icdslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on 25.09.2021 at 10.00 a.m. and ends on 27.09.2021 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 (record date) of 21.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Board of Directors have appointed Cs. Shrinivas M. Devadiga (Membership No. 22381), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <a href="http://CDSL/NSDL/KARVY/LINKINTIME">CDSL/NSDL/KARVY/LINKINTIME</a>, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

Type of Shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/E-votingLogin">https://evoting.cdslindia.com/Evoting/E-votingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) **Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only.**
  - i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail address viz; [info@cdslimited.com](mailto:info@cdslimited.com) (designated e-mail address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 48 hours prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at (company e-mail id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at (company e-mail id). These queries will be replied to by the company suitably by e-mail.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to **Company/RTA e-mail id**.
2. For Demat shareholders – Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

7. Since the 50<sup>th</sup> AGM shall be held through VC/OAVM facility only and physical presence of the Members at the venue is not required, the route map is not annexed to this Notice.
8. The Register of Members and Share Transfer Book will remain closed from Saturday, 25<sup>th</sup> September, 2021 to Tuesday, 28<sup>th</sup> September, 2021 (both days inclusive) in connection with 50<sup>th</sup> Annual General Meeting.



### **Explanatory Statement**

As required under Section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item No. 2 and 3 of the accompanying Notice:

#### **Item No. 2**

According to provisions amended Regulations of SEBI (LODR) Regulations, 2015, a person who has attained the age of seventy-five (75) years can continue directorship in a listed company as a non-executive director only after the concerned listed company has taken the approval of its shareholders (members) by way of a special resolution.

Mr. Tonse Pai Mohandas (DIN: 00104336), Non-Executive & Non-Independent Director and Chairman of the Company, [DOB - June 20, 1933], has already attained the age of seventy-five (75) years. Accordingly, the reappointment of Mr. Tonse Pai Mohandas (DIN: 00104336) as a Non-Executive and Non-Independent Director and Chairman of the Company who offered himself for reappointment at this AGM. The Company requires approval of Members of the Company by way of Special Resolution.

Mr. Tonse Pai Mohandas, Bachelor of Law (BL) from University of Pune, aged about 88 years has joined ICDS Ltd. as Joint Managing Director during 1989. He is an Industrialist having vast experience in the fields of Administration, Management, Finance and Education.

The Nomination & Remuneration Committee and in turn, the Board of Directors of the Company at their respective meeting/s held on 11<sup>th</sup> August, 2021 have, noted and taken into consideration his role to provide technical guidance, value additions and mentorship to the management, approved the reappointment of Mr. Tonse Pai Mohandas (DIN: 00104336) as a Non-Executive Director and Chairman of the Company.

None of the director(s), key managerial personnel or their relatives, except Mr. Tonse Pai Mohandas to whom the resolution relates, are interested or concerned on the resolution.

The Board recommends the resolution set forth in the Item No. 2 for the approval of the Members as Special Resolution.

#### **Item No. 3**

The Board of Directors at its meeting held on August 11, 2021 reappointed Mr. Bharath Krishna Nayak (holding DIN: 00776729) as Managing Director of the Company for a further period of two years subject to approval of shareholders in ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Bharath Krishna Nayak should be available to the Company for a period of 2 (Two) years with effect from 5<sup>th</sup> December 2021.

For the purpose, contract of employment has been entered into by the Company with the Managing Director on August 11, 2021.

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

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

The Board therefore recommends the resolution for approval of shareholders.

By Order of the Board

**Registered Office:**  
Syndicate House  
Manipal – 576 104

Date : 11.08.2021

Sd/-  
**T. Mohandas Pai**  
Chairman  
DIN: 00104336



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

- (a) Name : Mr. Tonse Pai Mohandas
- Date of Birth : 20.06.1933
- Expertise in specific functional areas : Mr. Tonse Pai Mohandas, Bachelor of Law (BL) from University of Pune, aged about 88 years has joined ICDS Ltd. as Joint Managing Director during 1989. He is an Industrialist having vast experience in the fields of Administration, Management, Finance and Education.
- List of other directorships held : Manipal Media Network Ltd.  
: Manipal Prakashan Limited
- Chairman/Member of the Committees of the Board : Chairman: Stakeholders Relationship Committee.
- Chairman/Member of the Committees of the Board of other Companies in which he is Director : Nil
- (b) Name : Mr. Bharath Krishna Nayak
- Date of Birth : 11.04.1964
- Professional Qualification : Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analysts of India, Hyderabad, A.P.
- Membership : Member of the Council of Chartered Financial Analysts.
- Expertise in specific functional areas : He has got vast experience in Financial Management, Forex Management, Fund raising and Fund Management, Financial Accounting, Budgeting, Tax Planning and Administration. He is also advising the Top Management on strategic planning and implementation. He has experience of over 25 years in the field and has served many Companies in various capacities.
- List of other directorships held : Blue Cross Builders and Investors Ltd., Manipal.

## BOARDS' REPORT – 2020-21

To,  
The Members,

Your Board of Directors have pleasure in presenting their 50<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

### FINANCIAL SUMMARY

The following table brings out the financial performance of the Company during the F.Y. 2020-21:

(₹ in '000)

Particulars	31-Mar-2021	31-Mar-2020
Income from Operations	81,08	1,93,58
Other Income	2,08,07	1,64,26
<b>Total Income</b>	<b>2,89,15</b>	<b>3,57,84</b>
Less: Operating Expenses	1,61,48	2,28,79
Less: Fair value loss on Investments	0	1,33,92
Less: Interest	6,31	5,66
<b>Profit/(loss) before Depreciation</b>	<b>1,21,36</b>	<b>(10,53)</b>
Less: Depreciation	32,48	33,00
<b>Profit/(loss) after Depreciation before Tax</b>	<b>88,88</b>	<b>(43,53)</b>
Less: Provision for Income Tax	0	4,94
<b>Less: Deferred Tax</b>	<b>2,14</b>	<b>1,71</b>
<b>Profit/(loss) after Tax</b>	<b>86,74</b>	<b>(50,18)</b>
<b>Less: Income Tax for earlier years</b>	<b>6,33,93</b>	<b>(5)</b>
<b>Profit after adjustment</b>	<b>(5,47,19)</b>	<b>(50,13)</b>
Opening balance of retained earnings	2,77,05	3,31,63
Profit/(loss) for the year [a]	(5,47,19)	(50,13)
Other comprehensive income/(loss) [b]	(8,79)	(4,45)
Total comprehensive income/(loss) [a+b]	(5,55,98)	(54,58)
<b>Closing balance of retained earnings</b>	<b>(2,78,93)</b>	<b>2,77,05</b>

### COMPANY'S STATE OF AFFAIRS

During the year under review the Company has earned Income of ₹28,915 thousand as against ₹35,784 thousand in the corresponding previous year. The Income for the year basically consists of recovery of dues, commission from Insurance related activities, Dividend, and Interest. The operating expense for the year is ₹16,148 thousand as against ₹22,879 thousand in the previous year. The increase in operational expenses is mainly on account of legal expenses incurred in connection with the Income Tax Block Assessment Case wherein the company had to defend its case by engaging eminent Lawyers. The provision for the fair value of investments (increase in the value of investments is ₹18,110 thousand as against reduction ₹13,392 thousand in the previous year. The profit/(loss) after tax for the year after adjusting the provision stands at ₹8,674 thousand as

against (₹5,018 thousand) in the Previous year. After adjusting for income tax of earlier years the Profit/(Loss) stands at (₹54,719 thousands) as against (₹5,013 thousands) in the previous year. There is erosion in the Net Worth of the company due to the losses incurred on account of provision for taxes for the earlier years. The Net worth of the company as at March 31, 2021 stands at ₹1,35,708 thousand as against ₹1,91,306 thousand as at March 31, 2020.

### FUTURE BUSINESS PLANS

The Company had stopped NBFC business after the filing of scheme of arrangement with Hon'ble High Court of Karnataka, Bangalore. The Company has repaid the entire public liabilities, applied for fresh Certificate of Registration (COR) with Reserve Bank of India, as Non-deposit taking NBFC. Reserve Bank of India has made certain suggestions most of which the Company has complied with and requested Reserve Bank of India to issue the COR with an assurance that the other suggestions will be implemented post issuance of COR. Reserve Bank of India vide its letter dated 26<sup>th</sup> December, 2018, informed the company that the company's request for the COR has been rejected and advised the company to approach the Appellate Authority for redressal of grievances if any. The company accordingly has filed an application before the Appellate Authority and presented its case. The Appellate Authority after hearing both the parties, dismissed the Company's appeal vide its order dated 06.08.2020 without giving any cogent reasons as to why the Company is not entitled to receive the certificate of Registration u/s 45(a) of Reserve Bank of India Act, 1934 and to enable the Company to carry on the business of NBFC. Being aggrieved by the order passed by the Appellate Authority vide its order dated 06.08.2020, rejecting the appeal filed by the Company, the Company has filed writ petition WP 4162/2021 before the Hon'ble High Court of Karnataka, Bangalore. The High Court ordered to issue notice to both RBI and Ministry of Finance, Dept. of Financial Services. The case was listed before the court on 15.03.2021 and Court has directed to issue notice to Reserve Bank of India. Thereafter matter has not been taken due to pandemic as Courts were not functioning.

### LISTING OF COMPANY'S SHARES IN NSE & BSE

We are pleased to inform the stakeholders that BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) vide their respective communications dated 25<sup>th</sup> June, 2021 and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 (Erstwhile SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018), the suspension of the trading in the securities of the company has been revoked w.e.f. July 02, 2021 and trading has been permitted in both the exchanges from July 02, 2021 onwards upon satisfactory redressal of issues of non-compliance in respect of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **FEE BASED ACTIVITIES**

The Company is working on recovery of amounts due from Hire Purchase/lease/loans and other dues. However due to the pandemic the progress in this area is slow. In order to generate additional income to meet the operating expenses, your Company is working as Corporate Agent for Life and General Insurance Companies registered under IRDAI and earn commission from that besides, collection of rent from premises leased.

## **TRANSFER TO RESERVES**

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

## **DIVIDEND**

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

## **SHARE CAPITAL**

The paid-up Share Capital as on 31<sup>st</sup> March, 2021 was ₹13,02,67,000. During the year under review, the Company has neither issued any shares nor issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

## **DEPOSITS**

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

## **CORPORATE GOVERNANCE**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Change in Directors**

Mr. Tonse Mohandas Pai [DIN: 00104336], Non-Executive Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment subject to approval of members at the ensuing AGM by way of Special Resolution.

The term of Mr. Bharath Krishna Nayak as Managing Director (holding DIN: 00776729) of the Company expires on 4<sup>th</sup> December, 2021. The Board of Directors at its meeting held on August 11, 2021 reappointed him as Managing Director of the Company for a further period of two years w.e.f. 5<sup>th</sup> December, 2021 upto 4<sup>th</sup> December, 2023 subject to approval

of shareholders in ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee.

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

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

## **MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board Meetings were convened and held on 29.06.2020, 14.09.2020, 10.11.2020, and 10.02.2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **AUDIT COMMITTEE**

The Audit Committee comprises independent directors namely Mr. Sujir Prabhakar (Chairman), Mr. A. Giridhar Pai and Mrs. Vimal Chandrashekar Kamath as other members. All the recommendations made by the Audit Committee were accepted by the Board. Details of Audit Committee meetings are enumerated in the Corporate Governance Report.

The role and terms of reference of Audit Committee cover the areas mentioned in Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 29.06.2020, 14.09.2020, 10.11.2020 and 10.02.2021.

## **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**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

- i) Particulars pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided as under: In line with the internal guidelines of the company, no payment is made towards commission to the Non-Executive Directors of the company and hence ratio to median remuneration is not stated.

- i) Percentage of increase in remuneration to Chief Financial Officer: Nil

- ii) Percentage of increase in remuneration to Company Secretary: 2.08%

- ii) The percentage increase in the median remuneration of employees in the financial year: 14.5%

- iii) The number of permanent employees on the rolls of Company: 17

- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The Managing director is not drawing any remuneration.

- v) Affirmation that the remuneration is as per the remuneration policy of the Company: The Remuneration is as per the policy of the Company.

Under Section 197(14) of the Companies Act, 2013, it is hereby informed that none of the Directors are in receipt of commission from the Company and its Subsidiary.

## 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 Company formulated a Policy for determining Material Subsidiaries. The policy available on the Company's website and can be accessed at [www.icdslimited.com](http://www.icdslimited.com). During the year under review, Manipal Properties Limited is material subsidiary of the Company, as per listing regulations.

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

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

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

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website on [www.icdslimited.com](http://www.icdslimited.com).

## 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. 40 of accompanying standalone financial statements. Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith marked as **Annexure I**.

## BOARD EVALUATION

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

The performance evaluation of Chairman and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors evaluated the parameters viz., level of

engagement, duties, responsibilities, performance, obligations and governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

## AUDITORS

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

## AUDITORS' REPORT

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

## SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, CS Shrinivas M. Devadiga, Practicing Company Secretary (Membership No. 22381 CoP No.10372) from Bangalore has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure II to this report. Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks. The Comments made by the Secretarial Auditors are corresponding explanations given by the Board are as under:

Sl. No.	Comment by Secretarial Auditor	Board's Reply
1.	During the period under review and as per the explanations and clarifications given to me and representations made by the Management, the trading in shares was suspended by NSE since June 27, 2002 and by BSE since July 5, 1999. However, the Company has complied with all the requirements as required by the respective stock exchanges and the process of revocation of suspension is in progress.	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) vide their respective communications dated 25 <sup>th</sup> June, 2021 & Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 (Erstwhile SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018), the suspension of the trading in the securities of the company will be revoked w.e.f. July 02, 2021 and trading will be permitted in both the exchanges from July 02, 2021 onwards upon satisfactory redressal of issues of non-compliance in respect of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2	Company was received show cause notice in the earlier year by ROC for violation of Section 203(1) R/W Section 203(4) of the Companies Act, 2013 for non-appointment of Company Secretary from 01.04.2014 to 08.08.2016.	Company has made an application for adjudication of penalties with Registrar of Companies, Karnataka and the matter is still pending with Registrar of Companies, Karnataka.

Sl. No.	Comment by Secretarial Auditor	Board's Reply
3	During the period under review and as per the explanations and clarifications given to me and representation made by the Management, on 9 <sup>th</sup> 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.	The Company had stopped NBFC business after the filing of scheme of arrangement with Hon'ble High Court of Karnataka, Bangalore. The Company has repaid the entire public liabilities, applied for fresh Certificate of Registration (COR) with Reserve Bank of India, as Non-deposit taking NBFC. Reserve Bank of India has made certain suggestions most of which the Company has complied with and requested Reserve Bank of India to issue the COR with an assurance that the other suggestions will be implemented post issuance of COR. Reserve Bank of India vide its letter dated 26 <sup>th</sup> December, 2018, informed the company that the company's request for the COR has been rejected and advised the company to approach the Appellate Authority for redressal of grievances if any. The company accordingly has filed an application before the Appellate Authority and presented its case.  The Appellate Authority after hearing both the parties, dismissed the Company's appeal vide its order dated 06.08.2020 without giving any cogent reasons as to why the Company is not entitled to receive the certificate of Registration u/s 45(a) of Reserve Bank of India Act, 1934 and to enable the Company to carry on the business of NBFC.  Being aggrieved by the order passed by the Appellate Authority vide its order dated 06.08.2020, rejecting the appeal filed by the Company, the Company has filed writ petition WP 4162/2021 before the Hon'ble High Court of Karnataka, Bangalore. The High Court ordered to issue notice to both RBI and Ministry of Finance, Dept. of Financial Services. The case was listed before the court on 15.03.2021 and Court has directed to issue notice to Reserve Bank of India. Thereafter matter has not been taken due to pandemic as Courts were not functioning.

## INTERNAL FINANCIAL CONTROL

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

## 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, a copy of annual return in **MGT-7** is available on the Company's website [www.icdslimited.com](http://www.icdslimited.com) (link: <https://icdslimited.com/annual-return>). As per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual return for financial year 2020-21 is placed on website of the company i.e. [www.icdslimited.com](http://www.icdslimited.com).

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

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

## CHANGE IN NATURE OF BUSINESS

There is no change in nature of business.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans: Nil

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

Investments made are of the nature quoted/unquoted equity shares and investment in property. Particulars of such investments are provided in the financial statements vide Note No.11.

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

In order to prevent sexual harassment of Women at work place, a new Act called The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 has been notified on 9<sup>th</sup> 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 2020-21:

- a. No. of complaints received : Nil
- b. No. of complaints disposed off : Nil

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

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

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

Details of remuneration paid to the Directors and Key Managerial Personnel are given in the Form MGT-7 which is available in the Company's website under link <https://icdslimited.com/annual-return>.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.



- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 28.09.2020), with the Ministry of Corporate Affairs.

#### **DETAILS OF FRAUD REPORT BY AUDITOR**

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

#### **VIGIL MECHANISM**

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

#### **SECRETARIAL STANDARDS**

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

#### **IMPACT OF COVID-19 ON ECONOMY**

The COVID-19 pandemic has impacted businesses globally so is in India. The Company has continued its assessment of likely adverse impact on economic environment in general and

financial risks on account of COVID-19. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenue.

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

However due to the nature of the pandemic and emerging multiple new variants of COVID-19 and treatment for its eradication, the Company will continue to be vigilant on various developments/impacts in the future so as to insulate itself from any material adverse impact.

#### **ACKNOWLEDGEMENT**

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

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

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

For and on behalf of the Board of Directors

Place : Manipal  
Date : 11.08.2021

Sd/-  
**T. Mohandas Pai**  
Chairman  
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 01.04.2015. Therefore making any further disclosures in Form AOC-2 does not arise.

For and on behalf of the Board of Directors

Sd/-

**T. Mohandas Pai**

Chairman

DIN: 00104336

Place : Manipal  
Date : 11.08.2021

**ANNEXURE – II**  
**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 ICDS Ltd. Members,  
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 31.03.2021 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 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time)
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (as amended from time to time)
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (as amended from time to time)
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the clients. (as amended from time to time)
- (vi) Other laws applicable to the Company as per representation made by the Management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting are applicable to company during the year.
- (ii) The Listing agreements entered into by company with Bombay Stock Exchange and National Stock Exchange

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended from time to time;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

During the period under review and as per the explanations and clarifications given to me and representations made by the Management, Share's trading has suspended from NSE and BSE since 27<sup>th</sup> June 2002 and from BSE since 5<sup>th</sup> July 1999, However Company has complied with the Requirements and process of revocation of suspension under process.

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

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

**I further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Sd/-  
**Shrinivas Mutta Devadiga**  
Membership No.: 22381  
C. P. No.: 10372  
UDIN: A022381C000529712

Place : Bangalore  
Date : 24.06.2021

**Note:** Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the company's books, papers, minutes books, forms and returns filed, documents and other records furnished by/obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

\*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  
UDIN: A022381C000529712

Place : Bangalore  
Date : 24.06.2021

### ANNEXURE – III

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members  
ICDS LIMITED  
Syndicate House  
Manipal – 576 104

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ICDS LIMITED having (CIN:L65993KA1971PLC002106) and having registered office at Syndicate House, Manipal – 576 104 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2021, have been debarred or disqualified from being

appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For **CS Shrinivas M. Devadiga**

Sd/-  
**Shrinivas Muttu Devadiga**  
Membership No.: 22381  
C.P. No.: 10372  
UDIN: A022381C000515093

Place : Bangalore  
Date : 25.06.2021

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31<sup>st</sup> March, 2021 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 six Directors, of which one is executive and two non-executives and three Independent Directors including a woman director.

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

- i) Number of Board Meeting and Attendance of Directors: The Board met 4 times during financial year 2020-21. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
29 <sup>th</sup> June, 2020	7	7
14 <sup>th</sup> September, 2020	6	6
10 <sup>th</sup> November, 2020	6	6
10 <sup>th</sup> February, 2021	6	6

The last AGM was held on 28<sup>th</sup> September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"); out of 6 Directors of the Company, 3 Directors have attended the AGM through video conferencing.

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

Sl. No.	Name of the Directors	Category of Directorships	No. of Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Board Committees in which Chairman (C) Member (M)
1.	Sri T. Mohandas Pai	Promoter Non-Executive Director	4	No	2	1(C)
2.	Sri Bharath Krishna Nayak	Managing Director	4	Yes	1	-
3.	Sri Airody Giridhar Pai	Non-Executive Independent	4	No	1	1(C) 2(M)
4.	Sri U. Harish P. Shenoy*	Non-Executive Independent	1	No	2	1(C)* 2(M)*

Sl. No.	Name of the Directors	Category of Directorships	No. of Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Board Committees in which Chairman (C) Member (M)
5.	Mrs. Vimal C. Kamath	Non-Executive Independent	4	Yes	0	3(M)
6.	Mr. T. Sachin Pai	Non-Executive Director	4	Yes	4	-
7.	Mr. Sujir Prabhakar	Non-Executive Independent	4	Yes	1	1(C) 2(M)

\*Mr. U. Harish P. Shenoy expired on 26<sup>th</sup> July, 2020. Hence, he was ceased to be the Director and Member of the various Committees as aforesaid with effect from the date of his demise.

While all the Board Members possess the skills identified, their area of core expertise is given below:

Name of the Director	Area of Expertise
T. Mohandas Pai	<ul style="list-style-type: none"> <li>Leadership/Operational Experience</li> <li>Industry Experience, Research &amp; Development and Innovation</li> <li>Financial</li> <li>Corporate Governance</li> </ul>
Bharath Krishna Nayak	<ul style="list-style-type: none"> <li>Operational experience</li> <li>Strategic Planning</li> <li>Industry Experience, Research &amp; Development and Innovation</li> <li>Global Business</li> <li>Financial, Regulatory/Legal &amp; Risk Management</li> <li>Corporate Governance</li> </ul>
Airody Giridhar Pai	<ul style="list-style-type: none"> <li>Commercial Experience</li> <li>Finance</li> <li>Commercial/Industry Experience</li> </ul>
Vimal C. Kamath	<ul style="list-style-type: none"> <li>Board Experience</li> <li>Information Technology</li> <li>Corporate Governance</li> </ul>
T. Sachin Pai	<ul style="list-style-type: none"> <li>Leadership/Operational Experience</li> <li>Strategic Planning</li> <li>Industry Experience, Research &amp; Development and Innovation</li> <li>Global Business</li> <li>Corporate Governance</li> <li>Information Technology</li> </ul>
Sujir Prabhakar	<ul style="list-style-type: none"> <li>Leadership/Operational Experience</li> <li>Strategic Planning</li> <li>Information Technology</li> <li>Financial, Regulatory/Legal &amp; Risk Management</li> <li>Corporate Governance</li> </ul>

- iii) Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Director's Name	Category	Number of Equity Shares
T. Mohandas Pai	Non-Independent, Non-Executive Director	58,775
Bharath Krishna Nayak	Managing Director	NIL
Airody Giridhar Pai	Non-Independent, Non-Executive Director	NIL
Vimal C. Kamath	Independent, Non-Executive Director	NIL
T. Sachin Pai	Non-Independent, Non-Executive Director	26,665
Sujir Prabhakar	Independent, Non-Executive Director	NIL

### 3. Audit Committee:

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

Sri Sujir Prabhakar, Chairman  
Sri Airody Giridhar Pai, Member  
Smt. Vimal C. Kamath, 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 29<sup>th</sup> June, 2020, 14<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 10<sup>th</sup> February, 2021. Ms. Veena Hegde, Company Secretary is the Compliance Officer.

#### Objectives of the Committee:

The primary objective of the Committee is to assist the Board with oversight of:

- The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures;
- Compliance with legal and regulatory requirements;
- The Company's independent auditors' professional qualifications and independence;
- The performance of the Company's independent auditors and internal auditors; and
- Acquisitions and investments made by the Company.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members Present
29 <sup>th</sup> June, 2020	3
14 <sup>th</sup> September, 2020	3
10 <sup>th</sup> November, 2020	3
10 <sup>th</sup> February, 2021	3

### 4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprised of the following members of the Board:

Sri Airody Giridhar Pai, Chairman  
Sri Sujir Prabhakar, Member  
Smt. Vimal C. Kamath, Member

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

Sri Bharath Krishna Nayak has been reappointed as Managing Director of the Company for the further period of two years with effect from 5<sup>th</sup> December, 2021 upto 4<sup>th</sup> December, 2023 subject to approval of the shareholders at the ensuing Annual General Meeting. He has not drawn any remuneration.

#### Objectives and responsibilities of the Committee

The main objectives and responsibilities of the nomination and remuneration committee of the Board is to:

- Assist the Board in discharging its responsibilities relating to compensation of the Company's executive directors, Key Managerial Personnel (KMP) and senior management.
- Evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and senior management.
- Formulate criteria for determining Board composition, Board effectiveness, Board succession, and independent functioning of the Board.
- Oversee the Company's nomination process for the KMP and senior management and identify through a comprehensive selection process, individuals qualified to serve as directors, KMP and senior management consistent with the criteria approved by the Board.
- Recommend the appointment and removal of directors, for approval at the AGM.
- Evaluate the performance of the Board, including committees and individual directors.
- Leadership development and succession planning of the organization.
- Develop and maintain corporate governance policies applicable to the Company.
- Devise a policy on Board diversity and sustainability.

Attendance of the Directors at the Nomination and Remuneration Committee Meeting:

Meeting held on	No. of Members Present
29 <sup>th</sup> June, 2020	3
10 <sup>th</sup> November, 2020	3

Details of remuneration for the year ended 31<sup>st</sup> March, 2021:

- Managing Director: Nil
- 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-7 which is available in the company's website [www.icdslimited.com](http://www.icdslimited.com) under link: <https://icdslimited.com/annual-return>.
- iv) Performance evaluation criteria for Independent directors: The Human Resources, Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

#### 5. Stakeholders Relationship Committee:

The Committee review and redress shareholders grievances/complaints on matters relating to transfer/transmission of shares, non-receipt of Annual Report etc. Minor Grievances are redressed by the Company Secretary / Share Transfer Agents. The Committee met 7 times during the year under report.

#### Objectives and responsibilities of the Committee

The primary objectives of the Committee are to:

- Consider and resolve the security holders' concerns or complaints.
- Monitor and review the investor service standards of the Company.
- Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders.
- Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concerns.

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

Name	Status	No. of Meetings attended
Mr. T. Mohandas Pai	Non-Executive Chairman	7
Mr. Sujir Prabhakar	Independent Director	6
Mr. Airody Giridhar Pai	Independent Director	7
Mr. U. Harish P. Shenoy*	Independent Director*	1

\*Mr U. Harish P. Shenoy expired on 26<sup>th</sup> July, 2020. Hence, he was ceased to be the Member of the Committee as aforesaid with effect from the date of his demise.

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

#### Details of remuneration paid/payable for the year ended March 31, 2021

##### Non-Executive Directors (NEDs):

Name of the Director	Sitting Fees ₹	Commission ₹	Total ₹
T. Mohandas Pai	6,000	Nil	6,000
Airody Giridhar Pai	6,000	Nil	6,000
Vimal C. Kamath	6,000	Nil	6,000
T. Sachin Pai	6,000	Nil	6,000
Sujir Prabhakar	6,000	Nil	6,000

##### Managing Director and Executive Director:

Name of the Director	Salary	Benefits, Perquisites, Allowances	Commission	Total
Bharath Krishna Nayak	NIL	NIL	NIL	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
47	25.09.2018	4.00 p.m.	NIL
48	26.09.2019	4.00 p.m.	Appointment/ Reappointment of Independent Directors
49	28.09.2020	3.30 p.m.	NIL

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

##### Postal Ballot:

The notice of 50<sup>th</sup> Annual General Meeting does not contain any item which requires approval by Postal Ballot.

#### 7. Disclosures:

##### Related Party Transactions:

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

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of

Companies Act, 2013 ("the Act"). There were no materially significant related party transactions made by the Company during the year that would have required shareholders' approval under the provisions of the Act. (weblink: <https://icdslimited.com/policy-on-materiality-of-related-party-transaction>).

#### **Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provided for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company [www.icdslimited.com](http://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.

#### **Prevention on sexual harassment at the work place:**

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act.

The details of complaints received and disposed during the year 2020-21 are as below:

- number of complaints filed during the financial year – Nil
- number of complaints disposed of during the financial year – Nil
- number of complaints pending as on end of the financial year – Nil

#### **8. Details of total fees paid to statutory auditors:**

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

(Amount in ₹)

Sl. No.	Particulars	2020-21	2019-20
1.	Audit Fees	2,00,000	2,00,000
2.	Tax audit fees	50,000	50,000

The above figure includes fee paid for audit and audit-related services for the financial year 2020-21.

- Details of non-compliance by the Company,** penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years. No non-compliances have been reported.

#### **10. Means of Communication:**

- 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](http://www.icdslimited.com) and also published in News Papers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company has not made any presentations to any Institutional Investors/Analyst during the year.

#### **11. Policy on Determination of Material Subsidiaries:**

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website. (weblink:<https://icdslimited.com/policy-for-determining-material-subsidiaries/>)

#### **12. Management Discussion and Analysis Report:**

##### **Review of Operations:**

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

##### **Business Review:**

During the year under review, your Company recovered an amount of ₹296.11 lakhs from various sources such as ₹24.99 lakhs from demerger Receivables from Manipal Properties Ltd. Income from other activities like service charges under Insurance Agency, Dividend Income, capital advance recovered, security deposit refund and Rental Income is ₹271.12 lakhs.

##### **Payment of Public Liabilities:**

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

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

Your Company has already remitted entire unclaimed/un-uncashed amounts to IEPF Authorities in the previous year.

##### **Discussion on Financial Performance:**

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

##### **Human Resource Development:**

There has been no material development on the Human Resources front. The number of people employed as on 31<sup>st</sup> March, 2021 was 17 as against the previous year's figure of 25.



### 13. General Shareholder Information

- a) Annual General Meeting : 50<sup>th</sup> Annual General Meeting  
Day & Date : Tuesday, 28<sup>th</sup> day of September, 2021  
Time : 3.30 p.m.  
Venue : Through Video Conference or Other Audio Visual Means being Registered Office of the Company deemed to be the venue of the 50<sup>th</sup> Annual General Meeting and for proceedings of the AGM
- b) Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Date of Book Closure : 25-09-2021 to 28-09-2021 (both days inclusive)
- d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2021
- 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 BSE Ltd. Company has received final approval for revocation of suspension from both Exchanges vide their respective communication dated 25.06.2021. Accordingly the Company's shares started trading in NSE and BSE effective 2<sup>nd</sup> July, 2021

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

- g) a) Stock Code : ICDSLTD. EQ. (NSE) 511194 (BSE)  
b) Dematerialization of : ISIN No. INE613B01010 Shares  
c) Website : [www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)  
As on 31<sup>st</sup> March, 2021, 1,04,86,993 Equity Shares forming 80.50% of the share capital of the Company stands dematerialized (Previous Year: 1,04,80,688 equity shares forming 80.46% of the Share Capital).
- h) Market Price Data as on 31.03.2021: Not Available.

**Note:** There had been no trading in our Equity Shares in NSE & BSE from June, 2002 till July 01, 2021.

- i) Registrar and Share Transfer Agent for Physical and De-mat Shares:  
**Cameo Corporate Services Ltd.**  
**Subramanian Building**  
**No.1, Club House Road**  
**Chennai – 600 002**  
**Phone : (044-28460390), E-mail : [investor@cameoindia.com](mailto: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 De-mat and physical form effective March, 2003. Prior to this date Share Transfers etc., were done in-house once in two weeks. The Stakeholders' Relationship Committee approves all share transfer and transmission upon its receipt from the Registrars.

### k) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2021

Category Shares (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4581	83.1699	730223	7302230	5.6055
5001 - 10000	499	9.0595	347065	3470650	2.6642
10001 - 20000	213	3.8671	299175	2991750	2.2966
20001 - 30000	65	1.1801	162747	1627470	1.2493
30001 - 40000	33	0.5991	118600	1186000	0.9104
40001 - 50000	16	0.2904	72022	720220	0.5528
50001 - 100000	24	0.4357	180759	1807590	1.3876
100001 - And Above	77	1.3979	11116109	111161090	85.3332
<b>Total</b>	<b>5508</b>	<b>100</b>	<b>13026700</b>	<b>130267000</b>	<b>100</b>

### l) Pattern of Equity Shareholding as on 31<sup>st</sup> March 2021

Shareholders	No. of Shares held	Percentage
Promoters and Promoter Group	6,801,304	52.21
Financial Institutions	684,813	5.26
Banks	1,172	0.01
Other Corporate Bodies	338,457	2.60
Foreign Corporate Bodies	400,000	3.07
Others including Public	4,800,954	36.85
<b>TOTAL</b>	<b>13,026,700</b>	<b>100.00</b>

### m) Plant Locations: NIL

### n) Company's Website : [www.icdslimited.com](http://www.icdslimited.com)

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

Secretarial Department  
**ICDS Ltd.**  
Regd. Office: Syndicate House, MANIPAL – 576 104  
Phone: (0820) 2701500  
Email: [info@icdslimited.com](mailto:info@icdslimited.com) & [veenahegde@icdslimited.com](mailto:veenahegde@icdslimited.com)



## DECLARATION

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

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

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Managing Director, Chief Financial Officer, Company Secretary AGM- Secretarial, AGM-Legal and AGM-Finance & Accounts as on March 31, 2021.

Place : Manipal  
Date : 11.08.2021

Sd/-  
**G. R. Nayak**  
(CFO)

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

## 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 31<sup>st</sup> March, 2021 as per the relevant provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

In my opinion and to the best of our information and explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above during the year ended March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of 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 our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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.

For **CS Shrinivas M. Devadiga**

Sd/-  
**Shrinivas Mutta Devadiga**  
Membership No. 22381  
C P No.: 10372  
UDIN: A022381C000765596

Place : Bangalore  
Date : 10.08.2021

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ICDS LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **ICDS LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note No. 41 of the standalone financial statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Board's Report including Annexures to Board's Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible

for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of

the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) is not reported, in view of the cancellation of Certificate of Registration of Non-Banking Financial Company by the Reserve Bank of India on October 9, 2002.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the

Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

- h. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its Directors during the year and accordingly further reporting in accordance with the requirements of Section 197(16) of the Act is not required;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note no. 37 to the standalone financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration Number: 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

Partner

Membership Number: 209589

UDIN: 21209589AAAAAP6582

Place: Bengaluru

Date : June 30, 2021

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

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

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (PPE).
- b) According to the information and explanation given to us, the property, plant and equipment and investment properties have not been physically verified by the Management during the year due to limitations imposed by the COVID-19 Pandemic.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Company does not carry any inventories at any time during the year. Accordingly, clause 3(ii) of the Order is not applicable.
- iii) In our opinion and according to the information and explanation given to us, the Company during the year has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently, requirements of clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties covered under Section 185 and Section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public after the enactment of this Act. Hence, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, is not applicable to the Company. We are

also informed by the management of the Company that there are no other orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, Goods and Services Tax, cess and other material statutory dues on general have been regularly deposited during the year by the Company with the appropriate authorities though delays were noticed in payment of Income Tax and Provident fund. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise.  
In our opinion and 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) In our opinion and according to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, value added tax or cess or other material statutory dues which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. The Company did not take any loans from financial institution/government.
- ix) In our opinion and according to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
- x) During the course of examination of Books of Account and records of the Company, carried out in accordance

with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.

- xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act. Accordingly, Clause 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company, during

the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, Clause 3(xiv) of the Order is not applicable.

- xv) In our opinion and 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 any non-cash transactions with directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) The Company was registered as Non-Banking Financial Company (NBFC) under the provisions of the Reserve Bank of India (RBI) Act, 1934 and the certificate of registration had been cancelled by the RBI vide its Order dated October 9, 2002.

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

Chartered Accountants

Firm Registration Number: 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

Partner

Membership Number: 209589

UDIN: 21209589AAAAAP6582

Place : Bengaluru

Date : June 30, 2021

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

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

We have audited the internal financial controls with reference to standalone financial statements of ICDS Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to

financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

In our opinion, and to the best of our information and explanation given to us, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm Registration Number : 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

Partner

Membership Number: 209589

UDIN: 21209589AAAAAP6582

Place : Bengaluru

Date : June 30, 2021





CIN - L65993KA1971PLC002106

## Standalone Balance Sheet as at March 31, 2021

(₹ in '000)

Particulars	Notes	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	2	204	309
Right of use assets	3	38,062	39,868
Investment property	4	41,692	43,029
Financial Assets:			
Non-current investments	5	10,344	10,335
Long term loans	6	6,559	6,360
Other non-current financial assets	7	1,236	5,300
Other non-current assets	8	697	20,722
Non-current tax assets (net)	9	15,341	78,081
Deferred tax assets (net)	10	-	-
		<b>114,135</b>	<b>204,004</b>
<b>Current assets:</b>			
Financial Assets:			
Current Investments	11	36,163	15,744
Trade Receivables	12	778	1,055
Cash and cash equivalents	13	649	410
Bank balances other than cash and cash equivalents	14	24,658	11,105
Short term loans	15	126	1,566
Other current financial assets	16	1,437	320
Other Current Assets	17	304	282
		<b>64,115</b>	<b>30,482</b>
<b>Total</b>		<b>178,250</b>	<b>234,486</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share capital	18	130,267	130,267
Other Equity	19	39,429	95,027
		<b>169,696</b>	<b>225,294</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial Liabilities			
Other non-current financial liabilities	20	4,935	4,099
Other non-current liabilities	21	6	227
		<b>4,941</b>	<b>4,326</b>
<b>Current liabilities:</b>			
Financial Liabilities			
Short term borrowings	22	1,397	2,014
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	-	-
b) Total outstanding dues of creditors other than (a) above	23	641	931
Other current financial liabilities	24	846	1,277
Other current liabilities	25	729	625
Short term provisions	26	-	19
		<b>3,613</b>	<b>4,866</b>
<b>Total</b>		<b>178,250</b>	<b>234,486</b>

### Significant Accounting Policies

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

As per our report of even date attached

For and on behalf of the Board of ICDS Limited

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

Chartered Accountants

Firm Registration No.: 107783W/W100593

Sd/-  
**T. Mohandas Pai**  
Chairman  
DIN: 00104336

Sd/-  
**Sudhir Prabhu K.**  
Partner  
Membership No.: 209589  
Place : Bengaluru  
Date : June 30, 2021

Sd/-  
**Bharath Krishna Nayak**  
Managing Director  
DIN: 00776729

Sd/-  
**G. R. Nayak**  
Chief Financial Officer

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

Place : Manipal  
Date : June 30, 2021



CIN - L65993KA1971PLC002106

## Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in '000)

Particulars	Notes	2020-21	2019-20
<b>Income:</b>			
Revenue from operations	27	8,108	19,358
Other income	28	20,807	16,426
<b>Total</b>		<b>28,915</b>	<b>35,784</b>
<b>Expenses:</b>			
Employee benefits expense	29	7,415	8,489
Finance costs	30	631	566
Depreciation expense	31	3,248	3,300
Other Expenses	32	8,733	27,782
<b>Total</b>		<b>20,027</b>	<b>40,137</b>
<b>Profit/(Loss) before tax</b>		<b>8,888</b>	<b>(4,353)</b>
Less: Tax expense:			
Current tax	10	-	494
Income tax for earlier years	37(a)	63,393	(5)
Deferred tax	10	214	171
		<b>63,607</b>	<b>660</b>
<b>Profit/(Loss) for the year</b>		<b>(54,719)</b>	<b>(5,013)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Re-measurement gains (losses) on defined benefit plans	39	(1,093)	(616)
Income tax effect	10	214	171
<b>Total Other Comprehensive Loss (net of tax)</b>		<b>(879)</b>	<b>(445)</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>(55,598)</b>	<b>(5,458)</b>
Earnings per equity share of face value of ₹10/- each			
Basic and Diluted (in ₹)	35	<b>(4.20)</b>	<b>(0.38)</b>

### Significant Accounting Policies

1

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

As per our report of even date attached

For and on behalf of the Board of ICDS Limited

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

Chartered Accountants

Firm Registration No.: 107783W/W100593

Sd/-

**T. Mohandas Pai**

Chairman

DIN: 00104336

Sd/-

**Sudhir Prabhu K.**

Partner

Membership No.: 209589

Place : Bengaluru

Date : June 30, 2021

Sd/-

**Bharath Krishna Nayak**

Managing Director

DIN: 00776729

Sd/-

**G. R. Nayak**

Chief Financial Officer

Place : Manipal

Date : June 30, 2021

Sd/-

**Veena Hegde**

Company Secretary

Membership No.: A45746

CIN - L65993KA1971PLC002106

## Standalone Statement of Changes in Equity for the year ended March 31, 2021

### A. Equity Share Capital

(₹ in '000)

Particulars	Notes	March 31, 2021	March 31, 2020
Balance at the beginning of the year	18	130,267	130,267
Changes in equity share capital during the year	18	-	-
Balance at the end of the year	18	130,267	130,267

### B. Other Equity

(₹ in '000)

Particulars	Securities Premium	Other Reserve	Retained Earnings	Total other equity
<b>Changes in equity for the year ended March 31, 2020</b>				
Balance as at April 1, 2019	33,334	33,988	33,163	100,485
Profit/(loss) for the year	-	-	(5,013)	(5,013)
Other comprehensive income:				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	-	-	(445)	(445)
Balance as at March 31, 2020	33,334	33,988	27,705	95,027
<b>Changes in equity for the year ended March 31, 2021</b>				
Balance as at April 1, 2020	33,334	33,988	27,705	95,027
Profit/(loss) for the year	-	-	(54,719)	(54,719)
Other comprehensive income:				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	-	-	(879)	(879)
Balance as at March 31, 2021	33,334	33,988	(27,893)	39,429

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

As per our report of even date attached

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

For and on behalf of the Board of ICDS Limited

Sd/-  
**T. Mohandas Pai**  
Chairman  
DIN: 00104336

Sd/-  
**Sudhir Prabhu K.**  
Partner  
Membership No.: 209589  
Place : Bengaluru  
Date : June 30, 2021

Sd/-  
**Bharath Krishna Nayak**  
Managing Director  
DIN: 00776729

Sd/-  
**G. R. Nayak**  
Chief Financial Officer

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

Place : Manipal  
Date : June 30, 2021

CIN - L65993KA1971PLC002106

## Standalone Statement of Cash Flows for the year ended March 31, 2021

(₹ in '000)

Particulars	2020-21	2019-20
<b>(A) Cash flow from / (used in) operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>8,888</b>	<b>(4,353)</b>
Adjustments for:		
Depreciation and amortization expense	3,248	3,300
Interest expenses	122	246
Profit on sale of fixed assets	-	(3,182)
Fair value loss/(gain) on financial instruments	(18,110)	13,392
Unwinding interest income	(599)	(542)
Unwinding rental Income	(308)	(302)
Unwinding Interest expenses	310	279
Loss / (profit) on sale of investments	(159)	(9,003)
Interest on term deposits	(1,534)	(2,431)
Dividends	(403)	(1,212)
Reversal of provisions no longer required	(1,232)	(4,124)
Bad debts written off	47	-
Provision for doubtful receivable	-	453
<b>Operating profit before working capital changes</b>	<b>(9,730)</b>	<b>(7,479)</b>
<b>Adjustments for change in working capital</b>		
(Increase)/decrease in trade receivables	230	(296)
(Increase)/decrease in loans and advances, other assets	2,653	5,408
Increase/(decrease) in trade payables, other liabilities and provision	(1,104)	(1,543)
<b>Cash generated from operations</b>	<b>(7,951)</b>	<b>(3,910)</b>
Income Tax (paid)/refunded	(653)	(11,929)
<b>Net cash from/(used in) operating activities</b>	<b>(8,604)</b>	<b>(15,839)</b>
<b>(B) Cash flow from / (used in) Investing activities</b>		
Purchase of property, plant and equipment	(6)	(740)
Capital advance (paid)/refund received	20,000	(20,000)
Proceeds from sale of property, plant and equipment and investment property	-	4,809
Proceeds from sale of non-current investments	-	10,737
Purchase of current investments	(6,082)	-
Proceeds from sale of current investments	3,923	-
Restricted deposits/other bank balances (deposited)/withdrawn (net)	(9,553)	21,533
Interest received	909	2,984
Dividend received	403	1,212
<b>Net cash from/(used in) investing activities</b>	<b>9,594</b>	<b>20,535</b>

CIN - L65993KA1971PLC002106

## Standalone Statement of Cash Flows for the year ended March 31, 2021 (contd...)

(₹ in '000)

Particulars	2020-21	2019-20
<b>(C) Cash flow from / (used in) Financing activities:</b>		
Short term bank borrowings (net)	(617)	(5,152)
Interest paid on bank borrowings	(134)	(234)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(751)</b>	<b>(5,386)</b>
<b>Net Increase/(Decrease) in Cash equivalents (A+B+C)</b>	<b>239</b>	<b>(690)</b>
Cash and Cash Equivalents at Beginning of the Year	410	1,100
<b>Cash and Cash Equivalents at End of the Year</b>	<b>649</b>	<b>410</b>
<b>Break-up of cash and cash equivalents</b>		
Cash on hand	21	27
Cheques, drafts and stamps on hand	8	1
Balances with banks		
in current accounts	620	382
<b>Cash and Cash Equivalent as at end of the year</b>	<b>649</b>	<b>410</b>
	-	-

### Notes:

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

(₹ in '000)

Particulars	2020-21	2019-20
<b>Short-term borrowings</b>		
Opening Balance	2,014	7,166
Proceeds / (repayment ) of short term borrowings (net)	(617)	(5,152)
Non-cash fair value charges	-	-
<b>Closing balance</b>	<b>1,397</b>	<b>2,014</b>
<b>Interest accrued on Short-term borrowings</b>		
Opening Balance	12	-
Interest for the year	122	246
Payment of interest during the year	(134)	(234)
<b>Closing balance</b>	<b>-</b>	<b>12</b>

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

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

As per our report of even date attached.

For and on behalf of the Board of ICDS Limited

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

Chartered Accountants

Firm Registration No.: 107783W/W100593

Sd/-

**T. Mohandas Pai**

Chairman

DIN: 00104336

Sd/-

**Sudhir Prabhu K.**

Partner

Membership No.: 209589

Place : Bengaluru

Date : June 30, 2021

Sd/-

**Bharath Krishna Nayak**

Managing Director

DIN: 00776729

Sd/-

**G. R. Nayak**

Chief Financial Officer

Place : Manipal

Date : June 30, 2021

Sd/-

**Veena Hegde**

Company Secretary

Membership No.: A45746

CIN - L65993KA1971PLC002106

## Significant Accounting Policies and Notes to Financial Statements

### 1 Company Overview and Significant Accounting Policies:

#### 1.1 Company overview

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

Information on other related party relationship of the Company is provided in Note no.40.

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on June 30, 2021.

#### 1.2 Basis of preparation of financial statements

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

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

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

#### 1.3 Significant accounting policies

##### a. Use of estimates

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

##### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **c. Revenue Recognition:**

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

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

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

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

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

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

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

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

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

- ii. Interest and other income : Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective

interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

iv. **Contract Balances**

a. **Contract Assets**

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

b. **Trade Receivables**

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

c. **Contract Liabilities**

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

Contract liabilities are recognised as revenue when the Company performs under the contract.

d. **Property, Plant & Equipments:**

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

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

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

**Recognition:**

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

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

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

**Depreciation:**

Depreciation on property, plant and equipments are provided on the Straight Line Method over the useful

lives of the assets which is equal to those specified under Schedule II to the Companies Act, 2013, which is as follows :

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

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

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

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

**e. Investment properties:**

Property that is held for long term rental yields or for capital appreciations or both, and that is not occupied by the company, is classified as Investment property. Investment property is measured initially at its cost, including the related transaction cost and where applicable borrowing costs.

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

Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefit associated with the expenditure flow to the Company and the cost of the same can be measured reliably. All other repairs and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of replaced property is derecognised.

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

**f. Investments in subsidiaries:**

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

**g. Borrowing cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



#### **h. Leases:**

##### **The Company as a lessee**

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

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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

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

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

ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

##### **The Company as a lessor**

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease

separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

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

**i. Impairment of non-financial assets:**

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

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

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

**j. Provisions and Contingent Liabilities:**

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

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Provisions and contingent liability are reviewed at each balance sheet.

**k. Employee Benefits:**

**i) Defined benefit plans**

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the

final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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

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

#### **ii) Defined contribution plan**

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

#### **iii) Short term employee benefits**

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

#### **iv) Termination benefits**

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

### **I. Financial Instruments:**

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

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

#### **Effective Interest Method:**

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

#### **i) Financial Assets**

##### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within

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

#### **Financial assets measured at fair value**

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

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

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party and the transfer qualifies for derecognition 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 derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in statement of profit or loss.

## ii) Financial liabilities and Equity Instruments

### Classification as debt or equity

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

### Equity Instruments

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

### Financial Liabilities

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

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

### Financial liabilities at FVTPL

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

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

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

Fair values are determined in the manner described in note no.33.

### Financial liabilities at amortised cost

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

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

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

### Derecognition of Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

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

#### **m. Cash and cash equivalents:**

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

#### **n. Fair value measurement:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Current income tax**

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

Current income tax relating to items recognised outside profit or loss 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 it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

#### **o. Taxes on income:**

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

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

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

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

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

#### **p. Earnings per share:**

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

#### **1.4 Significant accounting judgements, estimates and assumptions**

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

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

##### **A) Critical Accounting Estimates and Assumptions :**

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

##### **i) Taxes**

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

Deferred Tax Assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 10.

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

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured at Discounted cash flows where available or face value when it closely approximates the fair value where reliable financial and other information available and all other cases measured at nominal value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and inputs on average borrowing rate applicable to company. Refer Note No. 33 and 34.

##### **iii) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer Note No. 37.

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

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that



may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Further details about gratuity obligations are given in Note no.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) Valuation of Investment Property**

Investment Property is stated at Cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the Balance Sheet date. The Company has engaged independent valuation specialists to determine the fair value of its investment property as at reporting date. The best evidence of fair value as per the valuation specialist is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

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

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

### **iv) Fair value measurement of financial instruments**

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

### **v) Taxes**

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

## **1.5 Introduction of new standards and amendments to existing standards**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## 2. Property, Plant and Equipment

(₹ in '000)

Description of the Assets	Tangible Assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
<b>Gross carrying amount</b>					
<b>As at April 1, 2019</b>	<b>349</b>	<b>152</b>	<b>16</b>	<b>297</b>	<b>814</b>
Additions during the year	-	16	-	21	37
Disposals/Adjustments	(147)	(53)	-	(23)	(223)
<b>As at March 31, 2020</b>	<b>202</b>	<b>115</b>	<b>16</b>	<b>295</b>	<b>628</b>
Additions during the year	-	-	-	6	6
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>202</b>	<b>115</b>	<b>16</b>	<b>301</b>	<b>634</b>
<b>Accumulated Depreciation:</b>					
<b>As at April 1, 2019</b>	<b>150</b>	<b>36</b>	<b>4</b>	<b>126</b>	<b>316</b>
Charge for the year	66	15	1	60	142
Disposals/Adjustments	(90)	(30)	-	(19)	(139)
<b>As at March 31, 2020</b>	<b>126</b>	<b>21</b>	<b>5</b>	<b>167</b>	<b>319</b>
Charge for the year	34	11	1	59	105
Disposals/Adjustments	6	-	-	-	6
<b>As at March 31, 2021</b>	<b>166</b>	<b>32</b>	<b>6</b>	<b>226</b>	<b>430</b>
<b>Net block</b>					
As at March 31, 2020	76	94	11	128	309
<b>As at March 31, 2021</b>	<b>36</b>	<b>83</b>	<b>10</b>	<b>75</b>	<b>204</b>

### Notes:

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

## 3. Right of Use Assets\*

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Building</b>		
<b>Gross Carrying amount</b>		
<b>Opening balance</b>	<b>41,680</b>	-
Reclassified on account of adoption of Ind AS 116	-	41,680
Disposals/Adjustments	-	-
<b>Closing balance</b>	<b>41,680</b>	41,680
<b>Accumulated depreciation</b>		
Opening balance	1,812	-
Depreciation charge for the year	1,806	1,812
Disposals/Adjustments	-	-
<b>Closing balance</b>	<b>3,618</b>	1,812
<b>Net carrying amount</b>	<b>38,062</b>	39,868

\*- Refer Note No. 1.3(h)

**Note :**

**Disclosure in terms of Ind AS 116 - Leases**

The changes in the carrying value of ROU assets are as follows :

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Buildings</b>		
Opening Balance	39,868	-
Reclassified on account of adoption of Ind AS 116	-	41,680
Additions	-	-
Deletions	-	-
Depreciation	(1,806)	(1,812)
<b>Closing Balance</b>	<b>38,062</b>	<b>39,868</b>

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

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

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

The Company has recognised expense relating to short term leases which are not considered as right of use Assets amounting to ₹23 thousands (March 31, 2020: ₹189 thousands).

**4. Investment Properties**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Building:</b>		
Gross Carrying amount		
<b>Opening balance</b>	<b>47,614</b>	48,560
Additions during the year	-	703
Disposals/Adjustments	-	(1,649)
<b>Closing balance</b>	<b>47,614</b>	<b>47,614</b>
<b>Accumulated depreciation</b>		
<b>Opening balance</b>	<b>4,585</b>	3,345
Depreciation charge for the year	1,337	1,346
Disposals/Adjustments	-	(106)
<b>Closing balance</b>	<b>5,922</b>	<b>4,585</b>
<b>Net carrying amount</b>	<b>41,692</b>	<b>43,029</b>

**Notes:**

- The Company on transition to Ind AS during the Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 – 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the investment property.
- Investment property includes shares of the face value of ₹511/- (March 31, 2020 : ₹511/-) in Co-operative Housing Society.

c) Fair Value

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Investment properties	288,000	288,000

**Estimation of fair value:**

The Company has obtained an independent valuation for its significant portion of investment properties for the year ended March 31, 2021. The best evidence of fair value is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

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

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

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Rental Income	-	3,113
Direct operating expenses generating rental income	-	(2,095)
Direct operating expenses from property that not generated rental income	(435)	-
<b>Profit from Investment properties before Depreciation</b>	<b>(435)</b>	<b>1,018</b>
Less: Depreciation	1,337	1,346
<b>Profit/(Loss) from investment properties</b>	<b>(1,772)</b>	<b>(328)</b>

5. Non-current investments

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Non-Current:</b>		
<b>Investment carried at cost:</b>		
<i><b>Wholly owned Subsidiary Companies</b></i>		
<b>Unquoted Equity shares (fully paid-up)</b>		
Manipal Properties Limited	1,118	1,118
[10,000 (March 31, 2020 : 10,000) shares of face value ₹100/- each]		
<b>Investment carried at Fair Value through Profit or Loss</b>		
<i><b>In other Body Corporates:</b></i>		
<b>Unquoted Equity Shares (fully paid-up)</b>		
Manipal Housing Finance Syndicate Limited*	9,103	9,103
[729,000 (March 31, 2020 : 729,000) shares of face value ₹10/- each]		
Manipal Finance Corporation Limited	-	-
[449,163 (March 31, 2020 : 449,163) shares of face value ₹10/- each] (net of impairment of ₹9,181 thousands (March 31, 2020 : ₹9,181 thousands))		
<b>Quoted Equity shares (fully paid-up)</b>		
Development Co-operative Bank Ltd.	123	114
[1,200 (March 31, 2020 : 1,200) shares of face value ₹10/- each]		
<b>Total</b>	<b>10,344</b>	<b>10,335</b>

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

(₹ in '000)

March 31, 2021 March 31, 2020

**Break-up of non-current Investments**

Investments carried at		
- cost	1,118	1,118
- amortised cost	-	-
- fair value through profit or loss	9,226	9,217
- fair value through other comprehensive income	-	-
<b>Total</b>	<b>10,344</b>	<b>10,335</b>
Aggregate cost amount of quoted investments	18	18
Aggregated market value of quoted investments	123	114
Aggregate amount of unquoted investments (gross)	19,402	19,402
Aggregate amount of impairment in value of investments	9,181	9,181

**6. Long term loans**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Loan Receivables - considered good - secured	-	-
Loan Receivables - considered good - unsecured		
Rent and other deposits	150	450
Security deposit for lease	6,303	5,704
Loan to staff	106	206
Loan Receivables which have significant increase in credit risk [Refer note (a)]	-	-
Loan Receivables - credit impaired [Refer note (a)]	-	-
<b>Total</b>	<b>6,559</b>	<b>6,360</b>

**Notes:**

- a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.  
b) The fair value of non-current loans are not materially different from the carrying value presented.

**7. Other non-current financial assets**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised Cost</b>		
Unsecured, considered good		
Deposit with government departments	234	228
Margin Deposit with banks [pledged as security against working capital loan]	1,000	5,000
Interest accrued on term deposits	2	72
<b>Total</b>	<b>1,236</b>	<b>5,300</b>

**Note:**

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

**8. Other non-current assets**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Capital Advance given to Wholly Owned Subsidiary Company for purchase of Office Space	-	20,000
Indirect tax input credit available	697	722
Less: Provision for doubtful input credit	-	-
	<b>697</b>	<b>722</b>
Prepaid Lease deposit	-	-
<b>Total</b>	<b>697</b>	<b>20,722</b>

**9. Non-current tax assets** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Advance income tax (net)	1,248	1,910
Amount paid under protest [refer Note No. 37(a)]*	14,093	76,171
<b>Total [refer Note No. 10.03]</b>	<b>15,341</b>	<b>78,081</b>

\* - balance amount due for refund as per Form-3 received from Income tax department under Direct Tax Vivad Se Vishwas Act, 2020

**10. Income Tax**

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

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

Particulars	March 31, 2021	March 31, 2020
<b>Profit or loss section</b>		
Current Tax	-	494
Income tax for earlier years	63,393	(5)
Deferred Tax	214	171
<b>Tax expense/(credit) to Statement of Profit and Loss</b>	<b>63,607</b>	<b>660</b>
<b>Other comprehensive income section (OCI)</b>		
Deferred Tax effect on remeasurement gains/losses on defined benefit plans	(214)	(171)
<b>Tax expense/(credit) to Other Comprehensive Income</b>	<b>(214)</b>	<b>(171)</b>
<b>Tax expense/(credit) to Total Comprehensive Income</b>	<b>63,393</b>	<b>489</b>

**10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Profit /(Loss) before tax	8,888	(4,353)
Applicable tax rate	25.17%	26.00%
Tax effect of income/(loss)	2,237	(1,132)
<b>Adjustments:</b>		
Tax effect on non-taxable income	(813)	(1,357)
Tax effect on non-deductible expenses	546	711
Tax effect on disposal of Investment Property and Non-Current Investment	-	7,694
Effect on tax rate changes	2,489	(185)
Utilisation of Minimum Alternate Tax Input Credit	-	(3,193)
Tax effect on remeasurement gains (losses)	214	171
Deferred tax not recognised as a matter of prudence (net)	(4,459)	(2,044)
<b>Tax expense/(credit) for the year</b>	<b>214</b>	<b>665</b>
Income tax for earlier years	63,393	(5)
<b>Tax expense/(credit) to Statement of Profit and Loss</b>	<b>63,607</b>	<b>660</b>
Tax expense/(credit) to Other Comprehensive Income	(214)	(171)
<b>Tax expense/(credit) to Total Comprehensive Income</b>	<b>63,393</b>	<b>489</b>
Effective Tax Rate for the year	0.00%	-11.35%

The Company has calculated for income tax during the year with an understanding that it would be opting for the beneficial rate of tax under Section 115BAA of the Income Tax Act, 1961 which would be confirming at the time of filing of the return. The tax estimation accordingly is based on the said presumption and management is of the opinion that there would be no significant impact on tax provision for the year.

**10.03 Non-current tax assets (net of provision)**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening Balance Receivable/(Payable)	78,081	66,641
Current tax payable for the year	-	(494)
Income tax for earlier years	(63,393)	5
Refund received during the year	(1,218)	(897)
Tax paid under protest	1,315	12,143
Current taxes paid (net)	556	1,136
Provision made towards TDS receivable relating to earlier years	-	(453)
<b>Closing balance of Non-current tax assets (net)</b>	<b>15,341</b>	<b>78,081</b>
<b>Break-up of Current tax asset and provision</b>		
Advance income tax (net)	1,248	1,910
Amount paid under protest [refer Note No. 37(a)]*	14,093	76,171
Current tax Provisions (net)	-	-
<b>Total</b>	<b>15,341</b>	<b>78,081</b>

**Note:** \*-balance amount due for refund as per Form-3 received from Income tax department under Direct Tax Vivad Se Vishwas Act, 2020.

**10.04 Major component of deferred tax assets and liabilities**

(₹ in '000)

Particulars	As at April 01, 2019	For the year 2019-20	As at March 31, 2020	For the year 2020-21	As at March 31, 2021
<b>Deferred tax liability on</b>					
Accelerated depreciation for tax purposes	12,221	(572)	11,649	(1,431)	10,218
Fair valuation of investments	8,082	(3,725)	4,357	4,142	8,499
Gratuity Plan asset over liability	146	(146)	-	24	24
<b>(a)</b>	<b>20,449</b>	<b>(4,443)</b>	<b>16,006</b>	<b>2,735</b>	<b>18,741</b>
<b>Deferred Tax assets on</b>					
Income offered for income tax deductible in future on account of income not recognised in books but offered for tax and deductible in future period	677	(677)	-	-	-
Expenses on which tax is not deducted at source	-	19	19	(19)	-
unused business losses	-	-	-	2,267	2,267
unused depreciation allowance	4,313	(4,313)	-	45	45
Gratuity Plan liability over asset	-	5	5	(5)	-
Provision for doubtful debts	43,613	(1,521)	42,092	(4,012)	38,080
<b>(b)</b>	<b>48,603</b>	<b>(6,487)</b>	<b>42,116</b>	<b>(1,724)</b>	<b>40,392</b>
<b>Net deferred tax asset (a-b)</b>	<b>(28,154)</b>	<b>2,044</b>	<b>(26,110)</b>	<b>4,459</b>	<b>(21,651)</b>

(₹ in '000)

Particulars	As at April 01, 2019	For the year 2019-20	As at March 31, 2020	For the year 2020-21	As at March 31, 2021
Less: Net deferred tax asset not recognised [refer note (a)]	28,154	-	26,110	-	21,651
<b>Net deferred tax asset</b>	-	-	-	-	-

<b>Deferred tax (expense)/credit not recognised during the year</b>		<b>(2,044)</b>		<b>(4,459)</b>	
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**Note:** (a) The Company has not recognised deferred tax assets as on March 31, 2021 amounting to ₹21,651 thousands (As on March 31, 2020: ₹26,110 thousands) in respect of unused losses, depreciation allowances and provision for doubtful debts (net) in view of prudence.

**10.05 The unused business loss and allowances is allowable in future period against taxable profit as follows:** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Unused business loss [Expiry date 31 March, 2029]	9,008	-
The unused depreciation allowances available for future taxable profit for unlimited period	179	-
Unused deductible temporary allowances available for future taxable profit [No expiry date]	76,839	93,853

**10.06 Reconciliations of deferred tax (liabilities)/assets** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening balance	-	-
Tax expense/(credit) during the year recognized in profit or loss	214	171
Tax (expense)/(credit) during the year recognized in OCI	(214)	(171)
<b>Closing balance</b>	-	-

**10.07 Tax amount recognized in other comprehensive income** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening balance	465	294
Add: Deferred tax asset/(liability) recognized during the year	214	171
<b>Closing balance of deferred tax asset netted off with Other Comprehensive income</b>	<b>679</b>	<b>465</b>

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

**11 Current Investments** (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Investment carried at fair value through Profit or Loss</b>		
<b>Held for trading</b>		
<b>Quoted equity shares, fully paid-up *</b>	-	-
Aspinwall & Company Ltd. [155,988 (March 31, 2020 : 155,988) shares of face value of ₹10/- each]	29,762	13,491



# 11 Current Investments

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Reliance Industries Ltd. [2,120 (March 31, 2020 : 2,000) shares of face value of ₹10/- each]	4,246	2,228
Aurobindo Pharma Limited [200 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	176	-
Britannia Industries Limited [175 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	634	-
Tata Steel Limited [300 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	244	-
Bombay Dyeing & Mfg. Company Limited [1000 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	70	-
Ironcon International Limited [1500 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	132	-
Tata Consumer Products [350 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	224	-
Bombay Burmah Trading Corporation Limited [300 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	333	-
The Indian Hotels Company Limited [1500 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	166	-
Engineers India Limited [1000 (March 31, 2020 : Nil) shares of face value of ₹10/- each]	77	-
Perfect-Octave Media Projects Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹10/- each]	-	-
Uniworth Ltd. [750 (March 31, 2020 : 750) shares of face value of ₹10/- each]	1	1
Mukesh Steels Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	3	3
Summit Securities Ltd. [Nil (March 31, 2018 : 1 and April 01, 2016: 1) shares of face value of ₹10/- each]	-	-
Precision Electronics Ltd. [25 (March 31, 2020 : 25) shares of face value of ₹10/- each]	1	-
Maharashtra Apex Corporation Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	7	6
Nova Iron & Steel Ltd. [240 (March 31, 2020 : 240) shares of face value of ₹10/- each]	2	1
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-
Adam Comsof Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹10/- each]	1	1
ICES Software Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹10/- each]	2	2
J K Pharmachemicals Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-

## 11 Current Investments

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Jalpac India Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	1	1
Namtech Electronic Devices Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	1	1
Sanghi Polyesters Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹10/- each]	2	2
SM Dyechem Ltd. [6 (March 31, 2020 : 6) shares of face value of ₹10/- each]	-	-
CMS Infotech Ltd. [500 (March 31, 2020 : 500) shares of face value of ₹10/- each]	1	1
Ruttonsha International Rectifier Limited [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	5	3
HLV Limited [2,500 (March 31, 2020 : Nil) shares of face value of ₹2/- each]	14	-
Apcotex Industries Limited [40 (March 31, 2020 : 40) shares of face value of ₹10/- each]	7	3
<b>Unquoted equity shares, fully paid-up*</b>		
Adhunik Synthetics Ltd. [2,000 (March 31, 2020 : 2,000) shares of face value of ₹10/- each]	-	-
ATN International Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-
Wartyhully Estates Ltd. [1,100 (March 31, 2020 : 1,100) shares of face value of ₹10/- each]	-	-
McDowell & Co. Ltd. (erstwhile Pampasar Distilleries Ltd.) [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-
Datar Switch Gears Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-
Ergon Power Corporation Ltd. (erstwhile Nagarjuna Granites Ltd.) [100 (March 31, 2020 : 100) shares of face value of ₹10/- each]	-	-
Jayant Vitamins Ltd. [563 (March 31, 2020 : 563) shares of face value of ₹10/- each]	-	-
Praman Capital Market Services Ltd. [191,500 (March 31, 2020 : 191,500) shares of face value of ₹10/- each]	-	-
Genelec Ltd. [2,000 (March 31, 2020 : 2,000) shares of face value of ₹10/- each]	-	-
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2020 : 320,000) shares of face value of ₹10/- each] **	-	-
Parsurampuriah Synthetics Ltd. [624 (March 31, 2020 : 624) shares of face value of ₹10/- each] **	-	-
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2020 : 10,000) shares of face value of ₹10/- each] **	-	-
The Vijaykumar Mills Ltd. [8,000 (March 31, 2020 : 8,000) shares of face value of ₹10/- each] **	-	-

# 11 Current Investments

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Absolute Aromatics Ltd. [Nil (March 31, 2020 : 1,600) shares of face value of ₹10/- each] ***	-	-
Mega Centre Super Markets Ltd. [Nil (March 31, 2020 : 20,000) shares of face value of ₹10/- each] ***	-	-
<b>Mutual Funds (unquoted)</b>		
SBI Magnum Equity ESG Fund Regular Plan IDCW [1200 (March 31, 2020 : Nil) Units, NAV of ₹42.3435 per unit (March 31, 2020 : NAV ₹Nil)]	51	-
<b>Total</b>	<b>36,163</b>	<b>15,744</b>

\* - 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.

\*\* - carrying value of investment in companies under liquidation as per the information available under MCA website is taken at nominal value of Rupee one.

\*\*\* - carrying value of investment in companies whose name is struck off as per the information available under MCA website is written off during the year.

## Break-up of current Investments

	March 31, 2021	March 31, 2020
Investments carried at		
- cost	-	-
- amortised cost	-	-
- fair value through profit or loss	36,163	15,744
- fair value through other comprehensive income	-	-
<b>Total</b>	<b>36,163</b>	<b>15,744</b>
Aggregate amount of Quoted Investment (at cost)	2,498	180
Aggregate amount of Quoted Investment (Market Value)	36,112	15,744
Aggregate gross value of Unquoted Investment (at cost)	-	-
Aggregate gross value of Investment in Mutual Funds (NAV)	51	-

# 12. Trade receivables

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Trade Receivables -		
Considered good - secured	-	-
Considered good - unsecured	778	1,055
Which have significant increase in credit risk	-	-
Credit impaired	-	-
<b>Total</b>	<b>778</b>	<b>1,055</b>

**Notes:**

(₹ in '000)

- a) No charge is created against trade receivables.
- b) The credit period on rent receivable is generally 15-30 days from the date of bill.
- c) Credit concentration : As on balance sheet date trade receivables from 8 tenants constitutes 84% (March 31, 2020 : 8 tenants constitutes 95%) of total trade receivables as per the terms of lease / rent agreement.
- d) Expected credit loss (ECL) : The majority of outstanding receivables are from tenants towards letting out of immovable properties. The Company is generally regular in recovering its receivables. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.
- e) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Company.
- f) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. There are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.
- g) The fair value of trade receivables are not materially different from the carrying value presented.

**13. Cash and Cash Equivalents**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Cash on hand	21	27
Cheques, drafts and stamps on hand	8	1
Balances with banks in current accounts	620	382
<b>Total</b>	<b>649</b>	<b>410</b>

**Note:**

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

**14. Bank balances other than cash and cash equivalents**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Restricted balances with banks in current account	2	2
Margin Deposit with banks [pledged as security against working capital loan]	5,000	10,500
Deposit with banks maturing between 3 to 12 months	19,656	603
<b>Total</b>	<b>24,658</b>	<b>11,105</b>

**15. Short term loans**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Loan Receivables - considered good - secured		
Demerger Receivables		
from wholly owned subsidiaries [Refer Note (a)]	(a) -	1,266
Loan Receivables - considered good - unsecured		
Loan to staff	(b) 126	300

Particulars	March 31, 2021	March 31, 2020
Loan Receivables which have significant increase in credit risk (c)	-	-
Loan Receivables - credit impaired		
i. Demerger Receivables		
from wholly owned subsidiaries [Refer Note (a)]	-	1,232
from others	101,006	101,006
	101,006	102,238
Less: Allowance for impairment loss	(101,006)	(102,238)
(d)	-	-
ii. Receivables under hire purchase agreement	123,227	123,227
Less: Allowance for impairment loss	(123,227)	(123,227)
(e)	-	-
iii. Other Loan receivables	62,752	62,752
Less: Allowance for impairment loss	(62,752)	(62,752)
(f)	-	-
<b>Total (a+b+c+d+e+f)</b>	<b>126</b>	<b>1,566</b>

**Notes:**

- During the year, the Company has received balance demerger receivable amount of ₹2,498 thousands from Manipal Properties Limited a subsidiary, which was due 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. Provision made in books during earlier years of ₹1,232 thousands have been written back on settlement of account.
- Credit impaired Hire purchase receivables and other loan receivables mainly relates to Company's erstwhile fund based business, which was discontinued from July 2002. Allowances for doubtful receivables are recognized during the earlier years based on Prudential Norms issued by Reserve Bank of India. The Company is presently concentrating on the recovery of its dues.
- There are no loans receivables which have a significant increase in credit risk based on the information available with the Company.
- The fair value of current loans are not materially different from the carrying value presented.
- The loan and receivables disclosed above, mainly relates to Company's erstwhile fund based NBFC business and demerger receivables from its wholly owned subsidiary which has been recovered during the year as explained in note (a) and (b) above and accordingly disclosure u/s 186(4) of the Companies Act, 2013 is not applicable.

**16. Other Current Financial Assets**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Unsecured considered good		
Interest accrued on term deposits	743	48
Other receivables		
from related party [refer Note No.40]	596	32
from others	98	240
<b>Total</b>	<b>1,437</b>	<b>320</b>

**Note:**

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

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

Particulars	March 31, 2021	March 31, 2020
LIC Group Gratuity Fund Asset (net) [Refer Note No. 39]	95	-
Prepaid expenses	209	282
<b>Total</b>	<b>304</b>	<b>282</b>

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

Particulars	March 31, 2021	March 31, 2020
<b>Authorized Capital</b>		
35,000,000 [March 31, 2020: 35,000,000] Equity Shares of ₹10/- each	350,000	350,000
15,000,000 [March 31, 2020: 15,000,000] Preference Shares of ₹10/- each	150,000	150,000
	<b>500,000</b>	<b>500,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
13,026,700 [March 31, 2020:13,026,700] Equity Shares of ₹10/- each fully paid-up	130,267	130,267
<b>Total</b>	<b>130,267</b>	<b>130,267</b>

**Notes:**

a) Reconciliation of shares outstanding at the beginning and end of the reporting year	Number of Shares	₹ in Thousands
<b>Equity shares of ₹10 each</b>		
<b>March 31, 2021</b>		
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>March 31, 2020</b>		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	-	-
Balance at the end of the year	13,026,700	130,267

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

The Company has two classes of shares referred to as equity shares and preference shares having par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2021.

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

**Restrictions on the distribution of dividends:**

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

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

Name of the Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Teaching Fraternity & Education Trust (including shares held by its trustee Dr. H. Shantaram)	2,104,000	16.15%	2,104,000	16.15%
Music & Fine Arts Education Trust (including shares held by its trustee Sri T. Ranga Pai)	1,476,600	11.34%	1,476,600	11.34%
Mahendra Girdharilal	1,215,023	9.33%	1,215,023	9.33%
The Academy of General Education	868,488	6.67%	868,488	6.67%
Life Insurance Corporation of India	677,001	5.20%	677,001	5.20%

- d) There is no Shares held by holding/ultimate holding company and/or their subsidiaries/associates.
- e) As per records of the Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.
- f) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

**19. Other Equity**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Securities Premium</b> [Refer Note (a) below]		
Opening Balance	33,334	33,334
Add: Additions during the year	-	-
Closing Balance	33,334	33,334
<b>Other Reserve</b> [Refer Note (b) below]		
Opening Balance	33,988	33,988
Add: Additions during the year	-	-
Closing Balance	33,988	33,988
<b>Retained Earnings</b> [Refer Note (c) below]		
Opening Balance	27,705	33,163
Add: Profit/(Loss) for the year	(54,719)	(5,013)
Add: Remeasurement of post employee benefit obligation, net of tax	(879)	(445)
Closing Balance	(27,893)	27,705
<b>Total</b>	<b>39,429</b>	<b>95,027</b>

**Notes:**

- a) Securities premium reserve represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- b) Other reserves represents the revaluation reserve created during building revaluation under previous GAAP before the transition date to Ind AS. The Company in terms of guidance provided in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 8 dated May 5, 2017 has disclosed revaluation reserve under Other Reserve.
- c) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

**20. Other non-current financial liabilities**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
<i>At Amortised Cost</i>		
Lease/Rent Deposits	4,935	4,099
<b>Total</b>	<b>4,935</b>	<b>4,099</b>

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

Particulars	March 31, 2021	March 31, 2020
Advance rent	6	227
<b>Total</b>	<b>6</b>	<b>227</b>

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

Particulars	March 31, 2021	March 31, 2020
<i>At Amortised Cost</i>		
Secured Loans		
Working capital loan from bank against fixed deposits	1,397	2,014
<b>Total</b>	<b>1,397</b>	<b>2,014</b>

**Notes:**
**Nature of security**

The above working capital loan is secured by deposit with banks amounting to ₹5,000 thousands (March 31, 2020: ₹15,500).

**Terms of repayment**

The above loan is repayable on demand. Interest for such borrowing is at 7.25% p.a.

**23. Trade payables**
*(₹ in '000)*

Particulars	March 31, 2021	March 31, 2020
<b>Current:</b>		
<i>At Amortised Cost</i>		
Due to Micro and small enterprises*	-	-
Due to other than Micro and small enterprises	641	931
<b>Total</b>	<b>641</b>	<b>931</b>

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

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

Particulars	March 31, 2021	March 31, 2020
<b>Current:</b>		
<i>At Amortised Cost</i>		
Others		
Lease/Rent Deposits	-	722
Interest Accrued on Working Capital Loan	-	12
Other payables	345	44
Employee Dues	501	499
<b>Total</b>	<b>846</b>	<b>1,277</b>



25. Other current liabilities <span style="float: right;">(₹ in '000)</span>		
Particulars	March 31, 2021	March 31, 2020
Statutory Dues	495	324
Advance lease rent	234	301
<b>Total</b>	<b>729</b>	<b>625</b>

26. Short term provisions <span style="float: right;">(₹ in '000)</span>		
Particulars	March 31, 2021	March 31, 2020
<b>Employee benefits</b>		
Gratuity [refer Note No.39]	-	19
<b>Total</b>	<b>-</b>	<b>19</b>

27. Revenue from operations <span style="float: right;">(₹ in '000)</span>		
Particulars	2020-21	2019-20
<b>Operating revenue:</b>		
Interest on demerger receivables	-	2,433
Reversal of provisions no longer required*	1,232	4,124
Bad debts recovered	-	1,770
Profit on sale of shares and securities	159	-
Rent Received	5,321	9,514
Maintenance charges received	944	1,118
Service charges and commission	452	399
<b>Total</b>	<b>8,108</b>	<b>19,358</b>

\* - net of receivables written off of ₹ Nil (March 31, 2020 : ₹5,348 thousands)

**Note :**

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

(a) Revenue from operations for the year ended March 31, 2021 and March 31, 2020 are as follows:

<span style="float: right;">(₹ in '000)</span>		
Particulars	2020-21	2019-20
Financial Services (includes recovery of debts charged/income reversed for earlier)	1,232	8,327
Trading Activities	159	-
Rent Received	6,265	10,632
Service charges and commission	452	399

**Disaggregated revenue information:**

The Company has presented disaggregated revenue from offerings with customers for the year ended March 31, 2021 and March 31, 2020 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

<span style="float: right;">(₹ in '000)</span>		
Particulars	2020-21	2019-20
Financial Services (includes recovery of debts charged/income reversed for earlier)	1,232	8,327
Profit on sale of shares and securities	159	-
Rent Received	6,265	10,632
Service charges and commission	452	399

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

(b) **Contract Balances:**

	(₹ in '000)	
Particulars	March 31, 2021	March 31, 2020
<b>Receivables:</b>		
- Current (Gross)	778	1,055
- Provision for Impairment (current)	-	-
<b>Contract Assets</b>	-	-
<b>Contractual Liabilities</b>	-	-

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

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

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

(e) **Remaining performance obligation disclosure:**

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

**28. Other Income**

	(₹ in '000)	
Particulars	2020-21	2019-20
Dividend received from		
Non-current Investments	-	731
Others	403	481
Interest on term deposit	1,534	2,431
Interest on loans and advances	32	48
Other interest	122	-
Unwinding interest on lease security deposit	599	542
Profit on sale / (disposal) of owned / leased assets	-	3,182
Fair value gain on investments	18,110	-
Profit on sale of shares and securities	-	9,003
Miscellaneous income	7	8
<b>Total</b>	<b>20,807</b>	<b>16,426</b>

**29. Employee benefits expense**

	(₹ in '000)	
Particulars	2020-21	2019-20
Salaries, wages and bonus	6,334	7,313
Contribution to provident and other funds [Refer Note No. 39]	693	942
Staff welfare expenses	388	234
<b>Total</b>	<b>7,415</b>	<b>8,489</b>

**30. Finance Costs**
*(₹ in '000)*

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Interest on		
- working capital loan from bank against fixed deposits	122	246
Others		
- interest on delay in payment of taxes	162	2
Unwinding interest expenses on financial liabilities	310	279
Bank charges	37	39
<b>Total</b>	<b>631</b>	<b>566</b>

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

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Depreciation on tangible assets	105	142
Depreciation on investment property	1,337	1,346
Depreciation on Right of Use Assets	1,806	1,812
<b>Total</b>	<b>3,248</b>	<b>3,300</b>

**32. Other Expenses**
*(₹ in '000)*

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Rent, rates and taxes	76	268
Electricity charges (net)	405	106
Property tax	186	154
Goods and service tax paid	759	629
Stock Exchanges fees and depository service charges *	3,699	93
Printing and stationery	55	321
Directors sitting fees	32	35
Travelling and conveyance	152	666
Postage, telegram and telephones	148	280
Insurance	57	24
<i>Repairs and Maintenance:</i>		
Buildings	501	2,179
Others	460	248
Advertisement and Business Promotion	206	172
Legal and Professional Charges	1,135	7,406
<i>Auditors Remuneration:</i>		
Audit Fees	250	250
Certification	-	40
Brokerage & Commission	-	104
Service Charges	506	761
Fair value loss on investments	-	13,392
Bad debts written off	47	-
Provision for doubtful receivable	-	453
Sundry Expenses	59	201
<b>Total</b>	<b>8,733</b>	<b>27,782</b>

\* includes ₹3,000 thousands fee paid to BSE Limited for revocation of suspension of trading in the equity shares of the company.

### 33. Financial Instruments

#### 33.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities

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

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
<b>Financial assets carried at cost</b>		
Investment in equity shares of subsidiary	1,118	1,118
<b>Financial assets carried at amortised cost</b>		
Trade Receivables	778	1,055
Cash and Cash equivalents	649	410
Bank balances other than above	24,658	11,105
Loans	6,685	7,926
Other financial assets	2,673	5,620
<b>Financial assets carried at fair value through profit or loss</b>		
Investments in equity/debt instruments	45,389	24,961
<b>Total</b>	<b>81,950</b>	<b>52,195</b>
<b>Financial liabilities carried at amortised cost</b>		
Borrowings (against Fixed Deposits with Banks)	1,397	2,014
Trade payables	641	931
Other financial liabilities	5,781	5,376
<b>Total</b>	<b>7,819</b>	<b>8,321</b>

#### 33.02 Fair value hierarchy

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

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

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

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

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

(₹ in '000)			
Particulars	Level	March 31, 2021	March 31, 2020
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value	Level 1	36,286	15,858
through profit or loss	Level 2	9,103	9,103
	Level 3	-	-
Liabilities measured at fair value through profit or loss:			
		-	-

During the year ended March 31, 2021 and March 31, 2020 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

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

## **34. Financial Risk Management**

### **Financial Risk Factors**

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

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

#### **34.01 Market risk**

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

##### **Price risk**

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

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

##### **Interest rate risk**

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

#### **34.02 Credit risk**

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

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

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

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
Upto 3 months	778	1,008
3 to 6 months	-	1
More than 6 months	-	46
<b>Total</b>	<b>778</b>	<b>1,055</b>

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

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

### 34.03 Liquidity risk

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

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

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

As at March 31, 2021, the Company had a working capital of ₹1,74,637 thousands including cash and cash equivalents of ₹649 thousands and current investments of ₹36,163 thousands. As at March 31, 2020, the Company had a working capital of ₹2,29,620 thousands including cash and cash equivalents of ₹410 thousands and current investments of ₹15,744 thousands.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated payment on an undiscounted basis which therefore differs from both carrying value and fair value.

#### Undiscounted, non-derivative financial liabilities (₹ in '000)

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
<b>As at March 31, 2021</b>					
Financial liabilities					
Borrowings (against Fixed Deposits with Banks)	1,397	1,397	-	-	-
Trade payables	641	-	641	-	-
Other financial liabilities	6,053	846	-	5,207	-
<b>Total</b>	<b>8,091</b>	<b>2,243</b>	<b>641</b>	<b>5,207</b>	<b>-</b>

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
<b>As at March 31, 2020</b>					
Financial liabilities					
Borrowings (against Fixed Deposits with Banks)	2,014	2,014	-	-	-
Trade payables	931	-	931	-	-
Other financial liabilities	5,938	555	722	4,661	-
<b>Total</b>	<b>8,883</b>	<b>2,569</b>	<b>1,653</b>	<b>4,661</b>	<b>-</b>

#### 34.04 Capital management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

#### 35. Calculation of Earning per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2021 and March 31, 2020. Thus, diluted EPS equals basic EPS.

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

(₹ in '000)

Sl. No.	Particulars	2020-21	2019-20
a)	Nominal value per share (in ₹)	10	10
b)	Net Profit/(loss) available for equity shareholders (₹ in thousands)	(54,719)	(5,013)
c)	Weighted Average No. of Equity Shares (Nos.)	13,026,700	13,026,700
d)	Basic/Diluted EPS of ₹10/- each (in ₹)	(4.20)	(0.38)

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

The accounts have been prepared on going concern basis, considering the successful implementation of the Scheme of Arrangement as mentioned above, the Company's foray into fee based activities, rentals from investment properties, gains from dealing in trading of shares and securities.

### 37. Contingent liabilities and commitments

#### i. Contingent Liabilities

(₹ in '000)

Sl. No.	Particulars	March 31, 2021	March 31, 2020
1.	Block assessment from AYs 1987-88 to 1997-98 [Refer note (a) below]	-	26,233
2.	Claims against the company/disputed liabilities not acknowledged as debt/liabilities	-	-

#### Notes:

- a) The Ministry of Finance, Government of India has introduced the Direct Tax Vivaad Se Vishwas Act, 2020 ('DTVSV Act, 2020' or 'the Act') to help tax payers end their tax disputes with the Income Tax Department by paying disputed tax and get waiver from payment of interest and penalty and also immunity from prosecution. As per the Act, the tax payers are required to remit the disputed taxes without an additional amount by June 30, 2021. The Company has obtained an opinion in this matter from tax consultants. The Company during the year, based on advice from its tax counsel and the decision of the board of directors opted for the settlement under the scheme since there will not be any cash outflow required to be made in view of the amounts already paid under protest being higher than the tax liability under the DTVSV Act, 2020.

The Company has filed an online declaration during December 2020 under DTVSV Act, 2020 in respect of its Income tax demand for Block Assessment of ₹101,126 thousands (inclusive of interest) pertaining to assessment years from 1987-88 to 1997-98 to settle matter and against which a certificate settling the tax demand at ₹63,393 thousands was approved under Form 3 of Section 5(1) of the DTVSV Act, 2020 by Department on June 15, 2021. The Company had already deposited ₹77,486 thousands against the said Income Tax demand as on date. The management is confident of recovering the amount paid under protest of ₹14,093 thousands (after netting the tax settled under DTVSV Act, 2020 as disclosed above) based on the approval of refund vide Form 3 by the Income Tax department. The Company accordingly, has made provision for income tax for earlier years to the extent of ₹63,393 thousands which is the estimated taxes payable as per certificate in Form 3 under Section 5(1) of DTVSV Act, 2020.

- b) The Company with its intention to start fresh NBFC business had filed an application during the earlier year with the Reserve Bank of India (RBI) which has been rejected by the Reserve Bank of India and for which appeal filed by the Company before Appellate Authority for NBFC was rejected on August 06, 2020. Aggrieved by the order of the Appellate Authority, the Company has filed a writ petition before the Hon'ble High Court of Karnataka on October 01, 2020 and the case was listed for hearing on March 15, 2021 and Court has directed to issue notice to RBI in this regard and thereafter the Courts were not functioning due to COVID-19 lockdown. The management of the Company is hopeful of obtaining a favorable order.



- c) The Supreme Court (SC) had passed an order dated February 28, 2019, stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment which was also subsequently upheld vide its review petition dated August 28, 2019. In view of the same, the Company is liable to make further contribution towards Provident Fund ('PF') on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. As a matter of caution, the Company has accounted the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., March 1, 2019 onwards. The Company further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Company is not expected to be material.
- d) The Company, during earlier year had received show-cause notice from the Registrar of Companies, Karnataka (ROC) with regard to non-compliance of appointment of full time Company Secretary between April 01, 2014 to August 08, 2016 as per the provisions of Section 203(1) read with Section 203(4) of the Companies Act, 2013. The management of the Company had filed an application for adjudication of penalties under the Companies Act, 2013 which is pending before the ROC. In the absence of an adjudication of penalties and specific demand notice, the management is unable to quantify the penalty amount. The management is of the opinion that the penalty, if levied is not material and will not have a significant impact on the financial position of the Company.

## ii. Capital Commitments

(₹ in '000)

Sl. No.	Particulars	March 31, 2021	March 31, 2020
1	Purchase of Office Space	-	10,000

38. The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results/statement following the Code becoming effective and the related rules being framed and notified.

## 39. Employee Benefits

### a) Defined Contribution Plans

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

(₹ in '000)

Particulars	2020-21	2019-20
Provident and pension fund	489	661
Employee state insurance	64	130
<b>Total</b>	<b>553</b>	<b>791</b>

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

(₹ in '000)

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<i>Change in Defined Benefit Obligation</i>		
<b>Opening defined benefit obligation</b>	<b>5,714</b>	<b>5,093</b>
Current service cost	<b>156</b>	168
Interest cost	<b>283</b>	299
Actuarial loss/(gains)	<b>1,109</b>	662
Benefits paid	<b>(2,003)</b>	(508)
<b>Closing defined benefit obligation</b>	<b>5,259</b>	<b>5,714</b>
<b>Defined Benefit Plan – Gratuity as per Actuarial Valuation [Funded]</b>		
<i>Change in Fair Value of Assets</i>		
<b>Opening fair value of plan assets</b>	<b>5,695</b>	<b>5,619</b>
Expected return on plan assets	<b>322</b>	338
Actuarial gain / (loss)	<b>16</b>	46
Actual Contributions by Employer	<b>1,324</b>	200
Benefits paid	<b>(2,003)</b>	(508)
<b>Closing fair value of plan assets</b>	<b>5,354</b>	<b>5,695</b>
<b>Net (asset) / liability recognized</b>	<b>(95)</b>	<b>19</b>
<i>Expenses recognized during the year</i>		
Current service cost	<b>156</b>	168
Net interest on net defined benefit liability/ (Asset)	<b>283</b>	299
Expected return on plan assets	<b>(322)</b>	(338)
<b>Net gratuity cost</b>	<b>117</b>	<b>129</b>
<b>Remeasurement of the net defined benefit liability/(asset)</b>		
Actuarial changes arising from changes in demographic assumptions	<b>(28)</b>	-
Actuarial changes arising from changes in financial assumption	<b>327</b>	138
Actuarial changes arising from changes in experience adjustments	<b>809</b>	524
Actuarial changes arising from changes in discount rate	<b>(15)</b>	(46)
Return on plan assets excluding interest income	-	-
<b>Recognized in other comprehensive income [loss/(gain)]</b>	<b>1,093</b>	<b>616</b>
 Actual return on plan assets	 <b>338</b>	 <b>384</b>
<b>Present value of Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	<b>606</b>	993
Between 2 and 5 years	<b>3,715</b>	3,657
Between 5 and 10 years	<b>885</b>	1,040

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>Increase/decrease on present value of defined benefit obligation as at year end</b>		
(i) one percentage point increase in discount rate	(142)	(159)
(ii) one percentage point decrease in discount rate	150	168
(iii) one percentage point increase in salary escalation rate	150	176
(iv) one percentage point decrease in salary escalation rate	(145)	(169)
(v) one percentage point increase in employee turnover rate	(13)	(3)
(vi) one percentage point decrease in employee turnover rate	14	3
<b>Sensitivity Analysis Method</b>		
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		
<i>Investment with Insurer managed funds</i>	100%	100%
<i>Principal actuarial assumptions used</i>		
Discount rate (p.a.)	6.01%	6.18%
Expected rate of return on plan assets (p.a.)	6.01%	6.18%
Rate of increase in compensation levels	7.00%	5.00%
Weighted average duration of defined benefit obligation	4.74 Years	4.94 Years
Attrition Rate	5.00%	3.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	
<i>Expected employer's contribution for the next year</i>	106	141

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds.

**Notes:**

- The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.
- The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

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

- Wholly owned subsidiaries**  
Manipal Properties Limited

ii) **Key Management Personnel**

T. Mohandas Pai - Chairman, Non-executive Director  
 Bharath Krishna Nayak - Managing Director  
 Tonse Sachin Pai - Non-executive Director  
 U. Harish P. Shenoy - Independent Director (deceased on 26.07.2020)  
 Airody Giridhar Pai - Independent Director w.e.f. 26.09.2019  
 Vimal C. Kamath - Independent Director  
 Sujir Prabhakar - Independent Director  
 G. R. Nayak - Chief Financial Officer  
 Veena Hegde - Company Secretary

iii) **Details of the transactions :**

(₹ in '000)

Sl. No.	Particulars	Relationship	March 31, 2021	March 31, 2020
a)	Details of transactions during the year are as follows:			
i)	Interest income on Demerger receivable from Manipal Properties Limited	Subsidiary	-	2,433
ii)	Provisions no longer required Manipal Properties Limited	Subsidiary	1,232	2,567
b)	Details of Balance Sheet movement are as follows:			
i)	Reimbursement of expenses paid/recovered from Manipal Properties Limited	Subsidiary	564	1,304
ii)	Recovery of Demerger receivable from Manipal Properties Limited	Subsidiary	2,498	5,000
c)	Details of outstanding balances are as follows:			
i)	Investment in equity instrument of Manipal Properties Limited	Subsidiary	1,118	1,118
ii)	Demerger receivable from Manipal Properties Limited	Subsidiary	-	2,498
iii)	Provisions recorded towards demerger receivable including income reversal Manipal Properties Limited	Subsidiary	-	1,232
iv)	Balance due from Manipal Properties Limited	Subsidiary	596	32
d)	Sitting fees paid during the year			
	T. Mohandas Pai	Director	6	6
	U. Harish P. Shenoy	Director	2	6
	Airody Giridhar Pai	Director	6	5
	Vimala C. Kamath	Director	6	6
	T. Sachin Pai	Director	6	6
	Sujir Prabhakar	Director	6	6
e)	Reimbursement of travelling expenses to			
	Vimal C. Kamath	Director	20	-

**Notes:**

- Related Party Transactions given above are as identified by the Management.
- Commitments with related parties: As at year end March 31, 2021, there is no commitment outstanding with any of the related parties.
- The remuneration to KMPs do not include provisions for gratuity as separate actuarial valuation are not available.
- The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

#### 41. Impact of COVID-19 Global Pandemic

The COVID-19 pandemic has impacted businesses globally and in India. The Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company, however, believes strongly that its offerings to the customer would not significantly impact its revenue.

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

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

However due to the nature of the pandemic and emerging multiple new variants of COVID 19 and treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

#### 42. Segment Reporting

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

#### 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 LLP**

*Chartered Accountants*

Firm Registration No.: 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

*Partner*

Membership No.: 209589

Place : Bengaluru

Date : June 30, 2021

For and on behalf of the Board of ICDS Limited

Sd/-

**T. Mohandas Pai**

*Chairman*

DIN: 00104336

Sd/-

**G. R. Nayak**

*Chief Financial Officer*

Sd/-

**Bharath Krishna Nayak**

*Managing Director*

DIN: 00776729

Sd/-

**Veena Hegde**

*Company Secretary*

Membership No.: A45746

Place : Manipal

Date : June 30, 2021

## SCHEDULE TO THE BALANCE SHEET OF ICDS LIMITED

(as required in terms of Paragraph 9BB of

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

(Notification No. DNBS 167/CGM (OPA) – 2003 dated March 29, 2003)

(₹ in '000)

	Particulars	Amount Outstanding	Amount Overdue
	<b>Liabilities side:</b>		
1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
	a) Debentures : Secured	—	—
	: Unsecured (other than falling within the meaning of public deposits)	—	—
	b) Deferred Credits	—	—
	c) Term Loans	—	—
	d) Inter-corporate loans and borrowing	—	—
	e) Commercial Paper	—	—
	f) Public Deposits	—	—
	g) Other Loans (working capital loans against fixed deposit from banks)	1,397	—
2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	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	—	—
	<b>Assets side:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
3)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below):</b>		
	a) Secured	—	—
	b) Unsecured	904	—
4)	<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:</b>		
	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	—	—

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7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/ Break-up or fair value of NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a) Subsidiaries (lower of fair value or cost)	1,118	1,118
	b) Companies in the same group	–	–
	c) Other related parties	–	–
	2. Other than related parties (fair value)	45,389	45,389
	Total	46,507	46,507
8)	Other Information		
	Particulars	Amount	
	i) Gross Non-Performing Assets	306,009	
	a) Related Parties	–	
	b) Other than related parties	306,009	
	ii) Net Non-Performing Assets	–	
	a) Related Parties	–	
	b) Other than related parties	–	
	iii) Assets acquired in satisfaction of debt	–	
Note:			
1) Loans and advances, stock on hire are shown at net of provisions.			
2) Quoted shares in current and non-current investments are shown at market value and Unquoted shares are shown at book value.			



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ICDS LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Consolidated Financial Statements of ICDS Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of the subsidiary as was audited by the other auditor, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated loss including other comprehensive income, the consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note No. 43 of the consolidated financial statements, with regard to management's evaluation of impact of COVID-19 on the future performance of the Group.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

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

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report

including Annexure to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

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

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

#### Management Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from

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

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

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

solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

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

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

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

#### **Other matters**

We did not audit the financial statements and other financial information, in respect of one subsidiary company, whose financial statements include total assets of ₹28,292 thousands as at March 31, 2021, total revenue of ₹3,858 thousands and net decrease in cash inflow of ₹672 thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditor.

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

#### **Report on Other Legal and Regulatory Requirements**

1. The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) is not reported, in view of the cancellation of Holding Company's Certificate of Registration of Non-Banking Financial Company by the Reserve Bank of India on October 9, 2002.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of the subsidiary as were audited by other auditors, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure A" to this report;

- h) In our opinion and according to the information and explanations given to us and based on the consideration of reports of other statutory auditors of the subsidiary, the Holding Company and its Subsidiary has not paid any remuneration to its Directors during the year and accordingly further reporting in accordance with the requirements of Section 197(16) of the Act is not required;
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note No. 37 to the consolidated financial statements.
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

*Chartered Accountants*

Firm Registration Number: 107783W/W100593

*Sd/-*

**Sudhir Prabhu K.**

*Partner*

Membership Number: 209589

UDIN: 21209589AAAAQ1902

Place : Bengaluru

Date : June 30, 2021

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

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

In conjunction with audit of the consolidated financial statements of the ICDS Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of ICDS Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India under the Companies Act, 2013 (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiary company incorporated in India, have, maintained in all material respects, adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal controls with reference to consolidated financial statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other matters**

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

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

*Chartered Accountants*

Firm Registration Number: 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

*Partner*

Membership Number: 209589

UDIN : 21209589AAAAQ1902

Place : Bengaluru

Date : June 30, 2021

CIN - L65993KA1971PLC002106

# Consolidated Balance Sheet as at March 31, 2021

(₹ in '000)

Particulars	Notes	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	204	309
Right of Use Assets	3	38,062	39,868
Investment property	4	69,472	70,963
Financial Assets:			
Non-current Investments	5	9,226	9,217
Long term Loans	6	6,570	6,360
Other non-current financial assets	7	1,236	5,300
Other non-current assets	8	697	722
Non-current tax assets (Net)	9	15,407	78,147
Deferred tax assets (Net)	10	-	-
		<b>140,874</b>	<b>210,886</b>
<b>Current assets</b>			
Financial Assets:			
Current Investments	11	36,163	15,744
Trade Receivables	12	1,138	1,055
Cash and cash equivalents	13	724	1,157
Bank balances other than cash and cash equivalents	14	24,658	30,188
Short term Loans	15	126	300
Other current financial assets	16	841	411
Other current assets	17	304	282
		<b>63,954</b>	<b>49,137</b>
<b>Total</b>		<b>204,828</b>	<b>260,023</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share capital	18	130,267	130,267
Other Equity	19	63,367	118,071
		<b>193,634</b>	<b>248,338</b>
<b>Liabilities :</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Other non-current financial liabilities	20	6,587	4,099
Other non-current liabilities	21	560	227
		<b>7,147</b>	<b>4,326</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Short term borrowings	22	1,397	2,014
Trade payables			
a) Total outstanding dues of micro and small enterprises	23	-	-
b) Total outstanding dues of creditors other than (a) above	23	701	960
Other current financial liabilities	24	1,047	3,701
Other current liabilities	25	777	665
Short term provisions	26	-	19
Current Tax Provisions (Net)	10	125	-
		<b>4,047</b>	<b>7,359</b>
<b>Total</b>		<b>204,828</b>	<b>260,023</b>

## Significant Accounting Policies

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

As per our report of even date attached

For Pathak H.D. &amp; Associates LLP

Chartered Accountants

Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

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

Sd/-  
T. Mohandas Pai  
Chairman  
DIN: 00104336

Sd/-  
Bharath Krishna Nayak  
Managing Director  
DIN: 00776729

Sd/-  
G. R. Nayak  
Chief Financial Officer

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

Place : Bengaluru  
Date : June 30, 2021

Place : Manipal  
Date : June 30, 2021

# Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in '000)

Particulars	Notes	2020-21	2019-20
<b>Income:</b>			
Revenue from operations	27	10,465	18,139
Other income	28	21,076	16,721
<b>Total</b>		<b>31,541</b>	<b>34,860</b>
<b>Expenses:</b>			
Employee benefits expense	29	7,415	8,561
Finance costs	30	799	796
Depreciation expense	31	3,402	3,454
Other Expenses	32	9,747	29,121
<b>Total</b>		<b>21,363</b>	<b>41,932</b>
<b>Profit/(Loss) before tax</b>		<b>10,178</b>	<b>(7,072)</b>
Less: Tax expense			
Current tax	10	396	885
Income tax for earlier years	37(a)	63,393	(5)
Deferred tax	10	214	171
		<b>64,003</b>	<b>1,051</b>
<b>Profit/(Loss) for the year</b>		<b>(53,825)</b>	<b>(8,123)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or Loss</b>			
Re-measurement gains (losses) on defined benefit plans	39	(1,093)	(616)
Income tax effect	10	214	171
<b>Total Other Comprehensive Loss (net of tax)</b>		<b>(879)</b>	<b>(445)</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>(54,704)</b>	<b>(8,568)</b>
<b>Loss for the year attributable to</b>			
a) Equity holders of the parent		(53,825)	(8,123)
b) Non-controlling interests		-	-
<b>Other Comprehensive Loss attributable to</b>			
a) Equity holders of the parent		(879)	(445)
b) Non-controlling interests		-	-
<b>Total Comprehensive Loss for the year attributable to</b>			
a) Equity holders of the parent		(54,704)	(8,568)
b) Non-controlling interests		-	-
Earnings per equity share of face value of ₹10/- each			
Basic and Diluted (in ₹)	35	(4.13)	(0.62)

## Significant Accounting Policies

1

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

As per our report of even date attached

For Pathak H.D. &amp; Associates LLP

For and on behalf of the Board of ICDS Limited

Chartered Accountants

Firm Registration No.: 107783W/W100593

Sd/-

Sudhir Prabhu K.

Partner

Membership No.: 209589

Sd/-

T. Mohandas Pai

Chairman

DIN: 00104336

Sd/-

Bharath Krishna Nayak

Managing Director

DIN: 00776729

Sd/-

G. R. Nayak

Chief Financial Officer

Sd/-

Veena Hegde

Company Secretary

Membership No.: A45746

Place : Bengaluru

Date : June 30, 2021

Place : Manipal

Date : June 30, 2021

CIN - L65993KA1971PLC002106

## Consolidated Statement of changes in Equity for the year ended March 31, 2021

### A. Equity Share Capital

(₹ in '000)

Particulars	Notes	March 31, 2021	March 31, 2020
Balance at the beginning of the year	18	130,267	130,267
Changes in equity share capital during the year	18	—	—
<b>Balance at the end of the year</b>	<b>18</b>	<b>130,267</b>	<b>130,267</b>

### B. Other Equity

(₹ in '000)

Particulars	Securities Premium	Other Reserve	Retained Earnings	Total other Equity
<b>Changes in equity for the year ended March 31, 2020</b>				
<b>Balance as at April 1, 2019</b>	<b>33,334</b>	<b>33,988</b>	<b>59,317</b>	<b>126,639</b>
Profit/(Loss) for the year	—	—	(8,123)	(8,123)
Other comprehensive income:				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	—	—	(445)	(445)
<b>Balance as at March 31, 2020</b>	<b>33,334</b>	<b>33,988</b>	<b>50,749</b>	<b>118,071</b>
<b>Changes in equity for the year ended March 31, 2021</b>				
<b>Balance as at April 1, 2020</b>	<b>33,334</b>	<b>33,988</b>	<b>50,749</b>	<b>118,071</b>
Profit/(Loss) for the year	—	—	(53,825)	(53,825)
Other comprehensive income				
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	—	—	(879)	(879)
<b>Balance as at March 31, 2021</b>	<b>33,334</b>	<b>33,988</b>	<b>(3,955)</b>	<b>63,367</b>

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

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

Sd/-  
**T. Mohandas Pai**  
Chairman  
DIN: 00104336

Sd/-  
**Bharath Krishna Nayak**  
Managing Director  
DIN: 00776729

Sd/-  
**G. R. Nayak**  
Chief Financial Officer

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

Place : Bengaluru  
Date : June 30, 2021

Place : Manipal  
Date : June 30, 2021



# Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in '000)

Particulars	2020-21	2019-20
<b>(A) Cash flow from/(used in) operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>10,178</b>	<b>(7,072)</b>
Adjustments for:		
Depreciation and amortization expense	3,402	3,454
Interest expenses	122	246
Profit on sale of fixed assets	-	(3,182)
Fair value loss/(gain) on financial instruments	(18,110)	13,392
Unwinding interest income	(599)	(542)
Unwinding rental income	(509)	(494)
Unwinding interest expenses	478	509
Loss/(Profit) on sale of investments	(159)	(9,003)
Interest on term deposits	(1,803)	(2,726)
Dividends	(403)	(1,212)
Reversal of provisions no longer required	-	(1,557)
Bad debts written off	47	-
Provision for doubtful receivable	-	453
<i>Operating profit before working capital changes</i>	<i>(7,356)</i>	<i>(7,734)</i>
<i>Adjustments for change in working capital</i>		
(Increase)/decrease in trade receivables	(130)	(296)
(Increase)/decrease in loans and advances, other assets	709	2,874
Increase/(decrease) in trade payables, other liabilities and provisions	(1,049)	(1,567)
<i>Cash generated from operations</i>	<i>(7,826)</i>	<i>(6,723)</i>
Income Tax (paid)/refunded	(924)	(12,526)
<b>Net cash from/(used in) operating activities</b>	<b>(8,750)</b>	<b>(19,249)</b>
<b>(B) Cash flow from/(used in) investing activities</b>		
Purchase of property, plant and equipment	(6)	(740)
Proceeds from Sale of property, plant and equipment and investment property	-	4,809
Proceeds from Sale of non-current investments	-	10,737
Purchase of current investments	(6,082)	-
Proceeds from sale of current investments	3,923	-
Restricted deposits/other bank balances (deposited)/withdrawn (Net)	9,530	5,354
Interest received	1,300	3,192
Dividend received	403	1,212
<b>Net cash from/(used in) investing activities</b>	<b>9,068</b>	<b>24,564</b>



CIN - L65993KA1971PLC002106

## Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in '000)

Particulars	2020-21	2019-20
<b>(C) Cash flow from/(used in) Financing activities:</b>		
Short term bank borrowings (Net)	(617)	(5,152)
Interest paid on bank borrowings	(134)	(234)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(751)</b>	<b>(5,386)</b>
<b>Net Increase/(Decrease) in Cash equivalents (A+B+C)</b>	<b>(433)</b>	<b>(71)</b>
Cash and Cash Equivalents at Beginning of the Year	1,157	1,228
<b>Cash and Cash Equivalents at End of the Year</b>	<b>724</b>	<b>1,157</b>
<b>Break-up of cash and cash equivalents</b>		
Cash on hand	21	27
Cheques, drafts and stamps on hand	8	1
Balances with banks in current accounts	695	1,129
<b>Cash and Cash Equivalent as at end of the year</b>	<b>724</b>	<b>1,157</b>

### Notes:

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

Particulars	2020-21	2019-20
<b>Short term borrowings</b>		
Opening Balance	2,014	7,166
Proceeds/(repayment) of short term borrowings (Net)	(617)	(5,152)
Non-cash fair value charges	-	-
<b>Closing balance</b>	<b>1,397</b>	<b>2,014</b>
<b>Interest accrued on Short term borrowings</b>		
Opening Balance	12	-
Interest for the year	122	246
Payment of interest during the year	(134)	(234)
<b>Closing balance</b>	<b>-</b>	<b>12</b>

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 107783W/W100593

For and on behalf of the Board of ICDS Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
<b>Sudhir Prabhu K.</b>	<b>T. Mohandas Pai</b>	<b>Bharath Krishna Nayak</b>	<b>G. R. Nayak</b>	<b>Veena Hegde</b>
Partner	Chairman	Managing Director	Chief Financial Officer	Company Secretary
Membership No.: 209589	DIN: 00104336	DIN: 00776729		Membership No.: A45746
Place : Bengaluru				Place : Manipal
Date : June 30, 2021				Date : June 30, 2021

## Significant Accounting Policies and Notes to Consolidated Financial Statements

### 1. Corporate Information and Significant Accounting Policies:

#### 1.1 Corporate Information

The Consolidated Financial Statements comprise the Financial Statements of ICDS Limited ("the Parent"/"the Company"/"the Holding Company") and its subsidiary collectively referred to as ("the Group") for the year ended March 31, 2021 & March 31, 2020.

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

Information on other related party relationship of the Group is provided in Note No. 40.

The Consolidated Ind AS financial statements of the Group for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on June 30, 2021.

#### 1.2 Procedures on preparation of consolidated financial statements

##### a. Basis of preparation of consolidated financial statements

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

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

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

##### b. Principles of Consolidation

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

- i. The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- ii. Profits or losses resulting from intra-group transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full.
- iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- iv. The carrying amount of the parent's investment in each subsidiary is Offset (eliminated) against parent's portion of equity in each subsidiary.
- v. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- vi. Non-Controlling Interest's share of profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company.

- vii. Non-Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding Company's shareholders.
- viii. The subsidiary companies considered in consolidation are:

Name of the Company	Country of Incorporation	Extent of holding & Voting Power	
		March 31, 2021	March 31, 2020
Manipal Properties Limited (Audited)	India	100.00%	100.00%

The financial statements of the Holding Company and its subsidiary used in the consolidation are drawn upto the same reporting date as that of the Holding Company, i.e., year ended March 31, 2021. Additional information on the entities which are included in the Consolidated Financial Statements are given in Note No. 42.

### 1.3 Significant accounting policies

#### a. Use of estimates:

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

#### b. Current versus Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### c. Revenue Recognition:

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

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

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

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

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

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

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

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

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

ii. Interest and other income

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

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

iv. **Contract Balances**

a. **Contract Assets**

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

b. **Trade Receivables**

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

c. **Contract Liabilities**

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

#### d. Property, Plant & Equipments:

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

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

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

#### Recognition:

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

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

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

#### Depreciation

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

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

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

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

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

**e. Investment properties:**

Property that is held for long term rental yields or for capital appreciations or both, and that is not occupied by the Group, is classified as Investment property. Investment property is measured initially at its cost, including the related transaction cost and where applicable borrowing costs.

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

Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefit associated with the expenditure flow to the Group and the cost of the same can be measured reliably. All other repairs and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of replaced property is derecognised.

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

**f. Borrowing cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**g. Leases**

**The Group as a lessee**

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

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever

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

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

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

#### **The Group as a lessor**

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

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

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

#### **h. Impairment of non-financial assets:**

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

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

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

#### **i. Provisions and Contingent Liabilities**

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

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Provisions and contingent liability are reviewed at each balance sheet.

**j. Employee Benefits:**

**i) Defined benefit plans**

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

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

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

**ii) Defined contribution plan**

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

**iii) Short term employee benefits**

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

**iv) Termination benefits**

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

**k. Financial Instruments**

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



costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss ('FVTPL')) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

### **Effective Interest Method**

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

#### **i) Financial Assets**

##### **Financial assets at amortised cost**

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

##### **Financial assets measured at fair value**

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

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

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards

of ownership of the financial asset to another party and the transfer qualifies for de-recognition under Ind AS 109.

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

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

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

## **ii) Financial liabilities and Equity Instruments**

### **Classification as debt or equity**

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

### **Equity Instruments**

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

### **Financial Liabilities**

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

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

### **Financial liabilities at FVTPL**

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

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

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

Fair values are determined in the manner described in Note No. 33.

### **Financial liabilities at amortised cost**

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

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

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

#### **Derecognition of Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

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

### **l. Cash and cash equivalents:**

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

### **m. Fair value measurement:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**n. Taxes on income:**

**Current income tax**

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

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

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that it 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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

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

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

**o. Earnings per share**

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

**1.4 Significant accounting judgements, estimates and assumptions**

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

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

**A) Critical Accounting Estimates and Assumptions :**

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

**i) Taxes**

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

Deferred Tax Assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets recognised to the extent of the corresponding deferred tax liability. Also Refer Note No. 10.

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

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured at Discounted cash flows where available or face value when it closely approximates the fair value where reliable financial and other information available and all other cases measured at nominal value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and inputs on average borrowing rate applicable to Group. Refer Note No. 33 and 34.

**iii) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer Note No. 37.

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

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

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

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

Further details about gratuity obligations are given in Note No. 39(b).

**B) Significant judgements**

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

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

**ii) Valuation of Investment Property**

Investment Property is stated at Cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the Balance Sheet date. The Group has engaged independent valuation specialists to determine the fair value of its investment property as at reporting date. The best evidence of fair value as per the valuation specialist is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

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

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

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

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

**v) Taxes**

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

**1.5 Introduction of new standards and amendments to existing standards**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## 2. Property, plant and equipment

(₹ in '000)

Description of the Assets	Tangible Assets				Total
	Plant & Machinery	Electrical Fittings	Furniture & Fittings	Office Equipments & Computers	
<b>Gross carrying amount</b>					
<b>As at April 1, 2019</b>	<b>349</b>	<b>152</b>	<b>16</b>	<b>297</b>	<b>814</b>
Additions during the year	-	16	-	21	37
Disposals/Adjustments	(147)	(53)	-	(23)	(223)
<b>As at March 31, 2020</b>	<b>202</b>	<b>115</b>	<b>16</b>	<b>295</b>	<b>628</b>
Additions during the year	-	-	-	6	6
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>202</b>	<b>115</b>	<b>16</b>	<b>301</b>	<b>634</b>
<b>Accumulated Depreciation:</b>					
<b>As at April 1, 2019</b>	<b>150</b>	<b>36</b>	<b>4</b>	<b>126</b>	<b>316</b>
Charge for the year	66	15	1	60	142
Disposals/Adjustments	(90)	(30)	-	(19)	(139)
<b>As at March 31, 2020</b>	<b>126</b>	<b>21</b>	<b>5</b>	<b>167</b>	<b>319</b>
Charge for the year	34	11	1	59	105
Disposals/Adjustments	6	-	-	-	6
<b>As at March 31, 2021</b>	<b>166</b>	<b>32</b>	<b>6</b>	<b>226</b>	<b>430</b>
<b>Net block</b>					
<b>As at March 31, 2020</b>	<b>76</b>	<b>94</b>	<b>11</b>	<b>128</b>	<b>309</b>
<b>As at March 31, 2021</b>	<b>36</b>	<b>83</b>	<b>10</b>	<b>75</b>	<b>204</b>

### Note:

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

## 3. Right-of-Use Assets\*

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Building</b>		
<b>Gross Carrying amount</b>		
Opening balance	<b>41,680</b>	-
Reclassified on account of adoption of Ind AS 116	<b>41,680</b>	41,680
Disposals/Adjustments	-	-
<b>Closing balance</b>	<b>41,680</b>	41,680
<b>Accumulated depreciation</b>		
Opening balance	<b>1,812</b>	-
Depreciation charge for the year	<b>1,806</b>	1,812
Disposals/Adjustments	-	-
<b>Closing balance</b>	<b>3,618</b>	1,812
<b>Net carrying amount</b>	<b>38,062</b>	39,868

\*Refer Note No. 1.3(g)

**Note:**

**Disclosure in terms of Ind AS 116 - Leases**

The changes in the carrying value of ROU assets are as follows:

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Buildings</b>		
Opening Balance	39,868	-
Reclassified on account of adoption of Ind AS 116	-	41,680
Additions	-	-
Deletions	-	-
Depreciation	(1,806)	(1,812)
<b>Closing balance</b>	<b>38,062</b>	<b>39,868</b>

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

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

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

The Group has recognised expense relating to short term leases which are not considered as right-of-use Assets amounting to ₹23 thousands (March 31, 2020: ₹189 thousands).

**4. Investment properties**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Freehold Land</b>		
<b>Gross Carrying amount</b>		
Opening balance	21,466	21,466
Additions during the year	-	-
Disposals/Adjustments	-	-
<b>Net carrying amount of Land</b>	<b>(a) 21,466</b>	<b>21,466</b>
<b>Building:</b>		
<b>Gross Carrying amount</b>		
Opening balance	54,698	55,644
Additions during the year	-	703
Disposals/Adjustments	-	(1,649)
<b>Closing balance</b>	<b>54,698</b>	<b>54,698</b>
<b>Accumulated depreciation</b>		
Opening balance	5,201	3,807
Depreciation charge for the year	1,491	1,500
Disposals/Adjustments	-	(106)
<b>Closing balance</b>	<b>6,692</b>	<b>5,201</b>
<b>Net carrying amount of Building</b>	<b>(b) 48,006</b>	<b>49,497</b>
<b>Net carrying amount of Land and Building</b>	<b>(a+b) 69,472</b>	<b>70,963</b>

**Notes:**

- The Group on transition to Ind AS during Financial Year 2017-18, has elected to continue with the carrying value (including previous GAAP revalued amount) of its investment property recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of exemptions given under paragraphs D7AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and Ind AS Transition Facilitation Group (ITFG)-8 and used that carrying value as the deemed cost of the investment property..
- Investment property includes shares of the face value of ₹511/- (March 31, 2020 : ₹511/-) in Co-operative Housing Society.



c) **Fair Value:**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Investment properties	398,700	398,700

**Estimation of fair value:**

The Group has obtained an independent valuation for its significant portion of investment properties for the year ended March 31, 2021. The best evidence of fair value is current prices in active markets for similar properties considering the location, type of construction, specification of building materials used, making enquiries in the vicinity and keeping in view the downward trend in real estate prices which has been considered for the purpose of above valuation.

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

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

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Rental Income	3,388	6,702
Direct operating expenses generating rental income	(1,014)	(3,403)
Direct operating expenses from property that not generated rental income	(435)	-
<b>Profit from Investment properties before Depreciation</b>	<b>1,939</b>	<b>3,299</b>
Less: Depreciation	1,491	1,500
<b>Profit/(loss) from investment properties</b>	<b>448</b>	<b>1,799</b>

e) Freehold Land represents proportionate undivided share of land for the office premises owned by subsidiary.

5. **Non-current investments**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Non-Current:</b>		
<b>Investment carried at Fair Value through Profit or Loss</b>		
<b>In other Body Corporates:</b>		
<b>Unquoted Equity shares (fully paid-up)</b>		
Manipal Housing Finance Syndicate Limited*	9,103	9,103
[729,000 (March 31, 2020 : 729,000) shares of face value ₹10/- each]		
Manipal Finance Corporation Limited	-	-
[449,163 (March 31, 2020 : 449,163) shares of face value ₹10/- each]		
[net of impairment of ₹9,582 thousands (March 31, 2020 : ₹9,582 thousands)]		
Bluecross Builders and Investors Limited	-	-
[39,970 (March 31, 2020 : 39,970) shares of face value ₹10/- each]		
[net of impairment of ₹401 thousands (March 31, 2020 : ₹401 thousands)]		
<b>Quoted Equity Shares (fully paid-up)</b>		
Development Co-operative Bank Ltd.	123	114
[1,200 (March 31, 2020 : 1,200) shares of face value ₹10/- each]		
<b>Total</b>	<b>9,226</b>	<b>9,217</b>

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

**Break-up of Non-Current Investments**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Investments carried at		
- cost	-	-
- amortised cost	-	-
- fair value through profit or loss	9,226	9,217
- fair value through other comprehensive income	-	-
<b>Total</b>	<b>9,226</b>	<b>9,217</b>
Aggregate cost amount of quoted investments	18	18
Aggregated market value of quoted investments	123	114
Aggregate amount of unquoted investments (gross)	18,685	18,685
Aggregate amount of impairment in value of investments	9,582	9,582

**6. Long term loans**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Loan Receivables - considered good - secured	-	-
Loan Receivables - considered good - unsecured		
Rent and other deposits	161	450
Security deposit for lease	6,303	5,704
Loan to staff	106	206
Loan Receivables which have significant increase in credit risk [Refer Note (a)]	-	-
Loan Receivables - credit impaired [Refer Note (a)]	-	-
<b>Total</b>	<b>6,570</b>	<b>6,360</b>

**Notes:**

- a) There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Group.
- b) The fair value of non-current loans are not materially different from the carrying value presented.

**7. Other non-current financial assets**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Unsecured, considered good		
Deposit with government departments	234	228
Margin Deposit with banks [pledged as security against working capital loan]	1,000	5,000
Interest accrued on term deposits	2	72
<b>Total</b>	<b>1,236</b>	<b>5,300</b>

**Note:**

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

**8. Other non-current assets**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Indirect tax input credit available	697	722
Prepaid Lease deposit	-	-
<b>Total</b>	<b>697</b>	<b>722</b>

## 9. Non-current tax assets

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Advance income tax (net)	1,314	1,976
Amount paid under protest [Refer Note No. 37(a)]*	14,093	76,171
<b>Total [Refer Note No. 10.03]</b>	<b>15,407</b>	<b>78,147</b>

\* Balance amount due for refund as per Form-3 received from Income tax department under Direct Tax Vivad Se Vishwas Act, 2020.

## 10. Income Tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

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

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Profit or Loss Section</b>		
Current Tax	396	885
Income Tax of earlier year	63,393	(5)
Deferred Tax	214	171
<b>Tax expense/(credit) to Statement of Profit and Loss</b>	<b>64,003</b>	<b>1,051</b>
<b>Other comprehensive income Section (OCI)</b>		
Deferred Tax effect on remeasurement gains (losses) on defined benefit plans	(214)	(171)
<b>Tax expense/(credit) to Other Comprehensive Income</b>	<b>(214)</b>	<b>(171)</b>
<b>Tax expense/(credit) to Total Comprehensive Income</b>	<b>63,789</b>	<b>880</b>

### 10.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Profit/(Loss) before tax</b>	<b>10,178</b>	<b>(7,072)</b>
Applicable tax rate	25.17%	26.00%
Tax effect of income/(loss)	2,562	(1,839)
<b>Adjustments:</b>		
Tax effect on non-taxable income	(502)	(1,357)
Tax effect on non-deductible expenses	807	2,516
Tax effect on disposal of Investment Property and Non-Current Investment	-	7,694
Effect on tax rate changes	2,489	(236)
Utilisation of Minimum Alternate Tax Input Credit	(266)	(3,537)
Tax effect on remeasurement gains (losses)	214	171
Deferred tax not recognised as a matter of prudence (net)	(4,694)	(2,356)
<b>Tax expense/(credit) for the year</b>	<b>610</b>	<b>1,056</b>
Income tax for earlier years	63,393	(5)
<b>Tax expense/(credit) to Statement of Profit and Loss</b>	<b>64,003</b>	<b>1,051</b>
Tax expense/(credit) to Other Comprehensive Income	(214)	(171)
<b>Tax expense/(credit) to Total Comprehensive Income</b>	<b>63,789</b>	<b>880</b>
Effective Tax Rate for the year	3.89%	-12.51%

The Holding Company has calculated for income tax during the year with an understanding that it would be opting for the beneficial rate of tax under Section 115BAA of the Income Tax Act, 1961 which would be confirming at the time of filing of the return. The tax estimation accordingly is based on the said presumption and management is of the opinion that there would be no significant impact on tax provision for the year.

### 10.03 Non-Current tax assets (net of provision)

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening Balance receivable/(Payable)	78,147	66,501
Current tax payable for the year	(396)	(885)
Income tax for earlier years	(63,393)	5
Refund received during the year	(1,218)	(897)
Tax paid under protest	1,315	12,143
Current taxes paid (net)	827	1,733
Provision made towards TDS receivable relating to earlier years	-	(453)
<b>Closing balance of Non-current tax assets (net)</b>	<b>15,282</b>	<b>78,147</b>
<b>Break-up of Current tax asset and provision</b>		
Advance income tax (net)	1,314	1,976
Amount paid under protest [Refer Note No. 37(a)]*	14,093	76,171
Current tax Provisions (net)	(125)	-
<b>Total</b>	<b>15,282</b>	<b>78,147</b>

Note: \*Balance amount due for refund as per Form-3 received from Income Tax department under Direct Tax Vivad Se Vishwas Act, 2020.

#### 10.04 Major component of deferred tax assets and liabilities

(₹ in '000)

Particulars	As at April 01, 2019	For the year 2019-20	As at March 31, 2020	For the year 2020-21	As at March 31, 2021
<b>Deferred tax liability on</b>					
Accelerated depreciation for tax purposes	11,507	(604)	10,903	(1,463)	9,440
Fair valuation of investments	8,082	(3,725)	4,357	4,142	8,499
Gratuity Plan asset over liability	146	(146)	-	24	24
<b>(a)</b>	<b>19,735</b>	<b>(4,475)</b>	<b>15,260</b>	<b>2,703</b>	<b>17,963</b>
<b>Deferred Tax assets on:</b>					
Income offered for income tax deductible in future on account of income not recognised in books but offered for tax and deductible in future period	677	(677)	-	-	-
Expenses on which tax is not deducted at source	-	19	19	(19)	-
Unused business losses	-	-	-	2,267	2,267
Unused depreciation allowance	4,313	(4,313)	-	45	45
Gratuity Plan liability over asset	-	5	5	(5)	-
Long term capital loss	239	-	239	-	239
Provision for doubtful debts	43,613	(1,521)	42,092	(4,012)	38,080
MAT Credit entitlement	1,303	(344)	959	(267)	692
<b>(b)</b>	<b>50,145</b>	<b>(6,831)</b>	<b>43,314</b>	<b>(1,991)</b>	<b>41,323</b>
<b>Net deferred tax asset</b>	<b>(a-b)</b>	<b>(30,410)</b>	<b>2,356</b>	<b>4,694</b>	<b>(23,360)</b>
Less: Net deferred tax asset not recognised [refer note (a)]	30,410	-	28,054	-	23,360
<b>Net deferred tax asset</b>	-	-	-	-	-
<b>Deferred tax (expense)/credit not recognised during the year</b>		<b>(2,356)</b>		<b>(4,694)</b>	

**Note:** (a) The Group has not recognised deferred tax assets as on March 31, 2021 amounting to ₹ 23,360 thousands (As on March 31, 2020 : ₹28,054 thousands) in respect of unused losses, depreciation allowances and provision for doubtful debts (net) in view of prudence.

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

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Unused business loss [Expiry date 31 March 2029]	9,008	-
The unused depreciation allowances available for future taxable profit for unlimited period	179	3,586
Unused losses under Long term capital gains [Expiry date : AY 2024-25]	1,151	1,151
Unused tax credit i.e., Tax credit available on account of minimum alternate tax [Expiry dates: AY 2030-31 ₹94 thousands, AY 2031-32 ₹514 thousands and AY 2032-33 ₹351 thousands]	692	959
Unused deductible temporary allowances available for future taxable profit [No expiry date]	79,692	93,853

#### 10.06 Reconciliations of deferred tax (liabilities)/assets

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening balance	-	-
Tax expense/(credit) during the year recognized in profit or loss	214	171
Tax expense/(credit) during the year recognised in OCI	(214)	(171)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

#### 10.07 Tax amount recognized in other comprehensive income

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Opening balance	465	294
Add: Deferred tax asset/(liability) recognized during the year	214	171
<b>Closing balance of deferred tax asset netted off with Other Comprehensive income</b>	<b>679</b>	<b>465</b>

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

# 11. Current Investments

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Investment carried at fair value through Profit or Loss</b>		
<b>Held for trading</b>		
<b>Quoted equity shares, fully paid up*</b>		
Aspinwall & Company Ltd. [155,988 (March 31, 2020 : 155,988) shares of face value of ₹ 10/- each]	29,762	13,491
Reliance Industries Ltd. [2,120 (March 31, 2020 : 2,000) shares of face value of ₹ 10/- each]	4,246	2,228
Aurobindo Pharma Limited [200 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	176	-
Britannia Industries Limited [175 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	634	-
Tata Steel Limited [300 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	244	-
Bombay Dyeing & Mfg. Company Limited [1000 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	70	-
Ircon International Limited [1500 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	132	-
Tata Consumer Products [350 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	224	-
Bombay Burmah Trading Corporation Limited [300 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	333	-
The Indian Hotels Company Limited [1500 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	166	-
Engineers India Limited [1000 (March 31, 2020 : Nil) shares of face value of ₹ 10/- each]	77	-
Perfect-Octave Media Projects Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹ 10/- each]	-	-
Uniworth Ltd. [750 (March 31, 2020 : 750) shares of face value of ₹ 10/- each]	1	1
Mukesh Steels Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	3	3
Precision Electronics Ltd. [25 (March 31, 2020 : 25) shares of face value of ₹ 10/- each]	1	-
Maharashtra Apex Corporation Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	7	6
Nova Iron & Steel Ltd. [240 (March 31, 2020 : 240) shares of face value of ₹ 10/- each]	2	1
Pirmal Glass Ltd. [Nil (March 31, 2018 : Nil and April 01, 2016: 7) shares of face value of ₹ 10/- each]	-	-
EPIC Enzymes Pharmaceuticals & Industrial Chemicals Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-
Adam Comsof Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹ 10/- each]	1	1
ICES Software Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹ 10/- each]	2	2
J K Pharmachemicals Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-
Jalpac India Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	1	1
Namtech Electronic Devices Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	1	1
Sanghi Polyesters Ltd. [200 (March 31, 2020 : 200) shares of face value of ₹ 10/- each]	2	2
SM Dyechem Ltd. [6 (March 31, 2020 : 6) shares of face value of ₹ 10/- each]	-	-
CMS Infotech Ltd. [500 (March 31, 2020 : 500) shares of face value of ₹ 10/- each]	1	1
Ruttonsha International Rectifier Limited [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	5	3
HLV Limited [2,500 (March 31, 2020 : Nil) shares of face value of ₹ 2/- each]	14	-
Apcotex Industries Limited [40 (March 31, 2020 : 40) shares of face value of ₹ 10/- each]	7	3
<b>Investment carried at fair value through Profit or Loss</b>		
<b>Held for trading</b>		
<b>Unquoted equity shares, fully paid-up *</b>		
Adhunik Synthetics Ltd. [2,000 (March 31, 2020 : 2,000) shares of face value of ₹ 10/- each]	-	-
ATN International Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-
Wartyhully Estates Ltd. [1,100 (March 31, 2020 : 1,100) shares of face value of ₹ 10/- each]	-	-
McDowell & Co. Ltd. (erstwhile Pampasar Distilleries Ltd.) [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-
Datar Switch Gears Ltd. [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-
Ergon Power Corporation Ltd. (erstwhile Nagarjuna Granites Ltd.) [100 (March 31, 2020 : 100) shares of face value of ₹ 10/- each]	-	-

Particulars	March 31, 2021	March 31, 2020
Jayant Vitamins Ltd. [563 (March 31, 2020 : 563) shares of face value of ₹10/- each]	-	-
Praman Capital Market Services Ltd. [191,500 (March 31, 2020 : 191,500) shares of face value of ₹10/- each]	-	-
Genelec Ltd. [2,000 (March 31, 2020 : 2,000) shares of face value of ₹10/- each]	-	-
Golden Shrimp Hatchery Ltd. [320,000 (March 31, 2020 : 320,000) shares of face value of ₹10/- each] **	-	-
Parsurampuriah Synthetics Ltd. [624 (March 31, 2020 : 624) shares of face value of ₹10/- each] **	-	-
Patheja Forgings and Auto Parts Manufacturers Ltd. [10,000 (March 31, 2020 : 10,000) shares of face value of ₹10/- each] **	-	-
The Vijaykumar Mills Ltd. [8,000 (March 31, 2020 : 8,000) shares of face value of ₹10/- each] **	-	-
Absolute Aromatics Ltd. [Nil (March 31, 2020 : 1,600) shares of face value of ₹10/- each] ***	-	-
Mega Centre Super Markets Ltd. [Nil (March 31, 2020 : 20,000) shares of face value of ₹10/- each] ***	-	-
<b>Investment carried at fair value through Profit or Loss</b>		
<b>Held for trading</b>		
<b>Mutual Funds (unquoted)</b>		
SBI Magnum Equity ESG Fund Regular Plan IDCW [1200 (March 31, 2020 : Nil) Units, NAV of ₹42.3435 per unit (March 31, 2020 : NAV ₹Nil)]	51	-
<b>Total</b>	<b>36,163</b>	<b>15,744</b>

\* 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.

\*\* carrying value of investment in companies under liquidation as per the information available under MCA website is taken at nominal value of Rupee one.

\*\*\* carrying value of investment in companies whose name is struck off as per the information available under MCA website is written off during the year.

(₹ in '000)

Break-up of Current Investments	March 31, 2021	March 31, 2020
Investments carried at		
- cost	-	-
- amortised cost	-	-
- fair value through profit or loss	36,163	15,744
- fair value through other comprehensive income	-	-
<b>Total</b>	<b>36,163</b>	<b>15,744</b>
Aggregate amount of Quoted Investment (at cost)	2,498	180
Aggregate amount of Quoted Investment (Market Value)	36,112	15,744
Aggregate gross value of Unquoted Investment (at cost)	-	-
Aggregate gross value of Investment in Mutual Funds (NAV)	51	-

## 12. Trade receivables

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Trade Receivables -		
Considered good - secured	-	-
Considered good - unsecured	1,138	1,055
Which have significant increase in credit risk	-	-
Credit impaired	-	-
<b>Total</b>	<b>1,138</b>	<b>1,055</b>

### Notes:

- No charge is created against trade receivables.
- The credit period on rent receivable is generally 15-30 days from the date of bill.
- Credit concentration : As on balance sheet date trade receivables from 8 tenants constitutes 84% (March 31, 2020 : 8 tenants constitutes 95%) of total trade receivables as per the terms of lease/rent agreement.
- Expected Credit Loss (ECL) : The majority of outstanding receivables are from tenants towards letting out of immovable properties. The Group is generally regular in recovering its receivables. Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty, an analysis of the counterparty's current financial position and forward looking information. The Management does not foresee any expected credit loss in the near future on the trade receivables which requires provisioning currently.
- There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the assessment made by the Group.

- f) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.  
There are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.  
g) The fair value of trade receivables are not materially different from the carrying value presented.

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
Cash on hand	21	27
Cheques, drafts and stamps on hand	8	1
Balances with banks in current accounts	695	1,129
<b>Total</b>	<b>724</b>	<b>1,157</b>

**Note:**

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

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
Restricted balances with banks in current account	2	2
Margin Deposit with banks [pledged as security against working capital loan]	5,000	10,500
Deposit with banks maturing between 3 to 12 months	19,656	19,686
<b>Total</b>	<b>24,658</b>	<b>30,188</b>

15. Short term loans		(₹ in '000)	
Particulars		March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>			
Loan Receivables - considered good - secured	(a)	-	-
Loan Receivables - considered good - unsecured			
Loan to staff	(b)	126	300
Loan Receivables which have significant increase in credit risk	(c)	-	-
Loan Receivables - credit impaired			
i. Demerger Receivables			
from others		101,006	101,006
		101,006	101,006
Less: Allowance for impairment loss		(101,006)	(101,006)
	(d)	-	-
ii. Receivables under hire purchase agreement		123,227	123,227
Less: Allowance for impairment loss		(123,227)	(123,227)
	(e)	-	-
iii. Other Loan receivables		62,752	62,752
Less: Allowance for impairment loss		(62,752)	(62,752)
	(f)	-	-
<b>Total</b>	<b>(a+b+c+d+e+f)</b>	<b>126</b>	<b>300</b>

**Notes:**

- a) Credit impaired Hire purchase receivables and other loan receivables mainly relates to Holding Company's erstwhile fund based business, which was discontinued from July 2002. Allowances for doubtful receivables are recognized during the earlier years based on Prudential Norms issued by Reserve Bank of India. The Holding Company is presently concentrating on the recovery of its dues.  
b) There are no loans receivables which have a significant increase in credit risk based on the information available with the Group.  
c) The fair value of current loans are not materially different from the carrying value presented.  
d) The loan and receivables disclosed above, mainly relates to Holding Company's erstwhile fund based NBFC business as explained in note (a) above and accordingly disclosure u/s 186(4) of the Companies Act, 2013 is not applicable.

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
<b>Carried at amortised cost</b>		
Unsecured considered good		
Interest accrued on term deposits	743	170
Other receivables		
from others	98	241
<b>Total</b>	<b>841</b>	<b>411</b>

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

**17. Other Current Assets**

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
LIC Group Gratuity Fund Asset (net) [Refer Note No. 39]	95	-
Prepaid expenses	209	282
<b>Total</b>	<b>304</b>	<b>282</b>

**18. Equity Share Capital**

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
<b>Authorized Capital</b>		
35,000,000 [March 31, 2020 : 35,000,000] Equity Shares of ₹10 each	350,000	350,000
15,000,000 [March 31, 2020 : 15,000,000] Preference Shares of ₹10 each	150,000	150,000
	<b>500,000</b>	<b>500,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>		
13,026,700 [March 31, 2020 : 13,026,700] Equity Shares of ₹10 each fully paid-up	130,267	130,267
<b>Total</b>	<b>130,267</b>	<b>130,267</b>

**Notes:**

a) Reconciliation of shares outstanding at the beginning and end of the reporting year	Number of shares	Rupees in thousands
<b>Equity shares of ₹10 each</b>		
<b>March 31, 2021</b>		
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>March 31, 2020</b>		
Balance at the beginning of the year	13,026,700	130,267
Shares issued during the year	-	-
Balance at the end of the year	13,026,700	130,267

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

The Holding Company has two classes of shares referred to as equity shares and preference shares having par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Group has not issued any preference shares as on March 31, 2021.

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

**Restrictions on the distribution of dividends**

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

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

Name of the Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Teaching Fraternity & Education Trust (including shares held by its trustee Dr. H. Shantaram)	2,104,000	16.15%	2,104,000	16.15%
Music & Fine Arts Education Trust (including shares held by its trustee Sri T. Ranga Pai)	1,476,600	11.34%	1,476,600	11.34%
Mahendra Girdharilal	1,215,023	9.33%	1,215,023	9.33%
The Academy of General Education	868,488	6.67%	868,488	6.67%
Life Insurance Corporation of India Ltd.	677,001	5.20%	677,001	5.20%

**d) There are no Shares held by holding/ultimate holding company and/or their subsidiaries/associates.**
**e) As per records of the Holding Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.**
**f) The Holding Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.**



## 19. Other Equity

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Securities Premium</b> [Refer Note (a) below]		
Opening Balance	33,334	33,334
Add: Additions during the year	-	-
Closing Balance	33,334	33,334
<b>Other Reserve</b> [Refer Note (b) below]		
Opening Balance	33,988	33,988
Add: Additions during the year	-	-
Closing Balance	33,988	33,988
<b>Retained Earnings</b> [Refer Note (c) below]		
Opening Balance	50,749	59,317
Add: Profit/(Loss) for the year	(53,825)	(8,123)
Add: Remeasurement of post employee benefit obligation, net of tax	(879)	(445)
Closing Balance	(3,955)	50,749
<b>Total</b>	<b>63,367</b>	<b>118,071</b>

### Notes:

- 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.
- Other reserves represents the revaluation reserve created during building revaluation under previous GAAP before the transition date to Ind AS. The Group 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.
- Retained earnings represents the amount that can be distributed by the Holding Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Holding Company.

## 20. Other financial liabilities

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<b>Non-current:</b>		
<i>At Amortised Cost</i>		
Lease/Rent Deposits	6,587	4,099
<b>Total</b>	<b>6,587</b>	<b>4,099</b>

## 21. Other non-current liabilities

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Advance rent	560	227
<b>Total</b>	<b>560</b>	<b>227</b>

## 22. Short term borrowings

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<i>At Amortised Cost</i>		
Secured Loans		
Working capital loan from bank against fixed deposits	1,397	2,014
<b>Total</b>	<b>1,397</b>	<b>2,014</b>

### Notes:

#### Nature of Security

The above working capital loan is secured by deposit with banks amounting to ₹5,000 (March 31, 2020: ₹15,500).

#### Terms of Repayment

The above loan is repayable on demand. Interest for such borrowing is at 7.25% p.a.

<b>23. Trade payables</b>	(₹ in '000)	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Current:</b>		
<i>At Amortised Cost</i>		
Due to Micro and small enterprises*	-	-
Due to other than Micro and Small enterprises	701	960
<b>Total</b>	<b>701</b>	<b>960</b>
* There are no Micro, Small and Medium Enterprises to which the Group owes dues or with which the company had transactions during the period, based on the information available with the Group.		
<b>24. Other current financial liabilities</b>	(₹ in '000)	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Current:</b>		
<i>At Amortised Cost</i>		
Others		
Lease/Rent Deposits	201	3,146
Interest Accrued on Working Capital Loan	-	12
Other payables	345	44
Employee Dues	501	499
<b>Total</b>	<b>1,047</b>	<b>3,701</b>
<b>25. Other current liabilities</b>	(₹ in '000)	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Statutory Dues	543	348
Advance lease rent	234	317
<b>Total</b>	<b>777</b>	<b>665</b>
<b>26. Short term provisions</b>	(₹ in '000)	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Employee benefits</b>		
Gratuity [Refer Note No.39]	-	19
<b>Total</b>	<b>-</b>	<b>19</b>
<b>27. Revenue from operations</b>	(₹ in '000)	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Operating revenue:</b>		
Reversal of provisions no longer required*	-	1,557
Bad debts recovered	-	1,770
Profit on sale of shares and securities	159	-
Rent Received	8,910	13,295
Maintenance charges received	944	1,118
Service charges and commission	452	399
<b>Total</b>	<b>10,465</b>	<b>18,139</b>
* net of receivables written off of ₹ Nil (March 31, 2020 : ₹5,348 thousands)		

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

(a) Revenue from operations for the year ended March 31, 2021 and March 31, 2020 are as follows:

	(₹ in '000)	
Particulars	2020-21	2019-20
Financial Services (includes recovery of debts charged/income reversed for earlier)	-	3,327
Trading Activities	159	-
Rent Received	9,854	14,413
Service charges and commission	452	399

**Disaggregated revenue information:**

The Group has presented disaggregated revenue from offerings with customers for the year ended March 31, 2021 and March 31, 2020 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

	(₹ in '000)	
Particulars	2020-21	2019-20
Financial Services (includes recovery of debts charged/income reversed for earlier)	-	3,327
Profit on sale of shares and securities	159	-
Rent Received	9,854	14,413
Service charges and commission	452	399

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

(b) **Contract Balances:**

	(₹ in '000)	
Particulars	March 31, 2021	March 31, 2020
<b>Receivables :</b>		
- Current (Gross)	1,138	1,055
- Provision for Impairment (current)	-	-
<b>Contract Assets</b>	-	-
<b>Contractual Liabilities</b>	-	-

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

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

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

(e) **Remaining performance obligation disclosure :**

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

**28. Other income**

	(₹ in '000)	
Particulars	2020-21	2019-20
Dividend received from		
Non-current Investments	-	731
Others	403	481
Interest on term deposit	1,803	2,726
Interest on loans and advances	32	48
Other interest	122	-
Unwinding interest on lease security deposit	599	542
Profit on sale/(disposal) of owned/leased assets	-	3,182
Fair value gain on investments	18,110	-
Profit on sale of shares and securities	-	9,003
Miscellaneous income	7	8
<b>Total</b>	<b>21,076</b>	<b>16,721</b>

**29. Employee benefits expense**

	(₹ in '000)	
Particulars	2020-21	2019-20
Salaries, wages and bonus	6,334	7,385
Contribution to provident and other funds [Refer Note No. 39]	693	942
Staff welfare expenses	388	234
<b>Total</b>	<b>7,415</b>	<b>8,561</b>

<b>30. Finance Costs</b>	(₹ in '000)	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Interest on		
- working capital loan from bank against fixed deposits	122	246
Others		
- interest on delay in payment of taxes	162	2
Unwinding interest expenses on financial liabilities	478	509
Bank charges	37	39
<b>Total</b>	<b>799</b>	<b>796</b>
<b>31. Depreciation expense</b>	(₹ in '000)	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Depreciation on tangible assets	105	142
Depreciation on investment property	1,491	1,500
Depreciation on Right-of-Use Assets	1,806	1,812
<b>Total</b>	<b>3,402</b>	<b>3,454</b>
<b>32. Other Expenses</b>	(₹ in '000)	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Rent, rates and taxes	101	299
Electricity charges (net)	405	106
Property tax	427	395
Goods and service tax paid	759	629
Stock Exchanges fees and depository service charges*	3,699	93
Printing and stationery	55	321
Directors sitting fees	32	35
Travelling and conveyance	152	666
Postage, telegram and telephones	148	280
Insurance	57	24
<i>Repairs and Maintenance:</i>		
Buildings	750	2,736
Others	460	248
Advertisement and Business Promotion	206	172
Legal and Professional Charges	1,625	7,888
<i>Auditors Remuneration:</i>		
Audit Fees	250	250
Certification	-	40
Brokerage & Commission	-	104
Service Charges	506	761
Fair value loss on investments	-	13,392
Bad debts written off	47	-
Provision for doubtful receivables	-	453
Sundry Expenses	68	229
<b>Total</b>	<b>9,747</b>	<b>29,121</b>
* includes ₹3,000 fee paid to BSE Limited for revocation of suspension of trading in the equity shares of the holding company.		
<b>33. Financial Instruments</b>		
<b>33.01 Financial instruments by category</b>		
Financial instruments comprise financial assets and financial liabilities.		
<b>The carrying value and fair value of financial instruments by categories were as follows:</b>		
		(₹ in '000)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Financial assets carried at cost</b>		
Investment in equity shares of subsidiary	-	-
<b>Financial assets carried at amortised cost</b>		
Trade Receivables	1,138	1,055
Cash and Cash equivalents	724	1,157
Bank balances other than above	24,658	30,188
Loans	6,696	6,660
Other financial assets	2,077	5,711
<b>Financial assets carried at fair value through profit or loss</b>		
Investments in equity/debt instruments	45,389	24,961
<b>Total</b>	<b>80,682</b>	<b>69,732</b>

(₹ in '000)		
Particulars	March 31, 2021	March 31, 2020
<b>Financial liabilities carried at amortised cost</b>		
Borrowings (against Fixed Deposits with Banks)	1,397	2,014
Trade payables	701	960
Other financial liabilities	7,634	7,800
<b>Total</b>	<b>9,732</b>	<b>10,774</b>

### 33.02 Fair value hierarchy

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

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

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

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

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

(₹ in '000)			
Particulars	Level	March 31, 2021	March 31, 2020
Assets measured at fair value through profit or loss:			
Financial assets carried at fair value through profit or loss	Level 1	36,286	15,858
	Level 2	9,103	9,103
	Level 3	-	-
Liabilities measured at fair value through profit or loss:			
		-	-

During the year ended March 31, 2021 and March 31, 2020 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

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

## 34. Financial Risk Management

### Financial Risk Factors

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

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

### 34.01 Market risk

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

Price risk : The Group's exposure to securities price risk arises from investments held in equity and debt instruments and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Group diversifies its portfolio. Debt based securities are exposed to price risk which are inherently linked to interest rate risk. Quotes of these investments are available from the stock markets.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

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

### 34.02 Credit risk

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

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

Aging analysis of the trade receivables has been considered from the date it is due (₹ in '000)

Particulars	March 31, 2021	March 31, 2020
Upto 3 months	1,138	1,008
3 to 6 months	-	1
More than 6 months	-	46
<b>Total</b>	<b>1,138</b>	<b>1,055</b>

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

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

### 34.03 Liquidity risk

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

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

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

As at March 31, 2021, the Group had a working capital of ₹2,00,781 thousands including cash and cash equivalents of ₹724 thousands and current investments of ₹36,163 thousands. As at March 31, 2020, the Group had a working capital of ₹2,52,664 thousands including cash and cash equivalents of ₹1,157 thousands and current investments of ₹15,744 thousands.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated payment on an undiscounted basis which therefore differs from both carrying value and fair value.

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

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
<b>As at March 31, 2021</b>					
Financial liabilities					
Borrowings					
(against Fixed Deposits with Banks)	1,397	1,397	-	-	-
Trade payables	701	-	701	-	-
Other financial liabilities	8,699	846	201	7,652	-
<b>Total</b>	<b>10,797</b>	<b>2,243</b>	<b>902</b>	<b>7,652</b>	<b>-</b>

(₹ in '000)

Particulars	Gross amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
<b>As at March 31, 2020</b>					
Financial liabilities					
Borrowings	2,014	2,014	-	-	-
(against Fixed Deposits with Banks)					
Trade payables	960	-	960	-	-
Other financial liabilities	8,362	555	3,146	4,661	-
<b>Total</b>	<b>11,336</b>	<b>2,569</b>	<b>4,106</b>	<b>4,661</b>	<b>-</b>

### 34.04 Capital Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

### 35. Calculation of Earning per share:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2021 and March 31, 2020. Thus, diluted EPS equals basic EPS.

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

(₹ in '000)

Sl. No.	Particulars	2020-21	2019-20
a)	Nominal value per share (in ₹)	10	10
b)	Net Profit/(loss) available for equity shareholders (₹ in thousands)	(53,825)	(8,123)
c)	Weighted Average No. of Equity Shares (Nos.)	13,026,700	13,026,700
d)	Basic/Diluted EPS of ₹10/- each (in ₹)	(4.13)	(0.62)

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

The accounts have been prepared on Going concern basis, considering the successful implementation of the Scheme of Arrangement as mentioned above, the Holding Company's foray into fee based activities, rentals from investment properties, gains from dealing in trading of shares and securities.

### 37. Contingent liabilities and commitments

#### i. Contingent Liabilities

(₹ in '000)

Sl. No.	Particulars	March 31, 2021	March 31, 2020
1.	Block assessment from AYs 1987-88 to 1997-98 [Refer Note (a) below]	-	26,233
2.	Claims against the company/disputed liabilities not acknowledged as debt/liabilities	-	-

#### Notes:

- a) The Ministry of Finance, Government of India has introduced the Direct Tax Vivad Se Vishwas Act, 2020 ('DTVSV Act, 220' or 'the Act') to help tax payers end their tax disputes with the Income Tax Department by paying disputed tax and get waiver from payment of interest and penalty and also immunity from prosecution. As per the Act, the tax payers are required to remit the disputed taxes without an additional amount by June 30, 2021. The Holding Company has obtained an opinion in this matter from tax consultants. The Holding Company during the year, based on advice from its tax counsel and the decision of the board of directors opted for the settlement under the scheme since there will not be any cash outflow required to be made in view of the amounts already paid under protest being higher than the tax liability under the DTVSV Act, 2020.

The Holding Company has filed an online declaration during December 2020 under DTVSV Act, 2020 in respect of its Income Tax demand for Block Assessment of ₹1,01,126 (inclusive of interest) pertaining to assessment years from 1987-88 to 1997-98 to settle matter and against which a certificate settling the tax demand at ₹63,393 was approved under Form 3 under Section 5(1) of the DTVSV Act, 2020 by Department on June 15, 2021. The Company had already deposited ₹77,486 against the said Income Tax demand as on date. The management is confident of recovering the amount paid under protest of ₹14,093 (after netting the tax settled under DTVSV Act, 2020 as disclosed above) based on the approval of refund vide Form 3 by the Income Tax department. The Holding Company accordingly, has made provision for income tax for earlier years to the extent of ₹63,393 which is the estimated taxes payable as per certificate in Form 3 under Section 5(1) of DTVSV Act, 2020.

- b) The Holding Company with its intention to start fresh NBFC business had filed an application during the earlier year with the Reserve Bank of India (RBI) which has been rejected by the Reserve Bank of India and for which appeal filed by the Holding Company before Appellate Authority for NBFC was rejected on August 06, 2020. Aggrieved by the order of the Appellate Authority, the Holding Company has filed an writ petition before the Hon'ble High Court of Karnataka on October 01, 2020 and the case was listed for hearing on March 15, 2021 and Court has directed to issue notice to RBI in this regard and thereafter the Courts were not functioning due to COVID-19 lockdown. The management of the Holding Company is hopeful of obtaining a favorable order.
- c) The Supreme Court (SC) had passed an order dated February 28, 2019, stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment which was also subsequently upheld vide its review petition dated August 28, 2019. In view of the same, the Group is liable to make further contribution towards Provident Fund ('PF') on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. As a matter of caution, the Group has accounted the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., March 1, 2019 onwards. The Group further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the management is not expected to be material.
- d) The Holding Company, during earlier year had received show-cause notice from the Registrar of Companies, Karnataka (ROC) with regard to non-compliance of appointment of full time Company Secretary between April 01, 2014 to August 08, 2016 as per the provisions of Section 203(1) read with Section 203(4) of the Companies Act, 2013. The management of the Holding Company had filed an application for adjudication of penalties under the Companies Act, 2013 which is pending before the ROC. In the absence of an adjudication of penalties and specific demand notice, the management is unable to quantify the penalty amount. The management is of the opinion that the penalty, if levied is not material and will not have a significant impact on the financial position of the Company.

## ii. Capital Commitments

(₹ in '000)

Sl. No.	Particulars	March 31, 2021	March 31, 2020
1.	Capital Commitments	-	-

38. The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Group towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results/statement following the Code becoming effective and the related rules being framed and notified.

## 39. Employee Benefits

### a) Defined Contribution Plans :

The Group's Contribution to Provident and Pension Fund is charged to Statement of Profit and Loss. The details are as follows:

(₹ in '000)

Particulars	2020-21	2019-20
Provident and pension fund	489	661
Employee state insurance	64	130
<b>Total</b>	<b>553</b>	<b>791</b>

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

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<i>Change in Defined Benefit Obligation</i>		
<b>Opening defined benefit obligation</b>	<b>5,714</b>	<b>5,093</b>
Current service cost	156	168
Interest cost	283	299
Actuarial loss/(gains)	1,109	662
Benefits paid	(2,003)	(508)
<b>Closing defined benefit obligation</b>	<b>5,259</b>	<b>5,714</b>
<b>Defined Benefit Plan - Gratuity as per Actuarial Valuation [Funded]</b>		
<i>Change in Fair Value of Assets</i>		
<b>Opening fair value of plan assets</b>	<b>5,695</b>	<b>5,619</b>
Expected return on plan assets	322	338
Actuarial gain/(loss)	16	46
Actual Contributions by Employer	1,324	200
Benefits paid	(2,003)	(508)
<b>Closing fair value of plan assets</b>	<b>5,354</b>	<b>5,695</b>
<b>Net (asset)/liability recognized</b>	<b>(95)</b>	<b>19</b>



b) **Defined Benefit Plan - Gratuity as per Actuarial Valuation (Fund)**

(₹ in '000)

Particulars	March 31, 2021	March 31, 2020
<i>Expenses recognized during the year</i>		
Current service cost	156	168
Net interest on net defined benefit liability/ (asset)	283	299
Expected return on plan assets	(322)	(338)
<b>Net gratuity cost</b>	<b>117</b>	<b>129</b>
<b>Remeasurement of the net defined benefit liability /(asset)</b>		
Actuarial changes arising from changes in demographic assumptions	(28)	-
Actuarial changes arising from changes in financial assumption	327	138
Actuarial changes arising from changes in experience adjustments	809	524
Actuarial changes arising from changes in discount rate	(15)	(46)
Return on plan assets excluding interest income	-	-
<b>Recognized in other comprehensive income [loss/(gain)]</b>	<b>1,093</b>	<b>616</b>
Actual return on plan assets	338	384
<b>Present value of Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	606	993
Between 2 and 5 years	3,715	3,657
Between 5 and 10 years	885	1,040
<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>Increase/decrease on present value of defined benefit obligation as at year end</b>		
(i) one percentage point increase in discount rate	(142)	(159)
(ii) one percentage point decrease in discount rate	150	168
(iii) one percentage point increase in salary escalation rate	150	176
(iv) one percentage point decrease in salary escalation rate	(145)	(169)
(v) one percentage point increase in employee turnover rate	(13)	(3)
(vi) one percentage point decrease in employee turnover rate	14	3
<b>Sensitivity Analysis Method</b>		
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:		
<i>Investment with Insurer managed funds</i>	100%	100%
<i>Principal actuarial assumptions used</i>		
Discount rate (p.a.)	6.01%	6.18%
Expected rate of return on plan assets (p.a.)	6.01%	6.18%
Rate of increase in compensation levels	7.00%	5.00%
Weighted average duration of defined benefit obligation	4.74 Years	4.94 Years
Attrition Rate	5.00%	3.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	
<i>Expected employer's contribution for the next year</i>	106	141

The Group contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds.

**Notes:**

- The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.
- The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

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

i) **Key Management Personnel**

T. Mohandas Pai - Chairman, Non-Executive Director  
 Bharath Krishna Nayak - Managing Director  
 Tonse Sachin Pai - Non-Executive Director  
 U. Harish P. Shenoy - Independent Director (deceased on 26.07.2020)  
 Airody Giridhar Pai - Independent Director w.e.f. 26.09.2019  
 Vimal C. Kamath - Independent Director  
 Sujir Prabhakar - Independent Director  
 G. R. Nayak - Chief Financial Officer  
 Veena Hegde - Company Secretary

ii) **Details of the transactions :**

(₹ in '000)

Sl. No.	Particulars	Relationship	March 31, 2021	March 31, 2020
a)	Sitting fee paid during the year			
	T. Mohandas Pai	Director	6	6
	U. Harish P. Shenoy	Director	2	6
	Airody Giridhar Pai	Director	6	5
	Vimal C. Kamath	Director	6	6
	T. Sachin Pai	Director	6	6
	Sujir Prabhakar	Director	6	6
b)	Reimbursement of travelling expenses to			
	Vimal C. Kamath	Director	20	-

**Notes:**

- Related Party Transactions given above are as identified by the Management.
- Commitments with related parties: As at year end March 31, 2021, there is no commitment outstanding with any of the related parties.
- The remuneration to KMPs do not include provisions for gratuity as separate actuarial valuation are not available.
- The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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

**Details of Segmental information**

(₹ in '000)

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Intersegment elimination	Total
<b>Segment Revenue</b>						
External Turnover	-	159	9,854	452	-	10,465
	3,327	-	14,413	399	-	18,139
Inter segment turnover	1,232	-	-	-	(1,232)	-
	5,000	-	-	-	(5,000)	-
<b>Net Turnover</b>	<b>1,232</b>	<b>159</b>	<b>9,854</b>	<b>452</b>	<b>(1,232)</b>	<b>10,465</b>
	8,327	-	14,413	399	(5,000)	18,139
Segment Results	(6,418)	18,672	4,970	452		17,676
	534	(12,180)	6,812	76		(4,758)
Finance Costs						(321)
						(287)
Other income						1,932
						12,193

(₹ in '000)

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Intersegment elimination	Total
Unallocated expenses						(9,109)
						(14,220)
<b>Profit before Tax</b>						<b>10,178</b>
						(7,072)
Less: Taxes						(64,003)
						(1,051)
<b>Net Profit after Tax</b>						<b>(53,825)</b>
						(8,123)

#### Other Information

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on premises	Others	Total
Segment Assets	37,400	36,308	115,681	98	189,487
	27,435	15,888	138,234	103	181,660
Other Assets - Unallocable					15,341
					78,363
<b>Total Assets</b>					<b>204,828</b>
					260,023
Segment Liabilities	2,533	-	8,536	-	11,069
	3,843	-	7,842	-	11,685
Capital Expenditure	6	-	-	-	6
	37	-	703	-	740

**Notes:** a) The Group during the year has undertaken identification of segment income and expenditure and based on such identification has disclosed the income and expenditure above.  
b) During the year, three external customer contributing more than 10% of the Group's revenue from operations.  
c) Geographical segment is not relevant for the Group's since it is not involved in exports.  
d) Previous year figures given in *italics* and have been regrouped wherever necessary.

#### 42. Additional information pursuant to Para 2 of Part III General Instructions for the preparation of the Consolidated Financial Statements for the year ended March 31, 2021 under Schedule III of the Companies Act, 2013:

Name of the entity in the Group	Net Assets (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in thousands	As % of consolidated net assets	₹ in thousands	As % of consolidated OCI	₹ in thousands	As % of consolidated TCI	₹ in thousands
<b>Parent</b>								
ICDS Limited	87.13%	169,696	104.04%	(54,719)	100.00%	(879)	103.98%	(55,598)
<b>Subsidiaries</b>								
<b>Indian</b>								
Manipal Properties Ltd.	12.87%	25,056	-4.04%	2,126	0.00%	-	-3.98%	2,126
<b>Sub Total *</b>	<b>100.00%</b>	<b>194,752</b>	<b>100.00%</b>	<b>(52,593)</b>	<b>100.00%</b>	<b>(879)</b>	<b>100.00%</b>	<b>(53,472)</b>
Add/(less) non-controlling interest in all subsidiaries		-						
Consolidation adjustments/eliminations**		(1,118)		(1,232)		-		(1,232)
<b>Sub Total *</b>		<b>193,634</b>		<b>(53,825)</b>	<b>100.00%</b>	<b>(879)</b>		<b>(54,704)</b>

\* The figures have been considered from the respective standalone financial statements before consolidation adjustments/eliminations.

\*\* Consolidation adjustments/eliminations includes intercompany eliminations and consolidation adjustments.

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

The COVID-19 pandemic has impacted businesses globally and in India. The Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Group, however, believes strongly that its offerings to the customer would not significantly impact its revenue.

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

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

However due to the nature of the pandemic and emerging multiple new variants of COVID-19 and treatment for its eradication, the Company will continue to be vigilant on various developments/impacts in the future so as to insulate itself from any material adverse impact.

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

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As per our report of even date attached

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

*Chartered Accountants*

Firm Registration No.: 107783W/W100593

Sd/-

**Sudhir Prabhu K.**

*Partner*

Membership No.: 209589

Sd/-

**Bharath Krishna Nayak**

*Managing Director*

DIN: 00776729

Sd/-

**G. R. Nayak**

*Chief Financial Officer*

Sd/-

**T. Mohandas Pai**

*Chairman*

DIN: 00104336

Sd/-

**Veena Hegde**

*Company Secretary*

Membership No.: A45746

Place : Bengaluru

Date : June 30, 2021

Place : Manipal

Date : June 30, 2021

## 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, 2021

### Part “A” – Subsidiaries

(₹ in '000)

Name of the Subsidiary Company	Manipal Properties Ltd.
Issued & Subscribed Capital	1,000
Reserves & Surplus	24,056
Total Assets	28,292
Total Liabilities	28,292
Investments	27,780
Turnover	3,858
Profit/(Loss) before tax	2,522
Provision for tax	396
Profit/(Loss) after tax	2,126
Proposed Dividend	-
% of shareholding	100%

**Notes:** 1. Reporting Period and reporting currency of the subsidiaries are the same as that of the Company.  
 2. Part “B” of the Annexure is not applicable as there are no associate companies/joint ventures of the Company as on 31<sup>st</sup> March, 2021.

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

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

Sd/-  
**G. R. Nayak**  
*Chief Financial Officer*

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

Place : Manipal

Date : June 30, 2021

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