



September 27, 2016
ICDS/SEC/SE/AR2016/2016

The General Manager
Department of Corporate Services
Bombay Stock Exchange Ltd.
Floor 25, P J Towers
Dalal Street
Mumbai - 400 001

Dear Sir,

Re: Annual Report u/r 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the Financial Year ended 31st March, 2016 along with relevant enclosures therein.

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

Thanking you,

For ICDS Ltd


Director



Encl: Annual Report along with Form A and Form B.

Regd. and Admn. Offices:

Syndicate House, P.B. No. 46, Upendra Nagar, Manipal – 576 104
Phone : EPABX : 0820-2701500 Fax : 0820-2571137
Website : www.icdslimited.com
CIN - L65993KA1971PLC002106



Regd. Office: Syndicate House, Manipal – 576 104

45th Annual Report

2015 – 2016



Chairman & Whole-time Director	: T. Mohandas Pai
Directors	: H. N. S. Rao Bharath K. Nayak K. M. Udupa A. Giridhar Pai U. Harish P. Shenoy Vimal C. Kamath
Company Secretary	: Ms. Varsha Agrawal
CFO	: G. R. Nayak
Auditors	: M/s Chaturvedi & Shah <i>Chartered Accountants, Mumbai</i>
Registered Office	: Syndicate House, Upendra Nagar Manipal – 576 104 CIN - L65993KA1971PLC002106
Bankers	: SYNDICATEBANK CORPORATION BANK ICICI BANK LTD.
Registrar and Share Transfer Agent (For Physical and Demat Shares)	: Cameo Corporate Services Ltd. Subramanian Building No. 1, Club House Road Chennai – 600 002

NOTICE

NOTICE is hereby given that the 45th ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Monday, **the 26th September, 2016 at 4.00 p.m.** at Rotary Hall, Ananth Nagar, Manipal – 576 104, Udupi District to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2016 and Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mrs. Vimal C. Kamath [DIN 07182821] who retires by rotation and being eligible offers herself for reappointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 28.09.2015 the appointment of M/s Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No.101720W), as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the Calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee and agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

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

Adoption of new set of Articles of Association of the Company *inter-alia* pursuant to the Companies Act, 2013.

"**RESOLVED THAT** pursuant to the provisions of Section 5 and 14 of the Companies Act, 2013 ("the Act"), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force, the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

By Order of the Board

Registered Office:

Syndicate House
Manipal – 576 104
Date : 18.05.2016

Sd/-

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

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The Company has transferred unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government. Those who have not encashed their dividend warrants, for whatever reason, for the period to and including 31st March, 1995 are requested to claim the amount from the Registrar of Companies, Karnataka, Bangalore.

Unclaimed dividend for the year ended 31st March, 1996, 31st March, 1997 and 31st December, 1997 has been transferred by the Company to "Investor Education and Protection Fund" set up by the Central Government and no claims shall lie against the fund or the Company in respect of the amounts so transferred.

8. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2016 may visit the Company's corporate website www.icdslimited.com or send their queries at least 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.
9. The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:

(A) Name : Mrs. Vimal Chandrashekar Kamath
 Date of Birth : 21.06.1944
 Expertise in specific functional areas : Basically Mrs. Vimal C. Kamath is a social worker and donor to various cultural, social and educational associations and is deeply involved in their activities. Worked as Chemist in British Drug House, Bombay, worked as Life Insurance Agent and Consultant for nearly 20 years in Goa. She was AIR Panaji, Goa and Panaji Doordarshan artist for 20 years.

She was a member of SAG (Sports Authority of Goa) for 2 years and was Goa State tennis player and represented in Nationals for nearly 15 years. Presently she is a Trustee in Bharathiya Vikas Trust, Manipal.

List of other directorships held : Nil
 Chairman/Member of the Committees of the Board : Nil
 Chairman / Member of the Committees of the Board of other Companies in which she is Director. : Nil

10. The register of members and Share Transfer Book will remain closed from Friday, 23rd September, 2016 to Monday, 26th September, 2016 (both days inclusive) in connection with 45th Annual General Meeting.

11. The Instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23.09.2016 10.00 a.m. and ends on 25.09.2016 upto 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 4

The existing Articles of Association ('AOA') of the Company are based on the Companies Act, 1956. Further, several Articles in the existing AOA are no longer in conformity with the Companies Act, 2013 ('the Act').

With the coming into force of the Act, several clauses of the existing AOA require alteration, deletion or amendment. Hence, it is considered prudent to replace the extant AOA completely with the new set of draft Articles of Association of the Company.

In terms of the Section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors or Key Managerial Personnel of neither the Company nor their relatives are in any way, concerned with or interested, financially or otherwise, in the Special Resolution at Item No.4 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the existing Articles of Associations and of the proposed new set of Articles of Association will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days.

By Order of the Board

Registered Office:

Syndicate House
Manipal – 576 104
Date : 18.05.2016

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

BOARDS' REPORT – 2015-16

To,
The Members,

Your Board of Directors have pleasure in presenting their 45th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. FINANCIAL SUMMARY

The following table brings out the financial performance of the Company during the F.Y. 2015-16:

	(Rs. in '000)	
	31 March 2016	31 March 2015
Income from Operations	3,99,31	4,54,02
Other Income	5,112	67,20
Write back of provisions	742	80,68
Total Income	4,57,85	6,01,90
Less: Operating Expenses	4,03,62	4,26,67
	54,83	1,75,23
Less: Interest	13,86	33,24
Profit/(Loss) before Depreciation	40,97	1,41,99
Less: Depreciation	12,40	13,92
Profit/(Loss) after Depreciation before Tax	28,57	1,28,07
Less: Provision for Income Tax/ (write back)	2,00	8,30
Profit/(Loss) after Tax	26,57	1,19,77
Add : (Loss) brought forward	(6,47,17)	(7,66,94)
(Loss) carried forward	(6,20,60)	(6,47,17)

COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned income of Rs.4.58 crores (including sale of telephone handsets and accessories of Rs. 2.04 crores) as against Rs.6.02 crores in the corresponding period of the previous year- (which also included income from sale of telephone handsets and accessories of Rs.2.75 crores) from recovery of overdues from HP/Lease/Bills Discounting/Loan Parties, Commission from insurance related activities, service charges earned from telephone bill recovery services, dividend and interest. The operating expense incurred during the reporting period was Rs.4.03 crores as against Rs.4.27 crores in the previous year. The accumulated losses which was at Rs.6.47 crores as on 31st March, 2015 has been reduced to Rs.6.21 crores on 31st March, 2016. The net worth of the Company as on 31st March, 2016 went up to Rs.10.15 crores (Rs.9.89 crores in the corresponding period of previous year).

Scheme of Arrangement

The details of unclaimed public liabilities with the Company as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka have been covered in the Corporate Governance Report. However, the total liability unpaid as on 31st March, 2016 was Rs.1.98 crores which does not include cheques issued to the investors but not presented amounting Rs.2.93 crores.

Future Business Plans

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

Fee based Activities

In order to generate some income to partly meet the establishment expenses, your Company is engaged as Corporate Agent for Life and General Insurance Companies, and also acting as address verification agents for Fullerton India Credit Company Limited and Tata Teleservices Limited at Coimbatore. Besides, your company has taken up distributorship of MTS Mobile Phones & accessories of SistemaShyam Teleservices Ltd., Videocon and Intex brand handsets at Coimbatore and Salem areas in Tamil Nadu. The company is also focusing on collecting overdues from HP/Lease/Loans/Bills discounted parties.

DIVIDEND

Since the Company has carried forward losses in the current year, the Directors express their inability to recommend Dividend.

SHARE CAPITAL

The paid up Share Capital as on 31st March, 2016 was Rs.13,02,67,000/-. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

DEPOSITS

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the



Stock Exchange, Corporate Governance Report and Auditor's Certificate regarding Compliance of conditions of Governance are made part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Vimal C. Kamath [DIN 07182821], Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

Details of remuneration paid to the Directors and Key Managerial Personnel are given in the **Annexure I** forming part of the Boards' Report.

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

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

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings were convened and held on 19.05.2015, 07.08.2015, 06.11.2015, 25.01.2016 and 18.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The role and terms of reference of Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement 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 19.05.2015, 07.08.2015, 06.11.2015 and, 25.01.2016.

AUDIT COMMITTEE

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

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

Since the company is still carrying over the losses Corporate

Social Responsibility Committee pursuant to provisions of Section 135(1) of the Companies Act, 2013 has not been formed for the time being.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK MANAGEMENT

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

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

SUBSIDIARY / ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries and associates, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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

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

RELATED PARTY TRANSACTION

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant related party transactions made by the Company during the year that would have required shareholders approval under the provisions of the Act. Details of the transactions with related parties are provided in the Note No.2.30 of accompanying financial statements. Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith Mar.ked as **Annexure II**.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, Board has carried out an annual

performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out are detailed below:

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

AUDITORS

The Auditors, Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 101720W) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment to hold office till the conclusion of the 46th AGM to be held in the Calendar year 2017.

AUDITORS' REPORT

In respect of the comments made by the auditors in their independent auditors report on consolidated financial statement, in the Para "Basis for Qualified Opinion" relevant explanation given by the Company vide Note No.2.14(b) to the Financial Statements is self explanatory.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made thereunder, Sri Shrinivas Devadiga, Practicing Company Secretary (Membership No.22381 CoP No.10372) from Bangalore has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as **Annexure IV** to this report. As per Section 134 (3f) of the Companies Act, 2013 Company is required to make comments on the adverse remarks / comments on the Secretarial Auditors Report.

1. As per the Secretarial Auditor's Report placed before the Board, the Secretarial auditor have opined that the Company has not appointed Company Secretary:

The Directors reiterate that the Company in search of a suitable candidate for the post of Company Secretary which may be completed in the next quarter.

2. As per the Secretarial Auditor's Report placed before the Board, the Secretarial auditor have opined that the Company has not registered the lease agreement which are entered by Company having tenure more than 11 months.

Your Directors reiterate that they will review all such agreements and noted the observations for compliance.

INTERNAL FINANCIAL CONTROL

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information

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

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is attached as a part of this Annual Report as **ANNEXURE I**.

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 Nos.2.08.

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

In order to prevent sexual harassment of Women at work place,



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

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, 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. 28.9.2015), with the Ministry of Corporate Affairs.

VIGIL MECHANISM

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Place : Manipal
Date : 18.05.2016

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

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:L65993KA1971PLC002106
- ii) Registration Date 21.10.1971
- iii) Name of the Company I C D S LTD.
- iv) Category / Sub-Category of the Company
- v) Address of the Registered office and contact details SYNDICATE HOUSE, MANIPAL – 576 104, KARNATAKA
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai – 600 002 - Tel No. 044 28460390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Financial Services (Recovery Activities)	K5	33.72%
2	Trading Activities	G2	51.04%
3	Rental Income	L1	15.24%

III. PARTICULARS SUBSIDIARY COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	SUBSIDIARY	% of shares held	Applicable Section
1	Manipal Properties Ltd.	U45201TN1999PLC043271	Subsidiary	99.89%	2(87)(ii)
2	Manipal Hotels Ltd.	U55101TN1988PLC015585	Subsidiary	100.00%	2(87)(ii)

IV. SHAREHOLDING PATTERN (equity share capital break-up as percentage of total equity)										
(i) category-wise shareholding										
Name of the company		ICDS Limited								
Face value		10 /-								
Paid-up shares as on 01-Apr.-2015		13026700								
Paid-up shares as on 31-Mar.-2016		13026700								
For the period from		01-Apr.-2015		To : 31-Mar.-2016						
Category code	Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Shareholding of promoter and promoter group									
1.	Indian									
a.	Individuals/Hindu undivided family	188467	335287	523754	4.0206	603028	993085	1596113	12.2526	8.2320
b.	Central government/ state government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Bodies corporate	936974	201468	1138442	8.7392	2795374	201468	2996842	23.0053	14.2660
d.	Financial institutions/ banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other									
	Directors and their relatives	691233	759755	1450988	11.1385	273248	101957	375205	2.8802	-8.2582
	Trusts	2248400	1332200	3580600	27.4866	390000	1332200	1722200	13.2205	-14.2660
		2939633	2091955	5031588	38.6251	663248	1434157	2097405	16.1008	-22.5243
	Sub - total (A)(1)	4065074	2628710	6693784	51.3851	4061650	2628710	6690360	51.3588	-0.0262
2.	Foreign									
a.	Individuals (non-resident individuals/ foreign individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Bodies corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub - total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total shareholding of promoter and promoter group (A) = (A)(1)+(A)(2)	4065074	2628710	6693784	51.3851	4061650	2628710	6690360	51.3588	-0.0262
B.	Public shareholding									
1.	Institutions									

a.	Mutual funds/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Financial institutions/ banks	1012	3091	4103	0.0314	1012	160	1172	0.0089	-0.0224
c.	Central Government/ State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Venture capital funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Insurance companies	684813	0	684813	5.2569	684813	0	684813	5.2569	0.0000
f.	Foreign institutional investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	Foreign venture capital investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub - total (B)(1)	685825	3091	688916	5.2884	685825	160	685985	5.2659	-0.0224
2.	Non-institutions									
a.	Bodies corporate	289259	50238	339497	2.6061	288884	50238	339122	2.6032	-0.0028
b.	Individuals -									
	i. individual shareholders holding nominal share capital upto Rs. 1 Lakh	374615	1458187	1832802	14.0695	358063	1426444	1784507	13.6988	-0.3707
	ii. individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1339183	415781	1754964	13.4720	1312691	415781	1728472	13.2686	-0.2033
c.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Any other									
	Hindu undivided families	63939	0	63939	0.4908	144718	80	144798	1.1115	0.6207
	Non-resident Indians	2602	320	2922	0.0224	3260	320	3580	0.0274	0.0050
	Overseas corporate bodies	400000	0	400000	3.0706	400000	0	400000	3.0706	0.0000
	Trusts	1249876	0	1249876	9.5947	1249876	0	1249876	9.5947	0.0000
		1716417	320	1716737	13.1786	1797854	400	1798254	13.8043	0.6257
	Sub - total (B)(2)	3719474	1924526	5644000	43.3263	3757492	1892863	5650355	43.3751	0.0487
	Total public shareholding (B) = (B)(1)+(B)(2)	4405299	1927617	6332916	48.6148	4443317	1893023	6336340	48.6411	0.0262
	Total (A)+(B)	8470373	4556327	13026700	100.0000	8504967	4521733	13026700	100.0000	0.0000
C.	Shares held by custodians and against which depository receipts have been issued									
	Promoter and promoter group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total custodian (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Grand total (A)+(B)+(C)	8470373	4556327	13026700	100.0000	8504967	4521733	13026700	100.0000	0.0000

(ii) Shareholding of Promoters												
Name of the Company : ICDS Limited												
Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the year			% Change in sharehold- ing during the year	FOLIO/DP_CL_ID	PAN	Pledged shares at beginning of the year	Pledged shares at end of the year
		No. of Shares	% of Total Shares of the Company	% of Shares pledged / encum- bered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	Teaching Fraternity and Education Trust	1858400	14.2660	0.0000	1858400	14.2660	0.0000	0.0000	'IN30113526861457	AAATT2247A	0	0
2	Dr. H. Shantaram	245600	1.8853	0.0000	245600	1.8853	0.0000	0.0000	'00006176	AAATT2247A	0	0
3	T. Ranga Pai	669925	5.1427	0.0000	669925	5.1427	0.0000	0.0000	'00006177	AAATM3196P	0	0
4	T. Ranga Pai	416675	3.1986	0.0000	416675	3.1986	0.0000	0.0000	'00006178	AAATM3196P	0	0
5	Music And Fine Arts Education Trust	390000	2.9938	0.0000	390000	2.9938	0.0000	0.0000	'IN30113526861473	AAATM3196P	0	0
6	Sharath Investments Private Limited	505176	3.8780	0.0000	505176	3.8780	0.0000	0.0000	'IN30113526493159	AACCS4695J	0	0
7	T. Satish U. Pai Jt1 : Sandhya S. Pai	334500	2.5678	0.0000	334500	2.5678	0.0000	0.0000	'00006175	ADYPP0833B	0	0
8	Manipal Prakashan Pvt. Ltd.	308453	2.3678	0.0000	308453	2.3678	0.0000	0.0000	'IN30001110488173	AABCM2207K	0	0
9	T. Ashok Pai	178015	1.3665	0.0000	178015	1.3665	0.0000	0.0000	'IN30088813426471	ACOPP0717D	0	0
10	Dr. Ramdas M. Pai	177121	1.3596	0.0000	177121	1.3596	0.0000	0.0000	'IN30001110491642	ACOPP0720C	0	0
11	Manipal Finance Corporation Ltd.	112000	0.8597	0.0000	112000	0.8597	0.0000	0.0000	'00003542	AACFM9546R	0	0
12	Vijayalaxmi N. Pai	103668	0.7958	0.0000	103668	0.7958	0.0000	0.0000	'00003454	ACVPP9241P	0	0
13	T. Satish U. Pai	87127	0.6688	0.0000	87127	0.6688	0.0000	0.0000	'IN30001110491005	ADYPP0833B	0	0
14	T. Gayathri Pai	77441	0.5944	0.0000	77441	0.5944	0.0000	0.0000	'IN30088813426463	ADYPP0831D	0	0
15	Vasanthi R. Pai	67596	0.5189	0.0000	67596	0.5189	0.0000	0.0000	'IN30001110491714	ACOPP0716C	0	0
16	T. Mohandas Pai	58775	0.4511	0.0000	58775	0.4511	0.0000	0.0000	'IN30088813021523	ACMP4506A	0	0
17	T. Rajesh Pai	57390	0.4405	0.0000	57390	0.4405	0.0000	0.0000	'00001440	ACVPP9409K	0	0
18	Manipal Finance Corporation Ltd.	53531	0.4109	0.0000	53531	0.4109	0.0000	0.0000	'IN30113526204233	AABCM2209H	0	0
19	Shivally Investment Company Private Limited	52086	0.3998	0.0000	52086	0.3998	0.0000	0.0000	'IN30113526570200	AADCS6324F	0	0
20	T. Vittal Pai M.B.B.S.	51150	0.3926	0.0000	51150	0.3926	0.0000	0.0000	'00000353	AKBPP5652N	0	0
21	Shaila R. Pai	49150	0.3773	0.0000	49150	0.3773	0.0000	0.0000	'IN30001110491691	ADWPP6506D	0	0
22	Manipal Industries Ltd.	48387	0.3714	0.0000	48387	0.3714	0.0000	0.0000	'00004771	AABCM2210N	0	0

23	Usha	45784	0.3514	0.0000	45784	0.3514	0.0000	0.0000	'00001441	AFGPS5932L	0	0
24	Sandhya S. Pai	43875	0.3368	0.0000	43875	0.3368	0.0000	0.0000	'IN30001110491056	AEPPP0602N	0	0
25	Ranjan R. Pai	43428	0.3333	0.0000	43428	0.3333	0.0000	0.0000	'IN30001110491595	AGBPP2795G	0	0
26	Ranjan R. Pai	35040	0.2689	0.0000	35040	0.2689	0.0000	0.0000	'00003470	AGBPP2795G	0	0
27	T. Narayan M. Pai	41764	0.3206	0.0000	41764	0.3206	0.0000	0.0000	'00003287	ACOPP0719P	0	0
28	Latha P. Pai	39966	0.3068	0.0000	39966	0.3068	0.0000	0.0000	'00000990	-	0	0
29	K. Gopalakrishna A/S Naresh Nayak	35304	0.2710	0.0000	35304	0.2710	0.0000	0.0000	'00001320	ABIPN0804A	0	0
30	Vasanthi R. Shenoy	29968	0.2300	0.0000	29968	0.2300	0.0000	0.0000	'00000364	AGZPS5934N	0	0
31	Sunithi P. Nayak	28828	0.2212	0.0000	28828	0.2212	0.0000	0.0000	'00000363	AAZPN0916B	0	0
32	Suresh	28800	0.2210	0.0000	28800	0.2210	0.0000	0.0000	'00001523	ABNPN1200F	0	0
33	Madhav Pai	26665	0.2046	0.0000	26665	0.2046	0.0000	0.0000	'00003275	ADMPP4411D	0	0
34	Sachin Pai	26665	0.2046	0.0000	26665	0.2046	0.0000	0.0000	'00003281	ACJPP2027K	0	0
35	The Canara Land Investments Ltd.	25935	0.1990	0.0000	25935	0.1990	0.0000	0.0000	'00000365	AAACT7423K	0	0
36	K. Visvanath Kamath	25756	0.1977	0.0000	0	0.0000	0.0000	-0.1977	'00000988		0	0
37	Vindhya T.	25273	0.1940	0.0000	25273	0.1940	0.0000	0.0000	'00005147	AGRPP7454M	0	0
38	Mr. K V Kamath Jt1 : Mrs. Rajalakshmi Kamath	22176	0.1702	0.0000	0	0.0000	0.0000	-0.1702	'IN30018310000070	AAFPK0659N	0	0
39	K. V. Kamath Jt1 : Rajalakshmi V. Kamath	0	0.0000	0.0000	22176	0.1702	0.0000	0.1702	'IN30302862409584	AAFPK0659N	0	0
40	Sanjay Pai Jt1 : Vijayalaxmi N. Pai	19009	0.1459	0.0000	19009	0.1459	0.0000	0.0000	'IN30001110628805	ABVPP2745D	0	0
41	Ananth	18400	0.1412	0.0000	18400	0.1412	0.0000	0.0000	'00002418	AFGPS5933M	0	0
42	T. Harish Pai	18276	0.1402	0.0000	18276	0.1402	0.0000	0.0000	'00001978	ACMPP4787D	0	0
43	T. Gautham Pai	18136	0.1392	0.0000	18136	0.1392	0.0000	0.0000	'IN30001110490947	ACZPP1142R	0	0
44	Manipal Media Network Limited	17728	0.1360	0.0000	17728	0.1360	0.0000	0.0000	'IN30113526401857	AAACM8839Q	0	0
45	Vidya	17385	0.1334	0.0000	17385	0.1334	0.0000	0.0000	'00002063	-	0	0
46	Indumathi B. Pai	16617	0.1275	0.0000	16617	0.1275	0.0000	0.0000	'00002682	-	0	0
47	T. Sunil Pai	15924	0.1222	0.0000	15924	0.1222	0.0000	0.0000	'00003480	ABGPP8166R	0	0
48	Sangeetha	13632	0.1046	0.0000	13632	0.1046	0.0000	0.0000	'00002664	ABNPN1199B	0	0
49	Sharat Impex Company Private Ltd.	11849	0.0909	0.0000	11849	0.0909	0.0000	0.0000	'00004440	AACCS7477C	0	0
50	M. D. Narayan	11200	0.0859	0.0000	11200	0.0859	0.0000	0.0000	'IN30113526331385	AANPN8802C	0	0
51	Ratnakar S. Pai BS M.B.B.S.	9840	0.0755	0.0000	9840	0.0755	0.0000	0.0000	'00001786	ACMPP4505D	0	0
52	Jayanthi R. Pai	9689	0.0743	0.0000	9689	0.0743	0.0000	0.0000	'00001518	-	0	0
53	Dr. Ramdas M. Pai Jt1 : Vasanthi R. Pai	8106	0.0622	0.0000	8106	0.0622	0.0000	0.0000	'IN30113526352059	ACOPP0720C	0	0
54	Alaka R. Pai	7228	0.0554	0.0000	7228	0.0554	0.0000	0.0000	'00003402	ABVPP2946G	0	0
55	Asha K. Pai	5120	0.0393	0.0000	5120	0.0393	0.0000	0.0000	'00005578	-	0	0

56	Vijayalaxmi N. Pai Jt1 : T Narayan M. Pai	4212	0.0323	0.0000	4212	0.0323	0.0000	0.0000	'IN30001110628709	ACVPP9241P	0	0
57	Geetha P Kamath	3939	0.0302	0.0000	3939	0.0302	0.0000	0.0000	'00001844	CFKPK2451Q	0	0
58	Sangeetha	3860	0.0296	0.0000	3860	0.0296	0.0000	0.0000	'00002905	ABWPN1199B	0	0
59	Asha R. Kamath Jt1 : Kamath R. L.	3693	0.0283	0.0000	3693	0.0283	0.0000	0.0000	'IN30131320073350	AJJPK1758P	0	0
60	T. Narayan M. Pai Jt1 : Vijayalaxmi N. Pai	3641	0.0279	0.0000	3641	0.0279	0.0000	0.0000	'IN30088813467625	ACOPP0719P	0	0
61	Udipi Suresh Rao	3424	0.0262	0.0000	0	0.0000	0.0000	-0.0262	'IN30243720009208	AAAPR.6150J	0	0
62	Radhika Shetty	3120	0.0239	0.0000	3120	0.0239	0.0000	0.0000	'00001783	AIFPS2081N	0	0
63	Vasanth Shenoy	2915	0.0223	0.0000	2915	0.0223	0.0000	0.0000	'00005394	AFGPS5934N	0	0
64	K Kamalaksha Pai	2737	0.0210	0.0000	2737	0.0210	0.0000	0.0000	'00000367	ADYPP0834G	0	0
65	Ranjana Shenoy Nathan	2560	0.0196	0.0000	2560	0.0196	0.0000	0.0000	'00005577	-	0	0
66	Raghuvveer Shenoy Balkunje	2560	0.0196	0.0000	2560	0.0196	0.0000	0.0000	'00005880	-	0	0
67	Westtek Enterprises Private Limited	2000	0.0153	0.0000	2000	0.0153	0.0000	0.0000	'00004659	AABCH7877E	0	0
68	Nita Pai Jt1 : Vijayalaxmi N. Pai	1969	0.0151	0.0000	1969	0.0151	0.0000	0.0000	'IN30113526704325	ABGPP8167Q	0	0
69	TVP Consultants Limited	1297	0.0099	0.0000	1297	0.0099	0.0000	0.0000	'00005161	AAACT5587A	0	0
70	Kusuma P. Pai	1280	0.0098	0.0000	1280	0.0098	0.0000	0.0000	'00005579	ACVPP9408J	0	0
71	T. Radhika Pai	1280	0.0098	0.0000	1280	0.0098	0.0000	0.0000	'00005580	AJPPS2081N	0	0
72	Roshan B. Pai	800	0.0061	0.0000	800	0.0061	0.0000	0.0000	'00004494	-	0	0
73	Kalsank Kamalaksha Pai	787	0.0060	0.0000	787	0.0060	0.0000	0.0000	'00005989	ACOPP0720C	0	0
74	Makonahalli Devegowda Balakrishna	672	0.0051	0.0000	672	0.0051	0.0000	0.0000	'1203320007388377	AAMPB6954E	0	0
75	Gita Ranga Pai Jt1 : Shyamsunder Ranga Pai	480	0.0036	0.0000	480	0.0036	0.0000	0.0000	'IN30290241102948	AAAPP6412H	0	0
76	Roopa M. Pai K.	315	0.0024	0.0000	315	0.0024	0.0000	0.0000	'IN30113526830743	ACOPP0248B	0	0
77	Ranjan Pai Kochikar	280	0.0021	0.0000	280	0.0021	0.0000	0.0000	'00001450	-	0	0
78	Sandhya D. Nayak	160	0.0012	0.0000	160	0.0012	0.0000	0.0000	'00002701	AAPPN0161C	0	0
79	H. N. Sheshagiri Rao	99	0.0007	0.0000	99	0.0007	0.0000	0.0000	'IN30135620370285	AEFPS2988J	0	0
80	Dinesh Kudva	80	0.0006	0.0000	80	0.0006	0.0000	0.0000	'00004839	AAYPK8520H	0	0
81	Tara D. Kudva	52	0.0003	0.0000	52	0.0003	0.0000	0.0000	'00000603	ABYPK6941R	0	0
82	U Harish P. Shenoy Jt1 : U. Savitha H. Shenoy	40	0.0003	0.0000	40	0.0003	0.0000	0.0000	'IN30088813082318	AGZPS7112A	0	0
83	Mohan Kamath K.	0	0.0000	0.0000	25756	0.1977	0.0000	0.1977	'00006239	ADZPK4678G	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
Name of the Company : ICDS Limited							
Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		FOLIO/DP_CL_ID	PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Teaching Fraternity and Education Trust						
	At the beginning of the year 01-Apr.-2015	1858400	14.2660	1858400	14.2660	'IN30113526861457	AAATT2247A
	At the end of the year 31-Mar.-2016	1858400	14.2660	1858400	14.2660		
2	Dr. H. Shantaram						
	At the beginning of the year 01-Apr.-2015	245600	1.8853	245600	1.8853	'00006176	AAATT2247A
	At the end of the year 31-Mar.-2016	245600	1.8853	245600	1.8853		
3	T. Ranga Pai						
	At the beginning of the year 01-Apr.-2015	669925	5.1427	669925	5.1427	'00006177	AAATM3196P
	At the end of the year 31-Mar.-2016	669925	5.1427	669925	5.1427		
4	T. Ranga Pai						
	At the beginning of the year 01-Apr.-2015	416675	3.1986	416675	3.1986	'00006178	AAATM3196P
	At the end of the year 31-Mar.-2016	416675	3.1986	416675	3.1986		
5	Music and Fine Arts Education Trust						
	At the beginning of the year 01-Apr.-2015	390000	2.9938	390000	2.9938	'IN30113526861473	AAATM3196P
	At the end of the year 31-Mar.-2016	390000	2.9938	390000	2.9938		
6	Sharath Investments Private Limited						
	At the beginning of the year 01-Apr.-2015	505176	3.8780	505176	3.8780	'IN30113526493159	AACCS4695J
	At the end of the year 31-Mar.-2016	505176	3.8780	505176	3.8780		
7	T. Satish U. Pai Jt1 : Sandhya S. Pai						
	At the beginning of the year 01-Apr.-2015	334500	2.5678	334500	2.5678	'00006175	ADYPP0833B
	At the end of the year 31-Mar.-2016	334500	2.5678	334500	2.5678		
8	Manipal Prakashan Pvt. Ltd.						
	At the beginning of the year 01-Apr.-2015	308453	2.3678	308453	2.3678	'IN30001110488173	AABCM2207K
	At the end of the year 31-Mar.-2016	308453	2.3678	308453	2.3678		
9	T. Ashok Pai						
	At the beginning of the year 01-Apr.-2015	178015	1.3665	178015	1.3665	'IN30088813426471	ACOPP0717D
	At the end of the year 31-Mar.-2016	178015	1.3665	178015	1.3665		
10	Dr. Ramdas M. Pai						
	At the beginning of the year 01-Apr.-2015	177121	1.3596	177121	1.3596	'IN30001110491642	ACOPP0720C
	At the end of the year 31-Mar.-2016	177121	1.3596	177121	1.3596		
11	Manipal Finance Corporation Ltd.						
	At the beginning of the year 01-Apr.-2015	112000	0.8597	112000	0.8597	'00003542	AACFM9546R
	At the end of the year 31-Mar.-2016	112000	0.8597	112000	0.8597		

12	Vijayalaxmi N. Pai						
	At the beginning of the year 01-Apr.-2015	103668	0.7958	103668	0.7958	'00003454	ACVPP9241P
	At the end of the year 31-Mar.-2016	103668	0.7958	103668	0.7958		
13	T. Satish U. Pai						
	At the beginning of the year 01-Apr.-2015	87127	0.6688	87127	0.6688	'IN30001110491005	ADYPP0833B
	At the end of the year 31-Mar.-2016	87127	0.6688	87127	0.6688		
14	T. Gayathri Pai						
	At the beginning of the year 01-Apr.-2015	77441	0.5944	77441	0.5944	'IN30088813426463	ADYPP0831D
	At the end of the year 31-Mar.-2016	77441	0.5944	77441	0.5944		
15	Vasanthi R. Pai						
	At the beginning of the year 01-Apr.-2015	67596	0.5189	67596	0.5189	'IN30001110491714	ACOPP0716C
	At the end of the year 31-Mar.-2016	67596	0.5189	67596	0.5189		
16	T. Mohandas Pai						
	At the beginning of the year 01-Apr.-2015	58775	0.4511	58775	0.4511	'IN30088813021523	ACMPP4506A
	At the end of the year 31-Mar.-2016	58775	0.4511	58775	0.4511		
17	T. Rajesh Pai						
	At the beginning of the year 01-Apr.-2015	57390	0.4405	57390	0.4405	'00001440	ACVPP9409K
	At the end of the year 31-Mar.-2016	57390	0.4405	57390	0.4405		
18	Manipal Finance Corporation Ltd.						
	At the beginning of the year 01-Apr.-2015	53531	0.4109	53531	0.4109	'IN30113526204233	AABCM2209H
	At the end of the year 31-Mar.-2016	53531	0.4109	53531	0.4109		
19	Shivaliy Investment Company Private Ltd.						
	At the beginning of the year 01-Apr.-2015	52086	0.3998	52086	0.3998	'IN30113526570200	AADCS6324F
	At the end of the year 31-Mar.-2016	52086	0.3998	52086	0.3998		
20	T. Vittal Pai, M.B.B.S.						
	At the beginning of the year 01-Apr.-2015	51150	0.3926	51150	0.3926	'00000353	AKBPP5652N
	At the end of the year 31-Mar.-2016	51150	0.3926	51150	0.3926		
21	Shaila R. Pai						
	At the beginning of the year 01-Apr.-2015	49150	0.3773	49150	0.3773	'IN30001110491691	ADWPP6506D
	At the end of the year 31-Mar.-2016	49150	0.3773	49150	0.3773		
22	Manipal Industries Ltd.						
	At the beginning of the year 01-Apr.-2015	48387	0.3714	48387	0.3714	'00004771	AABCM2210N
	At the end of the year 31-Mar.-2016	48387	0.3714	48387	0.3714		
23	Usha						
	At the beginning of the year 01-Apr.-2015	45784	0.3514	45784	0.3514	'00001441	AFGPS5932L
	At the end of the year 31-Mar.-2016	45784	0.3514	45784	0.3514		
24	Sandhya S. Pai						
	At the beginning of the year 01-Apr.-2015	43875	0.3368	43875	0.3368	'IN30001110491056	AEPPP0602N
	At the end of the year 31-Mar.-2016	43875	0.3368	43875	0.3368		
25	Ranjan R. Pai						
	At the beginning of the year 01-Apr.-2015	43428	0.3333	43428	0.3333	'IN30001110491595	AGBPP2795G
	At the end of the year 31-Mar.-2016	43428	0.3333	43428	0.3333		

26	Ranjan R. Pai						
	At the beginning of the year 01-Apr.-2015	35040	0.2689	35040	0.2689	'00003470	AGBPP2795G
	At the end of the year 31-Mar.-2016	35040	0.2689	35040	0.2689		
27	T. Narayan M. Pai						
	At the beginning of the year 01-Apr.-2015	41764	0.3206	41764	0.3206	'00003287	ACOPP0719P
	At the end of the year 31-Mar.-2016	41764	0.3206	41764	0.3206		
28	Latha P. Pai						
	At the beginning of the year 01-Apr.-2015	39966	0.3068	39966	0.3068	'00000990	
	At the end of the year 31-Mar.-2016	39966	0.3068	39966	0.3068		
29	K. Gopalakrishna A/S Naresh Nayak						
	At the beginning of the year 01-Apr.-2015	35304	0.2710	35304	0.2710	'00001320	ABIPN0804A
	At the end of the year 31-Mar.-2016	35304	0.2710	35304	0.2710		
30	Vasanthi R. Shenoy						
	At the beginning of the year 01-Apr.-2015	29968	0.2300	29968	0.2300	'00000364	AGZPS5934N
	At the end of the year 31-Mar.-2016	29968	0.2300	29968	0.2300		
31	Sunithi P. Nayak						
	At the beginning of the year 01-Apr.-2015	28828	0.2212	28828	0.2212	'00000363	AAZPN0916B
	At the end of the year 31-Mar.-2016	28828	0.2212	28828	0.2212		
32	Suresh						
	At the beginning of the year 01-Apr.-2015	28800	0.2210	28800	0.2210	'00001523	ABNPN1200F
	At the end of the year 31-Mar.-2016	28800	0.2210	28800	0.2210		
33	Madhav Pai						
	At the beginning of the year 01-Apr.-2015	26665	0.2046	26665	0.2046	'00003275	ADMPP4411D
	At the end of the year 31-Mar.-2016	26665	0.2046	26665	0.2046		
34	Sachin Pai						
	At the beginning of the year 01-Apr.-2015	26665	0.2046	26665	0.2046	'00003281	ACJPP2027K
	At the end of the year 31-Mar.-2016	26665	0.2046	26665	0.2046		
35	The Canara Land Investments Ltd.						
	At the beginning of the year 01-Apr.-2015	25935	0.1990	25935	0.1990	'00000365	AAACT7423K
	At the end of the year 31-Mar.-2016	25935	0.1990	25935	0.1990		
36	K. Visvanath Kamath						
	At the beginning of the year 01-Apr.-2015	25756	0.1977	25756	0.1977	'00000988	
	Sale 16-Oct.-2015	-25756	0.1977	0	0.0000	'	
	At the end of the year 31-Mar.-2016	0	0.0000	0	0.0000		
37	Vindhya T.						
	At the beginning of the year 01-Apr.-2015	25273	0.1940	25273	0.1940	'00005147	AGRPP7454M
	At the end of the year 31-Mar.-2016	25273	0.1940	25273	0.1940		
38	Mr. K. V. Kamath Jt1 : Mrs. Rajalakshmi Kamath						
	At the beginning of the year 01-Apr.-2015	22176	0.1702	22176	0.1702	'IN30018310000070	AAFPK0659N
	Sale 03-Jul.-2015	-22176	0.1702	0	0.0000	'	
	At the end of the year 31-Mar.-2016	0	0.0000	0	0.0000		

39	K. V. Kamath jt1 : Rajalakshmi V. Kamath						
	At the beginning of the year 01-Apr.-2015	0	0.0000	0	0.0000	'IN30302862409584	AAFPK0659N
	Purchase 03-Jul.-2015	22176	0.1702	22176	0.1702		
	At the end of the year 31-Mar.-2016	22176	0.1702	22176	0.1702		
40	Sanjay Pai jt1 : Vijayalaxmi N. Pai						
	At the beginning of the year 01-Apr.-2015	19009	0.1459	19009	0.1459	'IN30001110628805	ABVPP2745D
	At the end of the year 31-Mar.-2016	19009	0.1459	19009	0.1459		
41	Ananth						
	At the beginning of the year 01-Apr.-2015	18400	0.1412	18400	0.1412	'00002418	AFGPS5933M
	At the end of the year 31-Mar.-2016	18400	0.1412	18400	0.1412		
42	T. Harish Pai						
	At the beginning of the year 01-Apr.-2015	18276	0.1402	18276	0.1402	'00001978	ACMPP4787D
	At the end of the year 31-Mar.-2016	18276	0.1402	18276	0.1402		
43	T. Gautham Pai						
	At the beginning of the year 01-Apr.-2015	18136	0.1392	18136	0.1392	'IN30001110490947	ACZPP1142R
	At the end of the year 31-Mar.-2016	18136	0.1392	18136	0.1392		
44	Manipal Media Network Limited						
	At the beginning of the year 01-Apr.-2015	17728	0.1360	17728	0.1360	'IN30113526401857	AAACM8839Q
	At the end of the year 31-Mar.-2016	17728	0.1360	17728	0.1360		
45	Vidya						
	At the beginning of the year 01-Apr.-2015	17385	0.1334	17385	0.1334	'00002063	
	At the end of the year 31-Mar.-2016	17385	0.1334	17385	0.1334		
46	Indumathi B. Pai						
	At the beginning of the year 01-Apr.-2015	16617	0.1275	16617	0.1275	'00002682	
	At the end of the year 31-Mar.-2016	16617	0.1275	16617	0.1275		
47	T. Sunil Pai						
	At the beginning of the year 01-Apr.-2015	15924	0.1222	15924	0.1222	'00003480	ABGPP8166R
	At the end of the year 31-Mar.-2016	15924	0.1222	15924	0.1222		
48	Sangeetha						
	At the beginning of the year 01-Apr.-2015	13632	0.1046	13632	0.1046	'00002664	ABNPN1199B
	At the end of the year 31-Mar.-2016	13632	0.1046	13632	0.1046		
49	Sharat Impex Company Private Ltd.						
	At the beginning of the year 01-Apr.-2015	11849	0.0909	11849	0.0909	'00004440	AACCS7477C
	At the end of the year 31-Mar.-2016	11849	0.0909	11849	0.0909		
50	M. D. Narayan						
	At the beginning of the year 01-Apr.-2015	11200	0.0859	11200	0.0859	'IN30113526331385	AANPN8802C
	At the end of the year 31-Mar.-2016	11200	0.0859	11200	0.0859		
51	Ratnakar S. Pai, B.S. M.B.B.S.						
	At the beginning of the year 01-Apr.-2015	9840	0.0755	9840	0.0755	'00001786	ACMPP4505D
	At the end of the year 31-Mar.-2016	9840	0.0755	9840	0.0755		

52	Jayanthi R. Pai						
	At the beginning of the year 01-Apr.-2015	9689	0.0743	9689	0.0743	'00001518	
	At the end of the year 31-Mar.-2016	9689	0.0743	9689	0.0743		
53	Dr. Ramdas M. Pai Jt1 : Vasanthi R. Pai						
	At the beginning of the year 01-Apr.-2015	8106	0.0622	8106	0.0622	'IN30113526352059	ACOPP0720C
	At the end of the year 31-Mar.-2016	8106	0.0622	8106	0.0622		
54	Alaka R. Pai						
	At the beginning of the year 01-Apr.-2015	7228	0.0554	7228	0.0554	'00003402	ABVPP2946G
	At the end of the year 31-Mar.-2016	7228	0.0554	7228	0.0554		
55	Asha K. Pai						
	At the beginning of the year 01-Apr.-2015	5120	0.0393	5120	0.0393	'00005578	
	At the end of the year 31-Mar.-2016	5120	0.0393	5120	0.0393		
56	Vijayalaxmi N. Pai Jt1 : T. Narayan M. Pai						
	At the beginning of the year 01-Apr.-2015	4212	0.0323	4212	0.0323	'IN30001110628709	ACVPP9241P
	At the end of the year 31-Mar.-2016	4212	0.0323	4212	0.0323		
57	Geetha P. Kamath						
	At the beginning of the year 01-Apr.-2015	3939	0.0302	3939	0.0302	'00001844	CFKPK2451Q
	At the end of the year 31-Mar.-2016	3939	0.0302	3939	0.0302		
58	Sangeetha						
	At the beginning of the year 01-Apr.-2015	3860	0.0296	3860	0.0296	'00002905	
	At the end of the year 31-Mar.-2016	3860	0.0296	3860	0.0296		
59	Asha R. Kamath jt1 : Kamath R. L.						
	At the beginning of the year 01-Apr.-2015	3693	0.0283	3693	0.0283	'IN30131320073350	AJJP1758P
	At the end of the year 31-Mar.-2016	3693	0.0283	3693	0.0283		
60	T. Narayan M. Pai Jt1 : Vijayalaxmi N. Pai						
	At the beginning of the year 01-Apr.-2015	3641	0.0279	3641	0.0279	'IN30088813467625	ACOPP0719P
	At the end of the year 31-Mar.-2016	3641	0.0279	3641	0.0279		
61	Udipi Suresh Rao						
	At the beginning of the year 01-Apr.-2015	3424	0.0262	3424	0.0262	'IN30243720009208	AAAPR6150J
	Sale 31-Jul.-2015	-3424	0.0262	0	0.0000		
	At the end of the year 31-Mar.-2016	0	0.0000	0	0.0000		
62	Radhika Shetty						
	At the beginning of the year 01-Apr.-2015	3120	0.0239	3120	0.0239	'00001783	AIFPS2081N
	At the end of the year 31-Mar.-2016	3120	0.0239	3120	0.0239		
63	Vasanth Shenoy						
	At the beginning of the year 01-Apr.-2015	2915	0.0223	2915	0.0223	'00005394	AFGPS5934N
	At the end of the year 31-Mar.-2016	2915	0.0223	2915	0.0223		

64	K. Kamalaksha Pai						
	At the beginning of the year 01-Apr.-2015	2737	0.0210	2737	0.0210	'00000367	ACOPP0720C
	At the end of the year 31-Mar.-2016	2737	0.0210	2737	0.0210		
65	Ranjana Shenoy Nathan						
	At the beginning of the year 01-Apr.-2015	2560	0.0196	2560	0.0196	'00005577	
	At the end of the year 31-Mar.-2016	2560	0.0196	2560	0.0196		
66	Raghuvveer Shenoy Balkunje						
	At the beginning of the year 01-Apr.-2015	2560	0.0196	2560	0.0196	'00005880	
	At the end of the year 31-Mar.-2016	2560	0.0196	2560	0.0196		
67	Westtek Enterprises Private Limited						
	At the beginning of the year 01-Apr.-2015	2000	0.0153	2000	0.0153	'00004659	AABCH7877E
	At the end of the year 31-Mar.-2016	2000	0.0153	2000	0.0153		
68	Nita Pai jt1 : Vijayalaxmi N. Pai						
	At the beginning of the year 01-Apr.-2015	1969	0.0151	1969	0.0151	'IN30113526704325	ABGPP8167Q
	At the end of the year 31-Mar.-2016	1969	0.0151	1969	0.0151		
69	TVP Consultants Limited						
	At the beginning of the year 01-Apr.-2015	1297	0.0099	1297	0.0099	'00005161	AAACT5587A
	At the end of the year 31-Mar.-2016	1297	0.0099	1297	0.0099		
70	Kusuma P. Pai						
	At the beginning of the year 01-Apr.-2015	1280	0.0098	1280	0.0098	'00005579	ACVPP9408J
	At the end of the year 31-Mar.-2016	1280	0.0098	1280	0.0098		
71	T. Radhika Pai						
	At the beginning of the year 01-Apr.-2015	1280	0.0098	1280	0.0098	'00005580	AJPPS2081N
	At the end of the year 31-Mar.-2016	1280	0.0098	1280	0.0098		
72	Roshan B. Pai						
	At the beginning of the year 01-Apr.-2015	800	0.0061	800	0.0061	'00004494	
	At the end of the year 31-Mar.-2016	800	0.0061	800	0.0061		
73	Kalsank Kamalaksha Pai						
	At the beginning of the year 01-Apr.-2015	787	0.0060	787	0.0060	'00005989	
	At the end of the year 31-Mar.-2016	787	0.0060	787	0.0060		
74	Makonahalli Devegowda Balakrishna						
	At the beginning of the year 01-Apr.-2015	672	0.0051	672	0.0051	'1203320007388377	AAMPB6954E
	At the end of the year 31-Mar.-2016	672	0.0051	672	0.0051		
75	Gita Ranga Pai jt1 : Shyamsunder Ranga Pai						
	At the beginning of the year 01-Apr.-2015	480	0.0036	480	0.0036	'IN30290241102948	AAAPP6412H
	At the end of the year 31-Mar.-2016	480	0.0036	480	0.0036		
76	Roopa M. Pai K.						
	At the beginning of the year 01-Apr.-2015	315	0.0024	315	0.0024	'IN30113526830743	ACOPP0248B
	At the end of the year 31-Mar.-2016	315	0.0024	315	0.0024		

77	Ranjan Pai Kochikar						
	At the beginning of the year 01-Apr.-2015	280	0.0021	280	0.0021	'00001450	
	At the end of the year 31-Mar.-2016	280	0.0021	280	0.0021		
78	Sandhya D. Nayak						
	At the beginning of the year 01-Apr.-2015	160	0.0012	160	0.0012	'00002701	AAPPN0161C
	At the end of the year 31-Mar.-2016	160	0.0012	160	0.0012		
79	H. N. Sheshagiri Rao						
	At the beginning of the year 01-Apr.-2015	99	0.0007	99	0.0007	'IN30135620370285	AEFPS2988J
	At the end of the year 31-Mar.-2016	99	0.0007	99	0.0007		
80	Dinesh Kudva						
	At the beginning of the year 01-Apr.-2015	80	0.0006	80	0.0006	'00004839	AAYPK8520H
	At the end of the year 31-Mar.-2016	80	0.0006	80	0.0006		
81	Tara D. Kudva						
	At the beginning of the year 01-Apr.-2015	52	0.0003	52	0.0003	'00000603	ABYPK6941R
	At the end of the year 31-Mar.-2016	52	0.0003	52	0.0003		
82	U. Harish P. Shenoy jt1 : U. Savitha H. Shenoy						
	At the beginning of the year 01-Apr.-2015	40	0.0003	40	0.0003	'IN30088813082318	AGZPS7112A
	At the end of the year 31-Mar.-2016	40	0.0003	40	0.0003		
83	Mohan Kamath K.						
	At the beginning of the year 01-Apr.-2015	0	0.0000	0	0.0000	'00006239	ADZPK4678G
	Purchase 16-Oct.-2015	25756	0.1977	25756	0.1977		
	At the end of the year 31-Mar.-2016	25756	0.1977	25756	0.1977		

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : ICDS Limited							
Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company		
1	Mahendra Girdharilal						
	At the beginning of the year 01-Apr.-2015	1215023	9.3271	1215023	9.3271	'IN30045010599444	AAAPW1327L
	At the end of the year 31-Mar.-2016	1215023	9.3271	1215023	9.3271		
2	The Academy of General Education						
	At the beginning of the year 01-Apr.-2015	868488	6.6669	868488	6.6669	'IN30113526028949	AAATA2976P
	At the end of the year 31-Mar.-2016	868488	6.6669	868488	6.6669		
3	Life Insurance Corporation of India						
	At the beginning of the year 01-Apr.-2015	677001	5.1970	677001	5.1970	'IN30081210000012	AAACL0582H
	At the end of the year 31-Mar.-2016	677001	5.1970	677001	5.1970		
4	Saraswati Holding Corporation Inc.						
	At the beginning of the year 01-Apr.-2015	400000	3.0706	400000	3.0706	'IN30009510077831	
	At the end of the year 31-Mar.-2016	400000	3.0706	400000	3.0706		

5	Kasturba Medical College Trust						
	At the beginning of the year 01-Apr.-2015	220363	1.6916	220363	1.6916	'IN30113526866898	AAATK2063K
	At the end of the year 31-Mar.-2016	220363	1.6916	220363	1.6916		
6	T. Ramesh U. Pai						
	At the beginning of the year 01-Apr.-2015	171006	1.3127	171006	1.3127	'00000625	ADTPP8644F
	At the end of the year 31-Mar.-2016	171006	1.3127	171006	1.3127		
7	Manipal Holdings Private Limited						
	At the beginning of the year 01-Apr.-2015	157524	1.2092	157524	1.2092	'IN30113526756158	AABCM3499B
	At the end of the year 31-Mar.-2016	157524	1.2092	157524	1.2092		
8	Manipal Institute of Technology Trust						
	At the beginning of the year 01-Apr.-2015	150545	1.1556	150545	1.1556	'IN30113526867093	AAATM3198D
	At the end of the year 31-Mar.-2016	150545	1.1556	150545	1.1556		
9	B. Raghuram Shetty Jt1 : Chandra Kumari Raghuram Shetty						
	At the beginning of the year 01-Apr.-2015	76497	0.5872	76497	0.5872	'00004708	
	At the end of the year 31-Mar.-2016	76497	0.5872	76497	0.5872		
10	Sadashiva Pai B.						
	At the beginning of the year 01-Apr.-2015	48908	0.3754	48908	0.3754	'IN30113526865723	ADCPP4822A
	sale 06-Nov.-2015	-48908	0.3754	0	0.0000		
	At the end of the year 31-Mar.-2016	0	0.0000	0	0.0000		
11	Sadashiva Pai B.						
	At the beginning of the year 01-Apr.-2015	30	0.0002	30	0.0002	'00004825	ADCPP4822A
	At the end of the year 31-Mar.-2016	30	0.0002	30	0.0002		
12	T. Satish U. Pai						
	At the beginning of the year 01-Apr.-2015	0	0.0000	0	0.0000	'IN30113526911250	AAHHP5774P
	purchase 31-Jul.-2015	10356	0.0794	10356	0.0794		
	purchase 07-Aug.-2015	1172	0.0089	11528	0.0884		
	demated 21-Aug.-2015	2896	0.0222	14424	0.1107	'0000622900006235	
	purchase 09-Oct.-2015	232	0.0017	14656	0.1125		
	purchase 06-Nov.-2015	4003	0.0307	18659	0.1432		
	purchase 20-Nov.-2015	603	0.0046	19262	0.1478		
	purchase 04-Dec.-2015	56135	0.4309	75397	0.5787		
	purchase 29-Jan.-2016	8618	0.0661	84015	0.6449		
	purchase 05-Feb.-2016	14663	0.1125	98678	0.7575		
	purchase 04-Mar.-2016	593	0.0045	99271	0.7620		
	purchase 18-Mar.-2016	600	0.0046	99871	0.7666		
	At the end of the year 31-Mar.-2016	99871	0.7666	99871	0.7666		
13	T. Satish U. Pai HUF						
	At the beginning of the year 01-Apr.-2015	0	0.0000	0	0.0000	'00006252	AAHHP5774P
	purchase 04-Mar.-2016	80	0.0006	80	0.0006		
	At the end of the year 31-Mar.-2016	80	0.0006	80	0.0006		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Thousands

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13139	439	—	13578
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	57414	—	57414
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	—	—	—	—
• Reduction	42	8793	—	8835
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	13097	439	—	13536
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	48621	—	48621
Total (i+ii+iii)	13139	57853		70992

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		—	—	—	—	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	—	—	—	—	—
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	—	—	—	—	—
2.	Stock Option					
3.	Sweat Equity					
4.	Commission					
	— as % of profit	—	—	—	—	—
	— others, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	—	—	—	—	—
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Bharath K. Nayak	K. M. Udupa	A. Giridhar Pai	U. Harish P. Shenoy	
1.	Independent Directors					
	• Fee for attending board committee meetings	7500	7500	7500	7500	30000.00
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	7500	7500	7500	7500	30000.00
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	7500	4500			
	• Commission	Nil	Nil			
	• Others, please specify	Nil	Nil			
	Total (2)	7500	4500	0	0	12000.00
	Total (B)=(1+2)					42000.00
	Total Managerial Remuneration					42000.00
	Overall Ceiling as per the Act	Within limit				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	Nil	Nil	3,45,300.00 21,000.00	3,45,300.00 21,000.00
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	3,67,000.00	3,67,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - II

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil

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

Annexure-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No.9 of the Companies

(Appointment and Remuneration Personnel) Rules, 2014]

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICDS Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ICDS Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 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 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Companies Act, 1956 (the Act) and the rules made thereunder (to the extent applicable)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) 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;
- (vi) 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 (Enforced from 1st December, 2015);

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (till 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May, 2015);
- (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.
- (vii) 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 with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same however stricter application of Secretarial Standards is to be observed by the Company.
- (ii) The Listing agreements entered into by company with Bombay Stock Exchange and National Stock Exchange.

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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



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

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, Company has generally complied with provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above. However *Company has not appointed Company Secretary as KMP and Compliance officer Appointed by Company is not the Member of ICSI.*

During the period under review and as per the explanations and clarifications given to me and representation made by the Management, *Lease Agreement entered by the Company, which are having tenure more than 11 months are not registered.*

I further report that

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

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

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

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

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

Sd/-
Shrinivas Devadiga
Membership No.: 22381
C P No.: 10372

Place : Manipal
Date : 18.05.2016

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

'ANNEXURE A'

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-
Shrinivas Devadiga
Membership No.22381
C P No.:10372

Place : Manipal
Date : 18.05.2016

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31st March, 2016 as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Philosophy:

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

2. Board of Directors:

The Board comprised of seven Directors, of which one is executive and six non-executives including a woman director.

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

i) Number of Board Meeting and Attendance of Directors:

The Board met 5 times during financial year 2015-2016.

The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
19 th May, 2015	7	6
7 th August, 2015	7	7
6 th November, 2015	7	6
25 th January, 2016	7	6
18 th March, 2016	7	7

The last AGM was held on 28th September, 2015 and 6 out of 7 Directors attended the AGM.

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

Sl No.	Name of the Directors	Category of Directorships	No. of Meetings attended	Attendance at last AGM	No. of other directorship	No. of Board committees in which Chairman(C) Member(M)
1.	Sri T. Mohandas Pai	Promoter Executive	5	Yes	4	3(M)
2..	Sri H.N.S. Rao	Non-Executive	5	Yes	4	1(M)
3.	Sri Bharath K Nayak	Non-Executive	5	Yes	11	2(C)
4.	Sri K. M. Udupa	Non-Executive	5	Yes	1	2(M)
5.	Sri Airody Giridhar Pai	Non-Executive	4	Yes	1	2(M)
6.	Sri U. Harish P. Shenoy	Non-Executive	5	Yes	1	5(M)
7.	Mrs. Vimal C. Kamath	Non-Executive	3	Yes	0	-

3. Audit Committee:

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

Sri Bharath K. Nayak, Chairman
Sri K. M. Udupa, Member
Sri Airody Giridhar Pai, Member
Sri U. Harish P. Shenoy, Member

The role and terms of reference of Audit Committee cover the areas mentioned under Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 19th May, 2015, 7th August, 2015, 6th November, 2015 and 25th January, 2016. Mr. Bharath K. Nayak, Director is the Compliance Officer.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members present
19 th May, 2015	3
7 th August, 2015	4
6 th November, 2015	4
25 th January, 2016	4

4. Nomination and Remuneration Committee:

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

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

Details of remuneration for the year ended 31st March, 2016:

- Whole-Time 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.
- Key Managerial Personnel: details of remuneration paid Chief Financial Officer of the Company has been furnished in the Annexure I - Form MGT-9 which forms part of the Boards' Report.

5. Stakeholders Relationship Committee:

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



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

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

Mr. H. N. S. Rao, Director is the Compliance Officer.

Number of Shareholders Complaints received : 05

Number of Shareholders Complaints settled : 05

Number not solved to the satisfaction of the shareholders : Nil

Number of pending Share transfers : Nil

6. Annual General Meetings:

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

AGM No.	Date	Time	Special Resolution required
42	23.09.2013	4.00 p.m.	NIL
43	26.09.2014	4.00 p.m.	NIL
44	28.09.2015	4.00 p.m.	NIL

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

Postal Ballot:

The Notice of 45th Annual General Meeting does not contain any item which required approval by Postal Ballot.

7. Disclosures :

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

Related Party Transactions:

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

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

Whistle Blower Policy:

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

Compliance with Accounting Standards:

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

8. Means of Communication:

- Quarterly/Half yearly Financial Results of the Company are forwarded to National Stock Exchange and are made available on the company's Website www.icdslimited.com and also published in News Papers in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company has not made any presentations to any Institutional Investors/Analyst during the year.

Management Discussion and Analysis Report:

Review of Operations:

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

In order to generate some income to partly meet the establishment expenses, the Company has been engaged as Corporate Agent for Life and General Insurance Companies. The Company has also taken up distributorship of SistemaShyam Teleservices Ltd. for their MTS mobile phones, dealership of Videocon & Intex brand handsets etc. and accessories at Coimbatore and Salem areas in the State of Tamil Nadu..

Business Review:

During the year under review, the company recovered / realised an amount of Rs.226.03 Lakhs from various sources such as Recovery of Bad and Doubtful Debts, Demerger Receivables from Manipal Properties Ltd. The figure also include fee based income earned from other activities like service charges under Insurance Agency and Telecom Franchise, Dividend Income and rental income.

Payment of Public Liabilities:

The Final installment payable under the Scheme of Arrangement was on 30th June, 2010. In spite of sending letters, reminders to various investors, 5,123 investors have not surrendered the original certificates of investments to take back their investment and interest. Further some of the investors have not either presented the cheque issued in their favour in settlement of their dues or the instruments were lost in transit. The aggregate amount of investments still lying with the Company is Rs.293 Lakhs. In addition, interest payable to the investors as per the Scheme of Arrangement upto 15th July 2002 amounting to Rs.198 Lakhs has not yet been claimed by the investors as they are required to claim by producing original investment certificates. Arrangements are in place to pay the claims received from investors as and when the original investment certificates lodged by such investors.

Transfer of Unclaimed Public Liabilities to Investors Education & Protection Fund (IEPF) formed by the Govt. of India, u/s 205 (C) of the Companies Act, 1956.

The public liabilities which were not claimed by the investors as on 31st March, 2016 pertaining to Installment of category 4 of the Scheme, i.e. Face value of investment of Rs. 10,000 and above and less than Rs.20,000 was Rs.Nil. However unclaimed/ uncashed cheques amounting to Rs.84,65,735/- remaining unpaid has been remitted to IEPF.

The Company has sent individual letters to all the investors to claim their investment/interest by tendering the original certificates failing which the company will be compelled to remit the same to IEPF by 31st July, 2017.

Discussion on Financial Performance:

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

Human Resource Development:

There has been no material development on the Human Resources front. The number of people employed as on 31st March, 2016 was 40 as against the previous year's figure of 41.

General Shareholder Information:

- a) Annual General Meeting : 45th Annual General Meeting
Day & Date : Monday, 26th day of September, 2016
Time : 4.00 p.m.
Venue : Rotary Hall, Ananth Nagar
Manipal – 576 104, Udupi District

- b) Financial Calendar : 1st April to 31st March
c) Date of Book Closure : 23.09.2016 to 26.09.2016 (both days inclusive)
d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31st March, 2016.
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.

Note: Annual Listing Fee has been paid upto date.

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

As on 31st March, 2016, 85,04,967 No. Equity Shares forming 65.29% of the share capital of the Company stands dematerialized (Previous Year: 84,70,373 No. equity shares forming 65.02% of the Share Capital).

- h) Market Price Data : Not Available.
Note: There had been no trading in our Equity Shares in National Stock Exchange from June, 2002.

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

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



k) Distribution of Equity Shareholding as on 31st March, 2016

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4644	83.062	741799	7417990	5.6944
5001 - 10000	510	9.1218	354781	3547810	2.7234
10001 - 20000	215	3.8454	299396	2993960	2.2983
20001 - 30000	69	1.2341	171987	1719870	1.3202
30001 - 40000	34	0.6081	122690	1226900	0.9418
40001 - 50000	15	0.2682	67131	671310	0.5153
50001 - 100000	21	0.3756	151969	1519690	1.1665
100001 - And Above	83	1.4845	11116947	111169470	85.3397
Total :	5591	100.00	1,30,26,700	13,02,67,000	100.00

Pattern of Equity Shareholding as on 31st March 2016

Shareholders	No. of Shares held	Percentage
Foreign Body Corporate	400,000	3.07
Directors, Relatives, Friends and Associates	6,690,360	51.36
Financial Institutions	684,813	5.26
Banks	1,172	0.01
Other Corporate Bodies	339,122	2.60
Others	4,911,233	37.70
TOTAL	13,026,700	100.00

l) Plant Locations: NIL

m) Company's Website : www.icdslimited.com

n) Address for Investor's Correspondence:

Secretarial Department

ICDS Ltd.

Regd. Office: Syndicate House, MANIPAL – 576 104

Phone: (0820) 2701500 to 528

Email: hnsrao@icdslimited.com

DECLARATION

As provided under Clause 49 of the Listing Agreement with National Stock Exchange of India Limited (NSEIL) and Bombay Stock Exchange Ltd. (BSE) all Board Members and Senior Management Personnel affirmed compliance with ICDS Ltd. Code of Conduct and Ethics for the year ended 31st March, 2016.

For ICDS Ltd.

Place : Manipal
Date : 18.05.2016

Sd/-
T. Mohandas Pai
Chairman & Whole-time Director
(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 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India for the period from April 1, 2015 to November 30, 2015 and 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 for the period from December 1, 2015 to March 31, 2016.

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

In my opinion and to the best of our information and explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and 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, 2016, except that,

- The Company has not appointed Company Secretary 'KMP' after resignation of the company secretary on 30.01.06.

We state that,

- ♦ In respect of shareholder grievances received during the year ended March 31, 2016, no shareholder grievances are pending against the Company as on 31st March, 2016 as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.
- ♦ In respect of investors grievances as regards to repayment of debentures / deposits on maturity we are informed that the same is being repaid in terms of the scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka.

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

Place : Manipal
Date : 18.05.2016

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

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF ICDS LIMITED

Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of **ICDS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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, 2016, and its profit and its cash flows for the year ended on that date.

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, 2008 issued by Reserve Bank of India (RBI) is not reported, in view of the cancellation of Certificate of Registration of Non-Banking Financial Company of the Holding Company by 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, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note nos. 2.27 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 has been delay in transferring the amount due to investor education and protection fund (IEPF) amounting to Rs.8466 thousands. Further, the Company's liabilities (including public deposits along with interest accrued thereon) were restructured as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka vide its Order dated October 15, 2004, which remains unclaimed by the instrument holders (including cheques issued but not encashed by the instrument holders) to the extent of Rs. 3,052 thousands, Rs. 5,916 thousands, Rs.7,496 thousands and Rs.5,526

thousands, were required to be transferred to IEPF on June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2015 respectively and not transferred to IEPF in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under. However, the management is of the opinion that same is not due to IEPF as explained in note no. 2.06 (b) of the standalone financial statements.

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership Number: 35671

Place : Mumbai
Date : 18.05.2016

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(ii) of the Companies Act, 2013 ('the Act')

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets of the Company other than those under lease have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the management at the year end and in our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) As per the information and explanation given to us, the

Company has granted interest bearing unsecured loans to one of its wholly owned subsidiary listed in the register maintained under Section 189 of the Act.

- a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- b) The entire loan amount has been recovered during the year along with interest as stipulated.
- c) There are no overdue amounts remaining outstanding as at the year-end.
- iv) As per the information given to us, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties covered under Section 185 and Section 186 of the Act. Accordingly Paragraph 3(iv) of the order is not applicable.
- v) In our opinion and according to the information and 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.

The Company's liabilities existing prior to enactment of this Act (including public deposits along with interest accrued thereon) were restructured as per the Scheme of Arrangement sanctioned by the Hon'ble High Court

of Karnataka vide its order dated October 15, 2004. Accordingly, the Company has repaid its public liabilities, except to the extent unclaimed / cheques issued but not encashed by the instrument holders. We are informed by the management of the Company that there are no other orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of due of customs and duty of excise. According to the information and explanations given to us, there are no undisputed statutory dues which were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, value added tax or cess which have not been deposited on account of any dispute except the following:-

Nature of the Statute	Nature of Dues	Year to which it pertains	Amount Demanded (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of depreciation on leased assets	Block assessment year 1987-88 to 1997-98	51,660*	Special Leave Petition before Hon'ble Supreme Court of India.

* - net of amount paid under protest / refund adjusted aggregating to Rs. 50,744 thousands.

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

Further, in our opinion and according to the information and explanation given to us, on an overall basis, the loans taken from banks has been applied for the purpose for which it was obtained.

- x) During the course of examination of Books of Account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company was registered as Non-Banking Financial Company (NBFC) under the provisions of the Reserve Bank of India (RBI) Act, 1934 and the certificate of registration had been cancelled by the RBI vide its order dated October 9, 2002.

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration Number : 101720W

Chandan Lala
Partner
Membership Number: 35671

Place : Mumbai
Date : 18.05.2016



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

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

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

We have audited the internal financial controls over financial reporting of ICDS Limited (‘the Company’) as of March 31, 2016 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 Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W

Chandan Lala

Partner

Membership Number: 35671

Place : Mumbai

Date : 18.05.2016

CIN - L65993KA1971PLC002106

Balance Sheet as at March 31, 2016

Rupees in Thousands

Particulars	Note No.	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	130,267	130,267
Reserves and surplus	2.02	5,260	2,603
		<u>135,527</u>	<u>132,870</u>
Non-current liabilities			
Other long term liabilities	2.03	5,764	119
		<u>5,764</u>	<u>119</u>
Current liabilities			
Short term borrowings	2.04	13,097	13,139
Trade payables	2.05	307	2,639
Other current liabilities	2.06	51,034	59,873
		<u>64,438</u>	<u>75,651</u>
TOTAL		<u>205,729</u>	<u>208,640</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.07	1,999	2,359
Non-current investments	2.08	58,766	59,848
Long term loans and advances	2.09	92,561	54,578
Other non-current assets	2.10	1,141	200
		<u>154,467</u>	<u>116,985</u>
Current assets			
Inventories	2.11	9,048	15,760
Trade receivables	2.12	2,761	3,440
Cash and bank balances	2.13	32,202	51,524
Short term loans and advances	2.14	6,784	20,369
Other current assets	2.15	467	562
		<u>51,262</u>	<u>91,655</u>
TOTAL		<u>205,729</u>	<u>208,640</u>
Significant accounting policies and notes to financial statements	1 & 2		

The notes referred to above form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Sd/-

T. Mohandas Pai

Chairman & Whole-time Director

DIN-00104336

Sd/-

Chandan Lala

Partner

Membership No.: 35671

Sd/-

H. N. S. Rao

Director

DIN-00106953

Sd/-

Bharath K. Nayak

Director

DIN-00776729

Sd/-

G. R. Nayak

Chief Financial Officer

Place : Mumbai

Date : May 18, 2016

Place : Manipal

Date : May 18, 2016



CIN - L65993KA1971PLC002106

Statement of Profit and Loss for the year ended March 31, 2016

Rupees in Thousands

Particulars	Note No.	2015-16	2014-15
Revenue from operations	2.16	39,931	45,402
Other income	2.17	5,854	14,788
Total Revenue		45,785	60,190
Expenses			
Purchases	2.18	15,763	29,251
Changes in inventories of traded goods	2.19	6,712	(3,178)
Employee benefits expense	2.20	7,543	10,097
Other Expenses	2.21	10,284	6,597
Finance costs	2.22	1,386	3,324
Depreciation and amortization expense	2.23	1,240	1,392
Total expenses		42,928	47,383
Profit before tax		2,857	12,807
Tax expense			
Current tax		200	830
Deferred tax		—	—
Profit for the year after Tax		2,657	11,977
Earnings per equity share of face value of Rs. 10/- each			
Basic and Diluted (in Rupees)	2.24	0.20	0.92

Significant accounting policies and notes to financial statements 1 & 2

The notes referred to above form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Sd/-

T. Mohandas Pai

Chairman & Whole-time Director

DIN-00104336

Sd/-

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Partner

Membership No.: 35671

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Director

DIN-00106953

Sd/-

Bharath K. Nayak

Director

DIN-00776729

Sd/-

G. R. Nayak

Chief Financial Officer

Place : Mumbai

Date : May 18, 2016

Place : Manipal

Date : May 18, 2016

Significant Accounting Policies and Notes to Financial Statements

Company overview

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

1. Significant accounting policies

1.01 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1.02 Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

1.03 Revenue Recognition

- a. Revenue is recognized when the significant risks and rewards of ownership of goods / services have been passed to the retailer/buyer, which generally coincide with the dispatch of goods.
- b. Interest is recognized using the time proportion basis based on rates implicit in the transaction.
- c. Brokerage/commission received on sale of mobiles and accessories, insurance agency services has been accounted on accrual basis on certainty of realisation.
- d. Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

1.04 Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and freight, duties, levies and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

1.05 Depreciation/Amortisation

Depreciation is provided on straight line method at the rates and in the manner specified in the Schedule II to the Companies Act, 2013.

Fixed Asset individually costing less than Rs.5,000/- are depreciated @ 100% in the year of acquisition.

1.06 Investments

- a. Non-current investments are valued at cost. Provision for diminution in the value of investments is made to recognise decline, other than temporary.
- b. Investment in buildings that are not intended to be occupied substantially for use by, or in the operations

of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

c. Current Investments are stated at cost or market value whichever is lower.

1.07 Inventories

- a. Stock on hire is valued at agreement values net of recoveries.
- b. Stock of shares and debentures are valued at lower of cost or net realisable value.
- c. Stock of Mobiles and Accessories are valued at lower of cost or net realisable value. Cost includes all applicable costs incurred in bringing goods to its present location and condition.

1.08 Employee Benefits

- a. The Company's Defined Contribution Plan to provident fund and pension fund are made at pre-determined rates to the recognised Provident Fund and are charged to statement of profit and loss.
- b. Liability for Defined Benefit Plan for Gratuity is provided on the basis of valuations, as at the Balance Sheet date, carried out by Life Insurance Corporation of India.

1.09 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of that asset till the date of capitalization of qualifying asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Taxes on Income

- a. Tax expenses comprise both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/recoverable in respect of the Taxable income/loss for the reporting period.
- b. Deferred Tax represents the effect of timing difference between Taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only if there is virtual certainty of realization.

1.11 Earnings per Share

The Basic Earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding at the end of the period. Diluted Earnings per share, if any is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

1.12 Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

1.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. Notes to financial statements

2.01 Share Capital

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Authorised Capital		
35,000,000 [March 31, 2015 : 35,000,000] Equity Shares of Rs. 10 each	350,000	350,000
15,000,000 [March 31, 2015 : 15,000,000] Preference Shares of Rs. 10 each	150,000	150,000
	500,000	500,000
Issued, Subscribed and Paid-Up Capital		
13,026,700 [March 31, 2015 : 13,026,700] Equity Shares of Rs. 10 each fully paid up	130,267	130,267
Total	130,267	130,267

Reconciliation of number of shares

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	Rupees in Thousands	No. of Shares	Rupees in Thousands
Equity shares :				
Balance as at the beginning of the year	13,026,700	130,267	13,026,700	130,267
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	13,026,700	130,267	13,026,700	130,267

Rights, preferences and restrictions attached to shares:

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2016.

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.

Shares in the Company held by each shareholder holding more than 5% shares:

Name of the Shareholder	March 31, 2016		March 31, 2015	
	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%

2.02 Reserves and Surplus

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Securities Premium		
Opening Balance	33,334	33,334
Add: Additions during the year	-	-
Closing Balance	33,334	33,334
Revaluation Reserve		
Opening Balance	33,986	33,986
Add: Additions during the year	-	-
Closing Balance	33,986	33,986
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(64,717)	(76,694)
Less: Profit for the current year	2,657	11,977
Closing Balance	(62,060)	(64,717)
Total	5,260	2,603

2.03 Other long term liabilities

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Lease/Rent Deposits	5,764	119
Total	5,764	119

2.04 Short term borrowings

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Secured Loans		
Working Capital loans from Banks	13,097	13,139
Total	13,097	13,139

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to Rs. 15,500 thousands (March 31, 2015: Rs. 15,500 thousands).

Terms of repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 8.60% to 10.50% p.a.

2.05 Trade payables

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Due to Micro and small enterprises*	-	-
Due to other than Micro and small enterprises	307	2,639
Total	307	2,639

* 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.

2.06 Other current liabilities
Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Public Liabilities		
Others		
– interest on matured deposits	6,215	10,027
– matured debentures (a)	439	439
– interest on matured debentures	10,906	14,838
– interest on matured subordinated debts	2,206	3,182
– Other Public Liabilities (b)	29,294	29,367
Other Payables	1,811	1,421
Advance received from customers	–	339
Statutory Dues	163	260
Total	51,034	59,873

Notes:

- Consists of public liabilities which is held and not paid as the matter being subjudice with Hon'able Court of Andhra Pradesh.
- The management is of the opinion that the due date for remittance of unclaimed public liabilities starts after seven years from the due date of the last installment of the instrument as per the Scheme of Arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004 and filed with the Registrar of Companies, Karnataka on December 30, 2004 (i.e. effective date) in respect of repayment of instruments which were payable in more than one installment, accordingly the management considers Rs. 22,429 thousands outstanding with regard to the first four installments (March 31, 2015: Rs 16,452 thousands outstanding with regard to the first three installments) is not due for payment to Investor Education and Protection Fund ('IEPF') pending last installment falling due. In view of the same the management is of the opinion that same is not due for payment to IEPF.

Significant accounting policies and notes to financial statements

2.07 Fixed Assets

Rupees in Thousands

Description of Assets	Gross Block			Depreciation and Lease Equalisation				Net Block	
	April 01, 2015	Additions	Deductions/ sale	March 31, 2016	For the year		March 31, 2016	March 31, 2016	March 31, 2015
					Depn.	Lease Eqn.			
A. OWNED ASSETS									
Buildings	3,367	–	1,321	2,046	–	–	–	1,649	2,137
Plant & Machinery	195	186	–	381	142	–	–	188	53
Electrical Fittings	144	9	7	146	63	–	–	63	81
Furniture & Fittings	2,000	–	47	1,953	2,000	–	–	–	–
Office Equipments & Computers	474	65	14	525	386	–	–	99	88
Vehicles	5	–	–	5	–	–	–	–	–
Total of 'A'	6,185	260	1,389	5,056	3,826	–	–	1,999	2,359
B. ASSETS GIVEN ON LEASE									
Plant & Machinery	612,686	–	–	612,686	429,532	183,154	–	–	–
Vehicles	69,500	–	–	69,500	69,157	343	–	–	–
Total of 'B'	682,186	–	–	682,186	498,689	183,497	–	–	–
Grand Total of A+B	688,371	260	1,389	687,242	502,515	183,497	157	1,999	2,359
Previous Year Tangible Assets:									
Owned Assets	6210	54	79	6185	3597	–	–	2359	–
Assets given on Lease	682,186	–	–	682,186	498,689	183,497	–	–	–
	688,396	54	79	688,371	502,286	183,497	308	502,515	2,359

Notes:

- a) Buildings having carrying value of Rs. 46,912 thousands (March 31, 2015: Rs. 47,994 thousands) that are not intended to be occupied substantially for use by, or in the operations of, the Company are considered as Investment. Property under Non-Current investments in financial statements.

2.08 Non-current investments

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Long term Investments (at cost)		
Investment property (Refer notes (a) to (b) below)		
Cost of building given on operating lease	67,847	67,847
Less: Accumulated depreciation (includes depreciation for the year Rs. 1,082 thousands (March 31, 2015 : Rs. 1,082 thousands)	20,935	19,853
Net Block	46,912	47,994
Investments in quoted, fully paid up Equity Shares (Refer note (c) below)		
<i>Others</i>		
Lingapur Estates Ltd.	1,734	1,734
[153,392 (March 31, 2015 : 153,392) shares of face value Rs. 10/- each]		
Manipal Finance Corporation Limited	9,181	9,181
[449,163 (March 31, 2015 : 449,163) shares of face value Rs. 10/- each]		
	10,915	10,915
Investments in unquoted, fully paid up Equity Shares		
<i>Wholly owned Subsidiary Companies</i>		
Manipal Hotels Ltd.	500	500
[50,000 (March 31, 2015 : 50,000) shares of face value Rs. 10/- each]		
Manipal Properties Ltd. [Refer note 2.14(a)(ii)]	999	999
[9,989 (March 31, 2015 : 9,989) shares of face value Rs. 100/- each]		
	1,499	1,499
<i>Others</i>		
Development Co-operative Bank Ltd.	18	18
[1,200 (March 31, 2015 : 1,200) shares of face value Rs. 10/- each]		
Manipal Housing Finance Syndicate Ltd.	9,103	9,103
[729,000 (March 31, 2015 : 729,000) shares of face value Rs. 10/- each]		
	9,121	9,121
Less: Provisions for diminution in value of investments (Refer note (d) below)	9,681	9,681
Total	58,766	59,848
Aggregate value of quoted investments (net of provision)	1734	1734
Market Value of quoted investments	1734	1734
Aggregate value of unquoted investments (net of provision)	10,120	10,120

Notes:

- Investment property includes shares of the face value of Rs. 511/- (March 31, 2015 : Rs.511/-) in Co-operative Housing Society.
- The management is of the opinion that the carrying cost of the Investment Property does not exceed its recoverable amount. Further the Company does not have any information whether internal or external, that indicates that 'impairment loss may have occurred'. Accordingly the question of impairment of aforesaid assets does not arise.
- Market price of the Quoted shares has been taken at face value, in the absence of trading in stock exchanges during the year.

d. Details of Provisions for diminution of value of investments.

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Manipal Finance Corporation Limited	9,181	9,181
Manipal Hotels Ltd.	500	500
Total	9,681	9,681

2.09 Long term loans and advances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Unsecured		
Rent and other deposits	650	753
Advance taxes (net of Provisions)	54,095	53,006
Security deposit for lease	37,500	—
VAT Input Credit	316	819
Total	92,561	54,578

2.10 Other non-current assets

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Deposit with banks maturing after 12 months	1,070	200
Interest accrued on term deposits	71	—
Total	1,141	200

2.11 Inventories

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Stock on Hire (At agreement value less amount received and unmatured hire charges)		
Under Hire Purchase Agreements		
Considered Good	—	—
Considered Doubtful	144,401	145,591
	144,401	145,591
Less: Provision	(144,401)	(145,591)
(a)	—	—
Other Inventories (Valued at lower of cost or net realisable value)		
Shares and securities [Refer Annexure No. 1]	4,750	8,592
Stock of Mobiles and Accessories	4,298	7,168
(b)	9,048	15,760
Total (a + b)	9,048	15,760

2.12 Trade receivables

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Unsecured		
Debts outstanding for a period exceeding six months		
Considered Good	—	—
Considered Doubtful	—	82
Less : Provision for doubtful debts	—	(82)
(a)	—	—
Others - Considered Good	2,761	3,440
Total (a + b)	2,761	3,440

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2.13 Cash and bank balances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Cash on hand	22	38
Cheques, drafts and stamps on hand	5	—
Balances with banks		
in current accounts	4,072	2,210
in deposit accounts	—	23,457
(a)	4,099	25,705
Other bank balances		
Deposit with banks maturing between 3 to 12 months	12,603	10,319
Margin Deposit with banks [pledged as security against working capital loan]	15,500	15,500
(b)	28,103	25,819
Total (a + b)	32,202	51,524

2.14 Short term loans and advances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Demerger receivables (secured)		
Considered good		
from Others [Refer note (a)(i)]	1,629	16,704
from wholly owned subsidiaries [Refer note (a)(ii)]	1,266	1,266
Considered doubtful		
from wholly owned subsidiaries [Refer note (b)]	11,668	11,638
from others	101,004	101,005
	115,567	130,613
Less: Provision	(112,672)	(112,643)
	2,895	17,970
Unsecured Loans		
Considered good	3,069	1,062
Considered doubtful	62,985	62,485
	66,054	63,547
Less: Provision	(62,985)	(62,485)
	3,069	1,062
Other Receivables	62	63
Advances to suppliers	—	278
LIC Group Gratuity Fund Asset (net)	758	996
Total	6,784	20,369

Notes:

a. **Demerger receivable:**

- Demerger receivable represents Rs. 16,29 thousands (March 31, 2015: Rs. 16,704 thousands) from MPL Enterprises Ltd. pursuant to the scheme of arrangements sanctioned by Hon'ble High Courts of Karnataka and Madras vide their Orders dated April 09, 1999 and August 25, 2000 respectively. The balance is considered good for recovery in the opinion of the management, as the value of the property vested in MPL Enterprises Ltd. is adequate.
- Investment of Rs. 999 thousands (March 31, 2015 : Rs. 999 thousands) and demerger receivable of Rs.1,266 thousands (March 31, 2015: Rs. 1,266 thousands) being amount due from Manipal Properties Limited a subsidiary, on account of scheme of arrangements sanctioned by Hon'ble High Courts of Karnataka and

Madras vide its Order dated April 09, 1999 and August 25, 2000 respectively is considered good for recovery in the opinion of the management, as the present market value of the property vested in Manipal Properties Limited is adequate and in view of long term involvement with the said Company.

- b. Demerger receivables considered doubtful includes Rs.7,869 thousands (March 31,2015 : Rs.7,839 thousands) due from Manipal Hotels Ltd. and Rs. 3,799 thousands (March 31,2015 : Rs. 3,799 thousands) due from Manipal Properties Ltd., the wholly owned subsidiary companies.

2.15 Other current assets

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Interest accrued on term deposits	467	562
Total	467	562

2.16 Revenue from operations

Rupees in Thousands

Particulars	2015-16	2014-15
Interest on loans and advances	73	61
Interest on demerger receivables	2,813	2,109
Bad debts recovered	9,451	9,474
Rent received	6,087	4,251
Service charges and commission	1,128	1,991
Sale of Mobiles and Accessories	20,379	27,516
Total	39,931	45,402

2.17 Other income

Rupees in Thousands

Particulars	2015-16	2014-15
Dividend received from		
Non-Current Investments	675	675
Others	1,375	695
Interest on term deposit	2,422	4,050
Other interest	–	110
Profit on sale of owned / leased assets	91	44
Profit on sale of shares and securities	–	149
Sundry Balances written back	546	917
Provision for diminution in value of investments no longer required	–	1,734
Excess provision for non-performing assets written back	742	6,334
Miscellaneous income	3	80
Total	5,854	14,788

2.18 Purchases

Rupees in Thousands

Particulars	2015-16	2014-15
Purchase of traded goods		
Mobiles and Accessories		
Handsets and data card	15,763	17,314
Rechargeable Vouchers	–	472
Electronic Charge	–	11,349
Others	–	16
Total	15,763	29,151

2.19 Changes in inventories of traded goods

Rupees in Thousands

Particulars	2015-16	2014-15
Opening Stock		
Mobiles and Accessories	7,168	3,990
Shares and securities	8,592	8,592
(a)	15,760	12,582
Closing Stock		
Mobiles and Accessories	4,298	7,168
Shares and securities	4,750	8,592
(b)	9,048	15,760
Total	(a-b)	(3,178)

2.20 Employee benefits expense

Rupees in Thousands

Particulars	2015-16	2014-15
Salaries, wages and bonus	5,913	8,350
Contribution to provident and other funds [Refer note no. 2.29]	778	763
Gratuity [Refer Note No 2.29 (c)(vi)]	238	415
Staff welfare expenses	614	569
Total	7,543	10,097

2.21 Other Expenses

Rupees in Thousands

Particulars	2015-16	2014-15
Rent, rates and taxes	2,366	963
Printing and stationery	275	270
Directors sitting fees	48	30
Travelling and conveyance	1,051	978
Postage, telegram and telephones	292	387
Insurance	15	23
<i>Repairs and Maintenance:</i>		
Buildings	1,442	451
Others	44	335
Advertisement and Business Promotion	243	298
Legal and Professional Charges	1,028	1,995
<i>Auditors Remuneration:</i>		
Audit Fees	143	140
Tax Audit Fees	29	28
Certification	29	169
Brokerage & Commission	620	32
Service Charges	286	162
Bad debts written off	1644	—
Assets written off	460	—
Sundry Expenses	269	336
Total	10,284	6,597

2.22 Finance Costs

Rupees in Thousands

Particulars	2015-16	2014-15
Interest on		
- working capital loan from bank	1,323	3,224
- short term borrowings	—	58
- delay in payment of taxes	10	9
Bank charges	53	33
Total	1,386	3,324

2.23 Depreciation and amortization expense

Rupees in Thousands

Particulars	2014-16	2013-15
Depreciation on tangible assets	157	308
Depreciation on investment property (refer note (a) below)	1,083	1,084
Total	1,240	1,392

Note:

- a) In lieu of issuance of "Application guide on the provisions of the Schedule II to the Companies Act, 2013" by Institute of Chartered Accountants of India (ICAI), the Company has transferred the depreciation on revalued amount of the Investment Property amounting to Rs. 737 thousands (March 31, 2015 : Rs. 737 thousands) to statement of profit and loss instead of adjusting it against the revaluation reserve (Refer note no. 2.02).

2.24 Calculation of Earning per share

Sl.	Particulars	2015-16	2014-15
a.	Nominal value per share (in Rupees)	10	10
b.	Net Profit available for equity shareholders (Rupees in thousands)	2,657	11,977
c.	Weighted Average No. of Equity Shares (Nos.)	13,026,700	13,026,700
d.	Basic / Diluted EPS of Rs.10/- each (in Rupees)	0.20	0.92

2.25 Deferred Tax

Amount in Rs.

Particulars	March 31, 2016
Deferred tax asset arising on account of	
Unabsorbed Depreciation as per Income Tax Act.	14,203
Loss carried forward as per Income Tax Act	4,658
Provision for doubtful debts	53,367
Income offered for tax but not recognised in books as per RBI prudential norms	12,464
Sub Total (i)	84,692
Deferred tax liability arising on account of	
Higher depreciation claimed under Income Tax Act as compared to books of account	3,990
Gratuity Plan asset over liability	234
Sub Total (ii)	4,224
Deferred tax asset (Net) [iii = (i-ii)]	80,468
Less: Deferred tax not recognised under Prudence (iv)	(80,468)
Total (iii - iv)	—

The Company has not recognized Deferred Tax Asset as per AS 22 on 'Accounting for taxes on Income' issued by the Institute of Chartered Accountants of India, constituting mainly of carry forward losses, excess depreciation claimed in Income Tax and provision for doubtful debts, as a matter of prudence.

- 2.26 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 has implemented the scheme and accordingly repaid all installments 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 mobile and accessories and fee based activities and its intention to start fresh NBFC business is subject to approval from Reserve Bank of India.

2.27 Contingent Liabilities

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Capital Commitments:		
Guarantee issued in favour of bankers	320	320
Claims against the company/disputed liabilities not acknowledged as debt/liabilities [Refer note (a) below]	2,222	—
Block assessment from AYs 1987-88 to 1997-98 [(Refer note(b) below]	102,404	102,404
Assessment Year 1998-99 [Refer note (c) below]	—	14,962

- Notes:**
- The Company had entered into lease deed Jai Bharath Mills Private Limited ('JBM/lessor') in respect of certain land situated at Yeshwantpura Village of Bangalore on which Company had constructed industrial sheds and rented out for the lease period. The said lease agreement with JBM is under dispute. JBM had referred the matter to an arbitrator, in respect of which arbitral award was given entitling the company to receive compensation for the Buildings constructed with a direction to vacate the said premises and payment of differential rents/mesne profits. The same is disputed by the company by filing an appeal before the District and Sessions Judge (retired), Bangalore under Section 34 of Arbitration and Conciliation Act, 1996 for setting aside the award. The Company's management is of the opinion that considering the appeal against said order and counter claims by the company including the favourable award by way of compensation for improvements and construction of sheds, the company is confident of getting sufficient compensation on surrender of disputed properties which would be more than the liability determined by the above said arbitral award and no additional liability would arise. Hence, the company does not foresee any outflow in this regard and has not made any provision in the books of account.
 - Represents income tax demand of Rs.102,404 thousands (March 31, 2015: Rs.102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987-88 to 1997-98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Company has deposited Rs. 50,744 thousands (March 31, 2015: Rs. 50,744 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.
 - Represents income tax demand of Rs.14,962 thousands relating to Assessment Year 1998-99 in respect of Lease equalisation charges which was disallowed while computing profit u/s 115 JA by the Assessing Officer. The matter was remanded to Assessing officer for fresh consideration vide Order from High Court of Karnataka dated December 17, 2013. The Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mangaluru in this regard. The Company, during the year has received favourable order from appellate authority in this regard. In view of the same, the company, during the year has discontinued the disclosure of contingent liabilities.

2.28 The Company has entered into certain cancellable operating lease agreements mainly for office premises and same has been charged to Statement of Profit and Loss amounting to Rs. 558 thousands (March 31, 2015 : Rs.542 thousands).

2.29 Employee Benefits:

The Company has adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India [the 'revised AS 15'].

The disclosures as required under the revised AS 15 are as under:

Brief description of the Plans :

- The Company has two schemes for long-term benefits such as Provident Fund and Gratuity. In case of funded schemes, the funds are recognised by the Income Tax authorities and administered through trustees / appropriate authorities. The Company's defined contribution plan is Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) The Company has no further obligation beyond making the contributions. The Company's defined benefit plan is Gratuity.
- Contribution to Provident fund, pension fund and other funds under Employee benefits expenses are as under:

Rupees in Thousands

Sl. No.	Particulars	2015 – 16	2014 – 15
i.	Provident and pension fund	516	527
ii.	Employee state insurance	176	173
Total		692	700

- Based on statement received from Life Insurance Corporation of India (LIC), the following table sets forth the status of the Gratuity Plan (Funded) of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

Rupees in Thousands

Sl.	Particulars	2015-16	2014-15
i.	<i>Change in Defined Benefit Obligation</i>		
	Opening defined benefit obligation	2,927	3,446
	Current service cost	113	135
	Interest cost	234	276
	Actuarial loss / (gain)	198	390
	Benefits paid	(417)	(1,320)
	Closing defined benefit obligation	3,055	2,927
ii.	<i>Change in fair value of plan assets</i>		
	Opening fair value of plan assets	3,923	4,879
	Expected return on plan assets	308	386
	Contributions by employer	–	(22)
	Benefits paid	(417)	(1,320)
	Closing fair value of plan assets	3,814	3,923
iii.	<i>Actual return on plan assets</i>	308	386
iv.	<i>The major category of plan assets as a percentage of the fair value of total plan assets are as follows</i>		
	Investment with insurer managed funds	100%	100%

Sl.	Particulars	2015-16	2014-15
v.	<i>Amount recognised in the balance sheet</i>		
	Present value (PV) of obligations as at year end	3,055	2,927
	Less: Fair value of plan assets as at year end	3,814	3,923
	Net (assets) /liability recognised	(759)	(996)
vi.	<i>Expenses recognised in the Statement of profit and loss</i>		
	Current service cost	113	135
	Interest on defined benefit obligation	234	276
	Expected return on plan assets	(308)	(386)
	Net actuarial loss / (gain) recognised in the current year	198	390
	Total Expense	237	415
vii.	<i>Principal actuarial assumptions used</i>		
	Discount rate (p.a.)	8.00%	8.00%
	Expected rate of return on plan assets (p.a.)	7.85%	7.91%
	Rate of increase in compensation levels	3.50%	3.50%
	Mortality table	LIC (1994-96)	LIC (1994-96)
	Retirement age	58 Years	58 Years
viii.	<i>Experience adjustments</i>		
	Defined benefit obligation	3,055	2,927
	Plan assets	3,814	3,923
	Defisit/(Surplus)	(759)	(996)

ix. **Data for defined gratuity benefit obligation and fair value of planned assets are as under :***

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligations at the end of the year	3,055	2,927	3,446	3,234	2,989
Fair value of plan assets at the end of the year	3,814	3,923	4,879	5,057	4,697
Net (assets) / liability at the end of year	(759)	(996)	(1,433)	(1,823)	(1,708)

Notes:

- The Company's liability towards gratuity to employees is covered by a group policy with LIC of India and contributions are charged to statement of profit and loss.
- Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

2.30 List of Related Parties with whom transactions are taken place during the year:

Relationship	Name of the Party
Wholly Owned subsidiaries	Manipal Hotels Limited Manipal Properties Limited
Associate Company	Bluecross Builders and Investors Limited *
Key Management Personnel and their Relatives	T. Mohandas Pai - Chairman and Whole-time Director

* Ceased to be Associate Company w.e.f. October, 30,2015

Details of the transactions :*

Rupees in Thousands

Sl. No.	Particulars	2015-16	2014-15
a.	Reimbursement of expenses during the year		
	– Wholly owned subsidiaries		
	Manipal Properties Limited	1,246	629
	Manipal Hotels Limited	30	8
	– Associate Companies		
	Bluecross Builders and Investors Limited	15	33
b.	Receipt from Demerger receivables		
	– Wholly owned subsidiaries		
	Manipal Properties Limited	2,546	6,316
c.	Advances paid and recovered during the year		
	– Wholly owned subsidiaries		
	Manipal Properties Limited	1,800	2,300
d.	Interest received from related parties		
	– Wholly owned subsidiaries		
	Manipal Properties Limited (Net of Income reversal of Rs. 2,671 thousands. March 31, 2015: Rs. 2,701 thousands.)	267	300
e.	Outstanding balances		
	<i>Due from / (To)</i>		
	– Wholly owned subsidiaries		
	Manipal Hotels Limited (gross)	7,869	7,839
	Manipal Properties Limited (gross)	5,065	5,065
f.	Provisions made on balance receivable including income reversal		
	– Wholly owned subsidiaries		
	Manipal Hotels Limited	7,869	7,839
	Manipal Properties Limited	22,232	22,375
g.	Provision for Diminution in value of Investments		
	– Wholly owned subsidiaries		
	Manipal Hotels Limited	500	500

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

2.31 The Company has identified three reportable segments viz. Financial Services (recovery of loans and advances) and Sale of Mobiles & Accessories and rent on premises. Others include Marketing of the insurance products of life and general insurance companies. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. Accordingly segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting, issued by the ICAI are given below.

Rupees in Thousands

Particulars	Financial Services (Recovery activities)	Rent on premises	Trading Activities	Others	Total
Segment Revenue					
External Turnover	12,337	6,087	20,379	1,128	39,931
	<i>11,644</i>	<i>4,251</i>	<i>28,950</i>	<i>557</i>	<i>45,402</i>
Segment Results	5,700	3,722	(5,149)	818	5,091
	<i>4,613</i>	<i>3,346</i>	<i>1,302</i>	<i>88</i>	<i>9,349</i>
Unallocated expenses					(7,255)
					(4,803)
Provision for diminution in value of investments no longer required					-
					1,734
Sundry balances written back					546
					917
Interest income					2,422
					4,160
Dividend Income					2,050
					1,370
Other Income					3
					80
Profit before tax					2,857
					12,807
Taxes					200
					830
Net Profit After Tax					2,657
					11,977
Other Information					
Segment Assets	52,912	87,090	11,577	55	151,634
	83,969	50,131	21,479	55	155,634
Segment Liabilities	64,130	5,764	308	-	70,202
	72,673	119	2,978	-	75,770
Capital Expenditure					260
					54
Depreciation and Lease Equalisation (net)					1,240
					1,392

Notes:

- Interest expenditure and interest income of the Company are not shown separately for financial services since the same are integral part of financial business.
- Geographical segment is not relevant for the company since it is not involved in exports.
- Previous years figures have been given in Italics and have been regrouped wherever necessary.



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

As per our report of even date attached.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.: 101720W

Sd/-
Chandan Lala
Partner
Membership No.: 35671

Place : Mumbai
Date : May 18, 2016

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

Sd/-
Bharath K. Nayak
Director
DIN-00776729

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

Sd/-
G. R. Nayak
Chief Financial Officer

Place : Manipal
Date : May 18, 2016

Disclosure:

Sl. No.	In the accounts of	Disclosure of Loans and Advances and Investments in its own shares by their Subsidiaries, Associates (as certified by the Management) as required by Clause 32 of Listing Agreement.	As at 31.03.2016
1	Parent (ICDS Ltd.)	<p>Loans and advances in the nature of loans to subsidiaries by name and amount</p> <p>Loans and advances in the nature of loans to associates by name and amount</p> <p>Loans and advances in the nature of loans where there is</p> <p>(i) no repayment schedule or repayment beyond seven years or</p> <p>(ii) no interest or interest below Section 372A of Companies Act by name and amount</p> <p>Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>
2	Subsidiary Manipal Hotels Ltd. Manipal Properties Ltd.	<p>Loans and advances in the nature of loans to parent by name and amount</p> <p>Loans and advances in the nature of loans to associates by name and amount</p> <p>Loans and advances in the nature of loans where there is</p> <p>(i) no repayment schedule or repayment beyond seven years or</p> <p>(ii) no interest or interest below Section 372A of Companies Act by name and amount.</p> <p>Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>
3	Parent (ICDS Ltd.)	Investments by the loanee in the shares of Parent Company and Subsidiary Company, when the Company has made a loan or advance in the nature of loan	Nil
Note : The demerger receivables and reimbursement of expenses and advances which are not in the nature of loans have not been considered. The amounts considered, if any, are net of the provisions done as per prudential norms. The details of demerger receivables are disclosed in the related party transactions elsewhere in the Balance Sheet.			

Cash Flow Statement for the year ended March 31, 2016

Rupees in Thousands

Particulars	2015-16	2014-15
(A) Cash flow from Operating Activities		
Profit before tax	2,857	12,807
Adjustments for:		
Depreciation and amortization expense	1,240	1,392
Interest expenses	1,323	3,282
Loss on sale/Discard of fixed assets	460	-
Profit on sale of fixed assets	(91)	(44)
Profit on sale of shares and securities	-	(149)
Interest on term deposits	(2,422)	(4,050)
Dividends	(2,050)	(1,370)
Excess Provision written back	(742)	(6,334)
Provision for diminution in value of investments no longer required	-	(1,734)
Sundry balances written back	(546)	(917)
Bad debts written off	1,644	-
<i>Operating profit before working capital changes</i>	1,673	2,883
<i>Adjustments for change in working capital</i>		
(Increase)/decrease in Trade receivables	(766)	(1,403)
(Increase)/decrease in loans and advances and other assets	(23,957)	4,346
(Increase)/decrease in Inventories	7,902	(1,573)
Increase/(decrease) in Trade Payables and Other Liabilities	3,740	(2,837)
<i>Cash generated from operations</i>	(11,408)	1,416
Less: Interest paid	(10,043)	(3,756)
Income Tax (paid)/refunded	(1,289)	(1,600)
Net cash from/(used in) operating activities	(22,740)	(3,940)
(B) Cash flow from Investing Activities		
Purchase of Fixed Assets	(260)	(54)
Sale of Fixed Assets	94	44
Sale of Non-current Investments	-	23,485
Decrease/(increase) in restricted deposits/bank balances	(3,154)	31,055
Interest received	2,446	6,061
Dividend received	2,050	1,370
Net cash from/(used in) investing activities	1,176	61,961

Rupees in Thousands

Particulars	2015-16	2014-15
(C) Cash flow from Financing Activities:		—
Increase / (decrease) of Bank Borrowing	(42)	(34,701)
Net Cash from/(used in) Financing Activities	(42)	(34,701)
Net Increase/(Decrease) in Cash equivalents (A+B+C)	(21,606)	23,320
Cash and Cash Equivalents at Beginning of the Year	25,705	2,385
Cash and Cash Equivalents at End of the Year	4,099	25,705

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by Institute of Chartered Accountants of India.
2. Previous figures have been regrouped and reclassified wherever necessary.

The notes referred to above form an integral part of the Standalone financial statements.

As per our report of even date attached.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.: 101720W

For and on behalf of the Board
Sd/-

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

Sd/-
Chandan Lala
Partner
Membership No.: 35671

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

Sd/-
Bharath K. Nayak
Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Place : Mumbai
Date : May 18, 2016

Place : Manipal
Date : May 18, 2016



CIN - L65993KA1971PLC002106

SCHEDULE TO THE BALANCE SHEET OF ICDS LIMITED

(As required in terms of Paragraph 9BB of

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

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

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side:		
1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	a) Debentures : Secured		
	: Unsecured *	11,345	11,345
	(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 *	6,215	6,215
	g) Other Loans (subordinated debts, working capital loans) *	15,303	2,206
2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	a) In the form of Unsecured debentures		
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	c) Other public deposits *	6,215	6,215
	Assets side:	Amount Outstanding	Amount Overdue
3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
	a) Secured	—	
	b) Unsecured	3,043	
4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:		
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial lease	—	
	b) Operating lease	—	
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire	—	
	b) Repossessed Assets	—	
	iii) Hypothecation loans counting towards EL/HP activities:		
	a) Loans where assets have been repossessed	—	
	b) Loans other than (a) above	—	

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

(Rupees in '000)

	Particulars	Amount Outstanding	Amount Overdue
5)	Break-up of Investments: Current Investments: (Stock in trade considered) 1. Quoted: i) Shares: a) Equity		

7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/ Break-up or fair value of NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a) Subsidiaries (lower of fair value or cost)	999	999
	b) Companies in the same group	—	—
	c) Other related parties (lower of fair value or cost)	—	—
	2. Other than related parties (lower of fair value or cost)	9,121	9,121
	Total	10,120	10,120
8)	Other Information		
	Particulars		Amount
	i) Gross Non-Performing Assets		331,164
	a) Related Parties		—
	b) Other than related parties		331,164
	ii) Net Non-Performing Assets		—
	a) Related Parties		—
	b) Other than related parties		—
	iii) Assets acquired in satisfaction of debt		1,682
Note:			
1) The demerger receivables of Rs.23,499 thousands (Rs.12,66 thousands net of provisions) from Manipal Properties Ltd., Rs.16,29 thousands from MPL Enterprises Ltd. are not shown in the above statement (item no. 6 & 8) as the same are not in the nature of loans and advances in the opinion of the management in view of prudence.			
2) Loans and advances, stock on hire are shown at net of provisions.			
3) Matured Debentures are not shown as public deposits in line with the disclosure requirements.			
4) Stock in trade of shares are shown at cost or market value whichever is less and are considered as current investments.			

Annexure No. 1
Stock of Shares and Debentures
Rupees in Thousands

Name of the Company	March 31, 2016		March 31, 2015	
	Nos.	Amount	Nos.	Amount
Quoted Shares:				
EPIC Enzymes Pharmaceuticals and Industrial Chemicals Ltd.	100	—	100	—
HDFC Bank Ltd.	180	—	180	—
Kirloskar Electric Ltd.	1,000	1	1,000	1
Panama Petrochemicals Ltd.	1,000	—	1,000	—
Reliance Capital Ltd.	21	—	21	—
Reliance Capital Ltd.	800	1	800	1
Reliance Capital Venture	37	—	37	—
Reliance Communication	447	—	447	—
Reliance Communications	750	1	750	1
Reliance Industries Limited	894	1	894	1
Reliance Industries Limited	1,500	2	1,500	2
The Sandur Manganese & Iron Ores Ltd.	5,950	6	5,950	6
Twinstar Industries Limited	100	—	100	—
Ultramarine & Pigments Ltd.	1,000	1	1,000	1
Vedanta Limited	49,791	4,501	49,791	8,343
Perfect – Octave Media Projects Ltd.	200	—	200	—
Uniworth Ltd.	750	1	750	1
Libord Finance Ltd.	200	—	200	—
Pirmal Glass	7	—	7	—
GTN Industries	200	—	200	—
Aspinwala & Company Ltd.	232,800	233	232,800	233
Absolute Aromatics Ltd.	1,600	2	1,600	2
Sub Total	299,327	4,750	299,327	8,592
Unquoted Shares:				
Adam Comsof	200	—	200	—
ICES Software	200	—	200	—
Cimmco Birla Limited	6	—	6	—
J K Pharmachemicals	100	—	100	—
Jalpac India	100	—	100	—
Mukesh Steels Limited	100	—	100	—
Namtech Elect	100	—	100	—
Nova Iron & Steel Limited	240	—	240	—

Rupees in Thousands

Name of the Company	March 31, 2016		March 31, 2015	
	Nos.	Amount	Nos.	Amount
Unquoted Shares:				
Murugappa Holding Ltd. (Parry Agro Industries Ltd.)	66	—	66	—
Peria Karamalai Tea Produce Company Ltd.	1,000	—	1,000	—
Precision Elect	25	—	25	—
Sanghi Poly	200	—	200	—
SM Dyechem Limited	6	—	6	—
Summit Securities Ltd.	1	—	1	—
CMS Infotech	500	—	500	—
Adhunik Synthetics Ltd.	2,000	—	2,000	—
ATN Ind.	100	—	100	—
Genelac Ltd.	2,000	—	2,000	—
Golden Shrimp Hatchery Ltd.	320,000	—	320,000	—
Jayant Vitamins Ltd.	563	—	563	—
Parsurampurua Synthetics Ltd.	624	—	624	—
Patheja Forgings & Auto Parts Mfr. Ltd.	10,000	—	10,000	—
Praman Capital Market Services Ltd.	191,500	—	191,500	—
The Vijaykumar Mills Ltd.	8,000	—	8,000	—
Wartyhully Estates Ltd.	1,100	—	1,100	—
Datar Switch Gears	100	—	100	—
Mega Centre Super Markets Ltd.	20,000	—	20,000	—
Nagarjuna Granites Ltd.	100	—	100	—
Pampasar Distilleries Ltd.	100	—	100	—
Universal Print Systems Ltd.	5,000	—	5,000	—
Sub Total	564,031	—	564,031	—
Quoted Debentures:				
Jayant Vitamins Ltd.	5,403	—	5,403	—
Sub Total	5,403	—	5,403	—
Grand Total	868,761	4,750	868,761	8,592

Note:

- Some of the shares and debentures and other securities mentioned above were initially pledged as security by the borrower against loans and advances granted by the Company. Same have been taken into stock at nominal value after adjusting the loans against which shares were pledged.
- The stock of shares and debentures are valued at cost or net realisable value whichever is lower. In case of shares / debentures where market value is not available are taken at nominal value.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF ICDS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ICDS Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

- a) In the case of Manipal Hotels Limited (MHL), one of the wholly owned subsidiary of the Company, the auditors of the subsidiary have expressed their inability to opine on the ultimate recoverability of unsecured short term loans and advances of Rs.7,830 thousands net of provision) as stated in Note 2.14(b) of the consolidated financial statements. Auditors of the subsidiary have further commented that a provision for the same would have eroded the Networth of the MHL and thereby raising a doubt over the "Going Concern Assumption". The accounts of the MHL, however have been prepared on a "going concern basis" in view of Management perception as stated in Note 2.14(b) of the consolidated financial statements. Our audit report for the year ended March 31, 2015 was similarly modified.
- b) If the observation made in sub-paragraph (a) above had been considered, the loss of the group for the year under consideration would have been Rs. 2,711 thousands (profit of the group for the previous year ended March 31, 2015: Rs. 1,123 thousands) as against the reported profit of Rs. 5,119 thousands (previous year ended March 31, 2015: Rs. 8,953 thousands) and the accumulated losses would have been Rs. 35,213 thousands (as at March 31, 2015: Rs. 40,332 thousands) as against reported accumulated loss of Rs. 27,383 thousands (as at March 31, 2015: Rs. 32,502 thousands).

Qualified Opinion

In our opinion and to the best of our information and according to

the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements / financial information of two Subsidiary Companies, whose financial statements / financial information reflect total assets of Rs.41,336 thousands as at March 31, 2016, total revenue of Rs. 7,333 thousands and net decrease in cash flows amounting to Rs. 492 thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India (RBI) is not reported, in view of the cancellation of Certificate of Registration of Non-Banking Financial Company of the Holding Company by Reserve Bank of India on October 9, 2002.
2. As required by Section 143(3) of the Act, 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 the reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated

Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) The matters described in the Basis for Qualified Opinion 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, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its Subsidiary Companies, incorporated in India none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2016 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 over financial reporting and the operating effectiveness of such controls, refer to our report in 'Annexure A'; which is based on the Auditor's Reports of the Company and its subsidiary companies incorporated in India. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group has disclosed the impact of pending litigations on the consolidated financial position of the Group - in its consolidated financial statements as of March 31, 2016 – refer note nos 2.27 to the consolidated financial statements
 - ii. The Group did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been delay in transferring the amount due to investor education and protection fund (IEPF) amounting to Rs.8,466 thousands by the Holding Company. Further, the Holding Company's liabilities (including public deposits along with interest accrued thereon) were restructured as per

the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka vide its Order dated October 15, 2004, which remains unclaimed by the instrument holders (including cheques issued but not encashed by the instrument holders) to the extent of Rs. 3,052 thousands, Rs. 5,916 thousands, Rs. 7,496 thousands and Rs. 5,526 thousands, were required to be transferred to IEPF on June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2015 respectively are not transferred to IEPF in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under. However, the management of the holding Company is of the opinion that same is not due to IEPF as explained

in note no. 2.06 (b) of the consolidated financial statements.

For CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W

Chandan Lala

Partner

Membership Number: 35671

Place : Mumbai

Date : 18.05.2016

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

(Referred to in Paragraph 2(g) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **ICDS Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies,

which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

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

For CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W

Chandan Lala

Partner

Membership Number: 35671

Place : Mumbai

Date : 18.05.2016

CIN - L65993KA1971PLC002106

Consolidated Balance Sheet as at March 31, 2016

Rupees in Thousands

Particulars	Note No.	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	130,267	130,267
Reserves and surplus	2.02	39,937	34,818
		<u>170,204</u>	<u>165,085</u>
Non-current liabilities			
Other long term liabilities	2.03	5,764	119
		<u>5,764</u>	<u>119</u>
Current liabilities			
Short term borrowings	2.04	13,097	13,139
Trade payables	2.05	307	2,639
Other current liabilities	2.06	55,427	63,813
		<u>68,831</u>	<u>79,591</u>
TOTAL		<u>244,799</u>	<u>244,795</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.07	1,999	2,359
Non-current investments	2.08	86,317	87,552
Long-term loans and advances	2.09	92,709	55,119
Other non-current assets	2.10	1,141	200
		<u>182,166</u>	<u>145,230</u>
Current assets			
Inventories	2.11	9,048	15,760
Trade receivables	2.12	3,156	3,746
Cash and bank balances	2.13	36,550	52,564
Short term loans and advances	2.14	13,348	26,933
Other current assets	2.15	531	562
		<u>62,633</u>	<u>99,565</u>
TOTAL		<u>244,799</u>	<u>244,795</u>
Significant accounting policies and notes to consolidated financial statements	1 & 2		

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Sd/-

T. Mohandas Pai

Chairman & Whole-time Director

DIN-00104336

Sd/-

Chandan Lala

Partner

Membership No.: 35671

Sd/-

H. N. S. Rao

Director

DIN-00106953

Sd/-

Bharath K. Nayak

Director

DIN-00776729

Sd/-

G. R. Nayak

Chief Financial Officer

Place : Mumbai

Date : May 18, 2016

Place : Manipal

Date : May 18, 2016



Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Rupees in Thousands

Particulars	Note No.	2015-16	2014-15
Revenue from operations	2.16	43,774	50,376
Other income	2.17	6,561	9,956
Total Revenue		50,335	60,332
Expenses:			
Purchases	2.18	15,763	29,151
Changes in inventories of traded goods	2.19	6,712	(3,178)
Employee benefits expense	2.20	7,543	10,097
Other Expenses	2.21	11,401	9,098
Finance costs	2.22	1,386	3,324
Depreciation and amortization expense	2.23	1,394	1,546
Total expenses		44,199	50,038
Profit before tax		6,136	10,294
Tax expense:			
Current tax		738	1,075
Income tax for earlier years		279	-
Deferred tax		-	-
Profit after Tax		5,119	9,219
Share of profit/(loss) of associate		-	(266)
Profit for the year		5,119	8,953
Earnings per equity share of par value Rs. 10/- each			
Basic & Dilutive (in Rupees)	2.24	0.39	0.71
Significant accounting policies and notes to consolidated financial statements	1 & 2		

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Sd/-

T. Mohandas Pai

Chairman & Whole-time Director

DIN-00104336

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Director

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Sd/-

G. R. Nayak

Chief Financial Officer

Place : Mumbai

Date : May 18, 2016

Place : Manipal

Date : May 18, 2016

Significant Accounting Policies and Notes to Consolidated Financial Statements

Company overview

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

1. Significant accounting policies

1.01 Principles of Consolidation

The consolidated financial statements related to ICDS Limited and all of its subsidiary companies (herein after collectively referred to as 'Group') and its associates have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating inter company balances and transactions and unrealised profits or losses in accordance with the Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) Investments in Subsidiaries are eliminated and differences between the cost of investment over the net assets on the date of investment, or on the date of the financial statements immediately preceding the date of investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- iii) The difference between the proceeds from disposal of investment in a subsidiary, and the proportionate carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiaries.
- iv) In case of Associates, where the Company directly or indirectly through its Subsidiaries holds 20% or more of equity investments in associates are accounted for using 'Equity Method' in accordance with Accounting Standard - 23 "Accounting for investments in associates in consolidated financial statements" issued by The Institute of Chartered Accountants of India. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the Associates' Statement of Profit and Loss, based on the available information. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- v) As per equity method, if the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company ordinarily discontinues recognising its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the investor has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the investor has guaranteed or to which the investor is otherwise committed. If the associate subsequently reports profits, the investor resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.
- vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

1.02 Investments other than in subsidiaries and associates are accounted as per Accounting Standard - 13 "Accounting for Investments".

1.03 Basis of preparation of Consolidated financial statements

a. The subsidiary companies considered in consolidation are:

Name of the company	Country of Incorporation	Extent of holding & Voting Power	
		As on March 31, 2016	As on March 31, 2015
a) Manipal Hotels Limited	India	100.00%	100.00%
b) Manipal Properties Limited*	India	100.00%	100.00%

* Including 11 shares held by Manipal Hotels Limited wholly owned subsidiary.

b. The financial statements of the Company and its subsidiaries and associates used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e., year ended March 31, 2016.

1.04 Other significant accounting policies

These policies are set out under 'Significant Accounting Policies' as given in the Company's standalone financial statements.

2. Notes to Consolidated Financial Statements

2.01 Share Capital

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Authorised Capital		
35,000,000 [March 31, 2015 : 35,000,000] Equity Shares of Rs. 10 each	350,000	350,000
15,000,000 [March 31, 2015 : 15,000,000] Preference Shares of Rs. 10 each	150,000	150,000
	500,000	500,000
Issued, Subscribed and Paid-up Capital		
13,026,700 [March 31, 2015 : 13,026,700] Equity Shares Rs. 10 each fully paid up	130,267	130,267
Total	130,267	130,267

Reconciliation of number of shares

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	Rupees in thousands	No. of Shares	Rupees in thousands
Equity shares :				
Balance as at the beginning of the year	13,026,700	130,267	13,026,700	130,267
Add: Shares issued during the year	—	—	—	—
Balance as at the end of the year	13,026,700	130,267	13,026,700	130,267

Rights, preferences and restrictions attached to shares:

The Company has two classes of shares referred to as equity shares and preference shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The Company has not issued any preference shares as on March 31, 2016.

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.

Shares in the Company held by each shareholder holding more than 5% shares specifying the number of shares :

Name of the Shareholder	March 31, 2016		March 31, 2015	
	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%

2.02 Reserves and Surplus

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Securities Premium		
Opening Balance	33,334	33,334
Add: Additions during the year	-	-
Closing Balance	33,334	33,334
Revaluation Reserve		
Opening Balance	33,986	33,986
Add: Additions during the year	-	-
Closing Balance	33,986	33,986
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(32,502)	(41,455)
Less: Profit/(Loss) for the current year	5,119	8,953
Closing Balance	(27,383)	(32,502)
Total	39,937	34,818

2.03 Other long term Liabilities

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Lease/Rent Deposits	5,764	119
Total	5,764	119

2.04 Short term Borrowings

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Secured Loans		
Working Capital loans from Banks	13,097	13,139
Total	13,097	13,139

Notes:

Nature of security

The above working capital loan is secured by deposit with banks amounting to Rs. 15,500 thousands (March 31, 2015: Rs. 15,500 thousands).

Terms of repayment

The above loan is repayable on demand. Interest for such borrowing ranges from 8.60% to 10.50% p.a.

2.05 Trade payables

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Due to Micro and small enterprises*	-	-
Due to other than Micro and small enterprises	307	2,639
Total	307	2,639

* 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.

2.06 Other current liabilities

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Public Liabilities		
<i>Others</i>		
– interest on matured deposits	6,215	10,027
– matured debentures (a)	439	439
– interest on matured debentures	10,906	14,838
– interest on matured subordinated debts	2,206	3,182
– Other Public Liabilities (b)	29,294	29,367
Other Payables	1,843	1,743
Advance received from customers	-	339
Rent Deposits	4,094	3,618
Statutory Dues	430	260
Total	55,427	63,813

Notes

- Consists of public liabilities which is held and not paid as the matter being subjudice with Hon'able Court of Andhra Pradesh.
- The management is of the opinion that the due date for remittance of unclaimed public liabilities starts after seven years from the due date of the last installment of the instrument as per the Scheme of Arrangement ('the Scheme') under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Karnataka ('the court') vide its order dated October 15, 2004 and filed with the Registrar of Companies, Karnataka on December 30, 2004 (i.e. effective date) in respect of repayment of instruments which were payable in more than one installment, accordingly the management considers Rs.22,429 thousands outstanding with regard to the first four installments (March 31, 2015: Rs.16,452 thousands outstanding with regard to the first three installments) is not due for payment to Investor Education and Protection Fund ('IEPF') pending last installment falling due. In view of the same the management is of the opinion that the same is not due for payment to IEPF.



Significant accounting policies and notes to Consolidated financial statements

2.07 Fixed Assets

Rupees in Thousands

Description of Assets	Gross Block		Depreciation and Lease Equalisation				Net Block	
	April 01, 2015	Addi- tions/ sale	March 31, 2016	April 01, 2015 Depn. Lease Eqn.	For the year	Deduc- tions/ sale	March 31, 2016 Depn. Lease Eqn.	March 31, 2015
A. OWNED ASSETS								
Buildings	3,367	-	2,046	-	31	864	397	1,649
Plant & Machinery	195	186	381	-	51	-	193	188
Electrical Fittings	144	7	144	63	22	2	83	61
Furniture & Fittings	2,000	-	1,953	2,000	-	47	1,953	-
Office Equipments & Computers	474	67	527	386	53	13	426	101
Vehicles	5	-	5	-	-	-	5	-
Total of 'A'	6,185	260	5,056	3,826	157	926	3,057	1,999
B. ASSETS GIVEN ON LEASE								
Plant & Machinery	612,686	-	612,686	429,532	-	-	429,532	183,154
Vehicles	69,500	-	69,500	69,157	-	-	69,157	343
Total of 'B'	682,186	-	682,186	498,689	-	-	498,689	183,497
Grand Total of A+B	688,371	260	687,242	502,515	157	926	501,746	1,999
Previous Year	688,396	54	688,371	502,286	308	79	502,515	2,359
Note:	a) Land and Buildings having carrying value of Rs. 75,462 thousands (March 31, 2015 : Rs. 76,697 thousands) that are not intended to be occupied substantially for use by, or in the operations of, the company are considered as investment property under non-current investments in financial statements.							

2.08 Non-current investments

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Trade investments		
(Non Current, Valued at cost)		
Long term Investments (at cost)		
Investment property (Refer notes (a) to (d) below)		
Cost of Land	21,466	21,466
Cost of Building given on operating lease	77,901	77,901
	99,367	99,367
Less: Accumulated depreciation on buildings (includes depreciation for the year Rs.1,237 thousands (March 31, 2015 : Rs. 1,236 thousands)	23,905	22,670
	75,462	76,697
Investments in quoted, fully paid up Equity Shares (Refer note (e) below)		
<i>Others</i>		
Lingapur Estates Ltd.	1,734	1,734
[153,392 (March 31, 2015 : 153,392) shares of face value of Rs. 10/- each]		
Manipal Finance Corporation Limited	9,181	9,181
[449,163 (March 31, 2015 : 449,163) shares of face value of Rs. 10/- each]		
Investments in unquoted, fully paid-up Equity Shares	10,915	10,915
<i>Others</i>		
Development Co-op.Bank Ltd.	18	18
[1,200 (March 31, 2015 : 1,200) shares of face value of Rs. 10/- each]		
Manipal Housing Finance Syndicate Ltd.	9,103	9,103
[729,000 (March 31, 2015 : 729,000) shares of face value of Rs. 10/- each]		
	9,121	9,121
Less: Provisions for diminution in value of investments (Refer note (e) below)	9,181	9,181
Total	86,317	87,552
Aggregate value of quoted investments (net of provision)	1,734	1,734
Market Value of quoted investments (Refer note(d) below)	1,734	1,734
Aggregate value of unquoted investments (net of provision)	9,121	9,121

Notes:

- Land represents proportionate undivided share of land for the office premises owned in Manipal Properties Limited.
- Investment property includes shares of the face value of Rs. 511/- (March 31, 2015 : Rs. 511/-) in Co-operative Housing Society.
- The management is of the opinion that the carrying cost of the Investment Property does not exceed its recoverable amount. Further the Company does not have any information whether internal or external, that indicates that 'impairment loss may have occurred'. Accordingly the question of impairment of aforesaid assets does not arise.
- Market price of the Quoted shares has been taken at face value, in the absence of trading in stock exchanges during the year.

e. Details of Provisions for diminution in value of investments.

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Manipal Finance Corporation Limited	9,181	9,181
Total	9,181	9,181

2.09 Long term loans and advances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Unsecured		
Rent and other deposits	650	753
Advance taxes (net of Provisions)	54,243	53,547
Security deposit for lease	37,500	—
VAT Input Credit	316	819
Total	92,709	55,119

2.10 Other non-current assets

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Deposit with banks maturing after 12 months	1,070	200
Interest accrued on term deposits	71	—
Total	1,141	200

2.11 Inventories

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Stock on Hire (At agreement value less amount received and unmatured hire charges)		
Under Hire Purchase Agreements		
Considered Good	—	—
Considered Doubtful	144,401	145,591
	144,401	145,591
Less: Provision	(144,401)	(145,591)
(a)	—	—
Other Inventories (Valued at lower of cost or net realisable value)		
Shares and securities	4,750	8,592
Stock of Mobiles and Accessories	4,298	7,168
(b)	9,048	15,760
Total (a + b)	9,048	15,760

2.12 Trade receivables

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Unsecured		
Debts outstanding for a period exceeding six months		
Considered Good	—	—
Considered Doubtful	—	82
Less : Provision for doubtful Advances	—	(82)
(a)	—	—
Others - Considered Good	3,156	3,746
(b)	3,156	3,746
Total (a + b)	3,156	3,746

2.13 Cash and bank balances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Cash on hand	22	38
Cheques, drafts and stamps on hand	5	-
Balances with banks		
in current accounts	4,620	3,250
in deposit accounts	-	23,457
(a)	4,647	26,745
Other bank balances		
Deposit with banks maturing between 3 to 12 months	16,403	10,319
Term Deposit with banks	15,500	15,500
[pledged as security against working capital loan]		
(b)	31,903	25,819
Total	(a+b) 36,550	52,564

2.14 Short term loans and advances

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Demerger receivables (secured)		
Considered good		
from Others [Refer note (a)(i)]	1,629	16,704
from Others	101,004	101,005
	102,633	117,709
Less: Provision	(101,004)	(101,005)
	1,629	16,704
Unsecured Loans		
Considered good [Refer note (b)]	10,899	8,892
Considered doubtful	69,344	68,173
	80,243	77,065
Less: Provision	(69,344)	(68,173)
	10,899	8,892
Other Receivables	62	63
Advance given to creditors	-	278
LIC Group Gratuity Fund Asset (net)	758	996
Total	13,348	26,933

Notes:

a. Demerger receivable:

- Demerger receivable represents Rs.16,29 thousands (March 31, 2015: Rs.16,704 thousands) from MPL Enterprises Ltd. pursuant to the scheme of arrangements sanctioned by Hon'ble High Courts of Karnataka and Madras vide their Orders dated April 09, 1999 and August 25, 2000 respectively. The balance is considered good for recovery in the opinion of the management, as the value of the property vested in MPL Enterprises Ltd. is adequate.
- The Company has provided for Rs. 7,869 thousands (March 31, 2015 : Rs. 7,839 thousands) towards amount recoverable from Manipal Hotels Limited and Rs. 3,799 thousands (March 31, 2015 : Rs. 3,799 thousands) towards amount recoverable from Manipal Properties Ltd. of its subsidiaries. The amount provided in the company books have been eliminated in the consolidated statement of accounts in the absence of any write back in subsidiary books.

- b. Unsecured Short term Loans includes Rs.7,830 thousands (March 31, 2015 : Rs.7,830 thousands) [net of provisions of Rs.5,688 thousands (March 31, 2015 : Rs. 5,688 thousands)] towards advances given on Capital account by Manipal Hotels Ltd. ("MHL" / subsidiary company) to a venture in hotel industry, the balance of which is subject to confirmation. The capital advance as stated in the balance sheet (net of provisions) is considered good and recoverable. The subsidiary Company's ability to continue as a "Going Concern" largely depends upon the recovery of the aforesaid amount. The MHL accounts have been prepared on a "Going Concern" basis on the assumption that it will be able to recover the advance.

2.15 Other current assets

Rupees in Thousands

Particulars	March 31, 2016	March 31, 2015
Interest accrued on term deposits	531	562
Total	531	562

2.16 Revenue from operations

Rupees in Thousands

Particulars	2015-16	2014-15
Interest on loans and advances	73	61
Interest on demerger receivables	-	1,809
Bad debts recovered	9,451	9,474
Service charges and commission	1,128	1,991
Sale of Mobiles and Accessories	20,379	27,516
Rent Received	12,743	9,525
Total	43,774	50,376

2.17 Other income

Rupees in Thousands

Particulars	2015-16	2014-15
Dividend received from		
Non-Current Investments	675	675
Others	1,375	695
Interest on term deposit	2,486	4,050
Other interest	13	155
Profit on sale of owned / leased assets	91	44
Sundry Balances written back	546	917
Provision for diminution in value of investments no longer required	600	1,734
Excess provision for non-performing assets written back	772	1,606
Miscellaneous income	3	80
Total	6,561	9,956

2.18 Purchases

Rupees in Thousands

Particulars	2015-16	2014-15
Purchase of traded goods		
Mobiles and Accessories		
Handsets and data card	15,763	17,314
Rechargeable Vouchers	-	472
Electronic Charge	-	11,349
Others	-	16
Total	15,763	29,151

2.19 Changes in inventories of traded goods

Rupees in Thousands

Particulars	2015-16	2014-15
Opening Stock		
Mobiles and Accessories	7,168	3,990
Shares and securities	8,592	8,592
(a)	15,760	12,582
Closing Stock		
Mobiles and Accessories	4,298	7,168
Shares and securities	4,750	8,592
(b)	9,048	15,760
Total (a-b)	6,712	(3,178)

2.20 Employee benefits expense

Rupees in Thousands

Particulars	2015-16	2014-15
Salaries, wages and bonus	5,913	8,350
Contribution to provident and other funds [Refer Note No. 2.28]	778	763
Gratuity [Refer Note No. 2.28 (c)(vi)]	238	415
Staff welfare expenses	614	569
Total	7,543	10,097

2.21 Other Expenses

Rupees in Thousands

Particulars	2015-16	2014-15
Rent, rates and taxes	2,688	1,274
Printing and stationery	275	270
Directors sitting fees	48	30
Travelling and conveyance	1,051	978
Postage, telegram and telephones	292	387
Insurance	15	23
<i>Repairs and Maintenance:</i>		
Buildings	1,613	516
Others	44	335
Advertisement and Business Promotion	243	298
Legal and Professional Charges	1,075	2,205
<i>Auditors Remuneration:</i>		
Audit Fees	173	163
Tax Audit Fees	29	28
Certification	34	169
Brokerage & Commission	620	307
Service Charges	286	162
Loss on disposal of investment (net)	540	1,615
Assets written off	460	-
Provision for diminution in value of Investments	-	1
Bad Debts written off (net)	1,644	-
Sundry Expenses	271	338
Total	11,401	9,098

2.22 Finance Costs

Rupees in Thousands

Particulars	2015-16	2014-15
Interest on		
- working capital loan from bank	1,323	3,224
- short term borrowings	-	58
Interest others		
- delay in payment of taxes	10	9
Bank charges	53	33
Total	1,386	3,324

2.23 Depreciation and amortization expense

Rupees in Thousands

Particulars	2015-16	2014-15
Depreciation on tangible assets	157	462
Depreciation on investment property (refer note (a) below)	1,237	1,084
Total	1,394	1,546

Note

- a) In lieu of issuance of "Application Guide on the provisions of the Schedule II to the Companies Act, 2013" by Institute of Chartered Accountants of India (ICAI), the Company has transferred the depreciation on revalued amount of investment property amounting to Rs. 737 thousands (March 31, 2015 : Rs. 737 thousands) to statement of profit and loss instead of adjusting it against the revaluation reserve (refer note no. 2.02).

2.24 Calculation of Earning per share:

Sl. No.	Particulars	2015-16	2014-15
a.	Nominal value per share (in Rupees)	10	10
b.	Net Profit available for equity share holders (Rupees in thousands)	5,119	9,219
c.	Weighted Average No. of Equity Shares (Nos.)	13,026,700	13,026,700
d.	Basic / Diluted EPS of Rs.10/- each (in Rupees)	0.39	0.71

Particulars	March 31, 2016
Deferred tax asset arising on account of	
Unabsorbed Depreciation as per Income Tax Act	14,203
Loss carried forward as per Income Tax Act	4,658
Provision for doubtful debts	53,367
Income offered for tax but not recognised in books as per RBI prudential norms	12,464
Sub Total (i)	84,692
Deferred tax liability arising on account of	
Higher depreciation claimed under Income Tax Act as compared to books of account	3,990
Gratuity Plan asset over liability	234
Sub Total (ii)	4,224
Deferred tax asset (Net) [iii = (i - ii)]	80,468
Less: Deferred tax not recognised under Prudence (iv)	(80,468)
Total (iii - iv)	-

The Company has not recognized Deferred Tax Asset as per AS 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, constituting, mainly of carry forward losses, excess depreciation claimed in Income tax and provision for doubtful debts, as a matter of prudence. There are no Deferred Tax Liabilities or assets in Subsidiary Companies.

2.26 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 30th December 2004 (i.e., effective date) the Company has implemented the scheme and accordingly repaid all instalments of debentures, deposits and subordinated debts which were claimed in terms of the scheme. The Company has filed an affidavit on August 31, 2010 before the Court stating that the scheme has been successfully implemented and the Court has passed an Order stating that Scheme of Arrangement sanctioned by the Court on October 15, 2004 is fully complied by the company.

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

2.27 Contingent Liabilities and Commitments

Particulars	March 31, 2016	March 31, 2015
Contingent liabilities:		
Guarantee issued in favour of bankers.	320	320
Claims against the company/disputed liabilities not acknowledged as debt/ liabilities.(Refer Note (a) below)	2,222	-
Block assessment from AYs 1987-88 to 1997-98 [Refer note (b) below]	102,404	102,404
Assessment Year 1998-99 [Refer note (c) below]	-	14,962

- a. The Company had entered into lease deed with Jai Bharath Mills Private Limited ('JBM/lessor') in respect of certain land situated at Yeshwantpura Village of Bangalore on which Company had constructed industrial sheds and rented out for the lease period. The said lease agreement with JBM is under dispute. JBM had referred the matter to an arbitrator, in respect of which arbitral award was given entitling the company to receive compensation

for the Buildings constructed with a direction to vacate the said premises and payment of differential rents/ mesne profits. The same is disputed by the company by filing an appeal before the District and Sessions Judge (retired), Bangalore under Section 34 of Arbitration and Conciliation Act, 1996 for setting aside the award. The Company's management is of the opinion that considering the appeal against said order and counter claims by the company including the favourable award by way of compensation for improvements and construction of sheds, the company is confident of getting sufficient compensation on surrender of disputed properties which would be more than the liability determined by above said arbitral award and no additional liability would arise. Hence, the company does not foresee any outflow in this regard and has not made any provision in the books of account.

- b. Represents income tax demand of Rs.102,404 thousands (March 31, 2015: Rs.102,404 thousands) in respect of Block assessment held in the period of assessment years from 1987-88 to 1997-98 following the Order of Hon'ble High Court of Karnataka in respect of disallowance of depreciation on leased assets. The Company's Special Leave Petition (SLP) filed before the Hon'ble Supreme Court of India against the Order of Hon'ble High Court of Karnataka has been admitted. The Company has deposited Rs. 50,744 thousands (March 31, 2015: Rs. 50,744 thousands) against the said demanded Tax. The Company has offered one of its immovable property as security which is free of any encumbrances. Based on the decisions of the Appellate authorities/ Courts and the interpretations of other relevant provisions, the Company has been legally advised that the disallowance of depreciation will be allowed and demand raised on account of block assessments would get vacated and accordingly no provision is considered necessary.
- c. Represents income tax demand of Rs.14,962 thousands relating to Assessment Year 1998-99 in respect of Lease equalisation charges which was disallowed while computing profit u/s 115 JA by the Assessing Officer. The matter was remanded to Assessing officer for fresh consideration vide Order from High Court of Karnataka dated December 17, 2013. The Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mangaluru in this regard. The Company, during the year has received favourable order from appellate authority in this regard. In view of the same, the company, during the year has discontinued the disclosure of contingent liabilities.

2.28 The Company has entered into certain cancellable operating lease agreements mainly for office premises and same has been charged to Statement of Profit and Loss amounting to Rs. 558 thousands (March 31, 2015 : Rs. 542 thousands).

2.29 Employee Benefits

The Company has adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India [the 'revised AS 15'].

The disclosures as required under the revised AS 15 are as under:

Brief description of the Plans :

- a. The Company has two schemes for long-term benefits such as Provident Fund and Gratuity. In case of funded schemes, the funds are recognised by the Income Tax authorities and administered through trustees / appropriate authorities. The Company's defined contribution plan is Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plan is Gratuity.
- b. Contribution to Provident fund, pension fund and other funds under Employee benefits expenses are as under:

Rupees in Thousands

Sl.	Particulars	2015-16	2014-15
i.	Provident and Pension Fund	516	527
ii.	Employee State Insurance	176	173
Total		692	700

- c. Based on statement received from Life Insurance Corporation of India (LIC), the following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

Rupees in Thousands

Sl.	Particulars	2015-16	2014-15
i.	<i>Change in Defined Benefit Obligation</i>		
	Opening defined benefit obligation	2,927	3,446
	Current service cost	113	135
	Interest cost	234	276
	Actuarial loss/(gain)	198	390
	Benefits paid	(417)	(1,320)
	Closing defined benefit obligation	3,055	2,927
ii.	<i>Change in fair value of assets</i>		
	Opening fair value of plan assets	3,923	4,879
	Expected return on plan assets	308	386
	Contributions by employer	-	(22)
	Benefits paid	(417)	(1,320)
	Closing fair value of plan assets	3,814	3,923
iii.	<i>Actual return on plan assets</i>	308	386
iv.	<i>The major category of plan assets as a percentage of the fair value of total plan assets are as follows:</i>		
	Investment with insurer managed funds	100%	100%
v.	<i>Amount recognised in the Balance Sheet</i>		
	Present value (PV) of obligations as at year end	3055	2927
	Less: Fair value of plan assets as at year end	3814	3923
	Net asset/liability recognised	(759)	(996)
vi.	<i>Expenses recognised in the Statement of Profit and Loss</i>		
	Current service cost	113	135
	Interest on defined benefit obligation	234	276
	Expected return on plan assets	(308)	(386)
	Net actuarial loss / (gain) recognised in the current year	198	390
	Total expense charged to statement of profit and loss	237	415
vii.	<i>Principal actuarial assumptions used</i>		
	Discount rate (p.a.)	8.00%	8.00%
	Expected rate of return on plan assets (p.a.)	7.85%	7.91%
	Rate of increase in compensation levels	3.50%	3.50%
	Mortality table	LIC (1994-96)	LIC (1994-96)
	Retirement age	58 Years	58 Years
viii.	<i>Experience adjustments</i>		
	Defined benefit obligation	3,055	2,927
	Plan assets	3,814	3,923
	Deficit / (surplus)	(759)	(996)

ix. **Data for defined gratuity benefit obligation and fair value of planned assets are as under :***

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligations at the end of the year	3,055	2,927	3,446	3,234	2,989
Fair value of plan assets at the end of the year	3,814	3,923	4,879	5,057	4,697
Net (assets) / liability at the end of year	(759)	(996)	(1,433)	(1,823)	(1,708)

Notes:

- The Company's liability towards gratuity to employees is covered by a group policy with LIC of India and contributions are charged to statement of profit and loss.
- Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

2.30 List of Related Parties with whom transactions are taken place during the year:

Relationship	Name of the Party
Associate Company	Blue cross Builders and Investors Limited*
Key Management Personnel	T. Mohandas Pai – Chairman and Whole-time Director

* Ceased to be Associate Company w.e.f. October, 30, 2015

Details of the transactions :

Rupees in Thousands

Sl.	Particulars	2015-16	2014-15
a.	Reimbursement of Expenses – Associate Companies Blue cross Builders and Investors Limited	15	33

2.31 Details of valuation of investments in Associate Companies as required by AS-23 “Accounting for Investments in Associates in Consolidated Financial Statement” are as follows:

Rupees in Thousands

Particulars	2015-16	2014-15
Name of the Associate : Blue Cross Builders and Investors Limited*		
Ownership interest (through Manipal Properties Limited) (%)	NA	47.60%
Original cost of investments	NA	1,001
Amount of Goodwill **	–	–
Share of post acquisition loss **	–	(1,001)
Carrying cost of investments ***	–	–

- * Ceased to be Associate Company w.e.f. October 30, 2015.
- ** The Company has not provided for goodwill in view of share of loss of an associate exceeds the carrying amount of the investment. Since the Company's share of losses of an associate exceeds the carrying amount of the investment, the Company has not recognised its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Company has made payments during the year.
- *** Valuation of investments in Blue cross Builders and Investors Limited is on the basis of unaudited Financial Statements for the year ended March 31, 2016 in the absence of audited financial statements of the Associate Company.

2.32 Consolidated Segment Information

The Company has identified three reportable segments viz., Financial Services and Sale of Shares, Mobiles & Accessories and Rent on Premises. Others include Hotel divisions, 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 Accounting Standard (AS-17) on Segmental Reporting, issued by the ICAI are given below.

Rupees in Thousands

Particulars	Financial Services (Recovery activities)	Trading Activities	Rent on Premises	Others	Inter-segment / Eliminations	Consolidated
External Sales	9,524	20,379	12,743	1,128	-	43,774
	11,344	28,950	9,525	557	-	50,376
Inter segment Sales	2,813	-	-	-	(2,813)	-
	300	-	-	-	(300)	-
Total Revenue	12,337	20,379	12,743	1,128	(2,813)	43,774
	11,644	28,950	9,525	557	(300)	50,376
Segment result	2,887	(5,149)	9,140	785	142	7,805
	4,313	1,302	7,589	79	(2,701)	10,582
Provision for diminution in value of investments no longer required						600
						1,734
Unallocated Corporate expenses						(7,458)
						(8,638)
Sundry balance written back						546
						917
Interest Income						2,499
						4,205
Dividend Income						2,050
						1,370
Other Income						94
						124
Profit before tax						6,136
						10,294
Income Taxes						(1,017)
						(1,075)

Share of loss of associate						-
						(266)
Net Profit after tax and share of loss of associates						5,119
						8,953
Segment Assets	50,647	11,577	120,413	7,919	-	190,556
	<i>81,704</i>	<i>21,479</i>	<i>80,146</i>	<i>7,919</i>	-	<i>191,248</i>
Segment Liabilities	64,129	308	10,149	8	-	74,595
	<i>72,672</i>	<i>2,978</i>	<i>4,053</i>	<i>7</i>	-	<i>79,710</i>
Capital Expenditure						260
						<i>54</i>
Depreciation and Lease Equalisation (net)						1,394
						<i>1,546</i>

Notes

- Interest expenditure and interest income of the Company are not shown separately for financial services since the same are integral part of financial business.
- Geographical segment is not relevant for the Company since it is not involved in exports.
- Previous years figures given in Italics and have been regrouped wherever necessary.

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

As per our report of even date attached

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.: 101720W

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

Sd/-
Chandan Lala
Partner
Membership No.: 35671

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

Sd/-
Bharath K. Nayak
Director
DIN-00776729

Sd/-
G. R. Nayak
Chief Financial Officer

Place : Mumbai
Date : May 18, 2016

Place : Manipal
Date : May 18, 2016



Consolidated Cash Flow Statement for the year ended March 31, 2016

Rupees in Thousands

Particulars	2015-16	2014-15
(A) Cashflow From operating activities		
Profit before tax	6,136	10,294
Adjustments for:		
Depreciation and amortization expense	1,394	1,546
Interest expenses	1,323	3,282
Loss on sale/Discard of fixed assets	460	-
Loss on sale of investments in Associate Company	540	1,615
Profit on sale of fixed assets	(91)	(44)
Interest on term deposits	(2,486)	(4,050)
Other interests	(13)	(45)
Dividends	(2,050)	(1,370)
Excess Provision written back	(772)	(1,606)
Provision for diminution in value of investments no longer required	(600)	(1,734)
Sundry balances written back	(546)	(917)
Bad debts written off	1,644	-
Operating profit before working capital changes	4,939	6,971
Adjustments for change in working capital		
(Increase) / Decrease in Trade receivables	(856)	(1,265)
(Increase) / decrease in short term loans & advances and other assets	(23,957)	4,346
(Increase) / decrease in Inventories	7,902	(1,573)
Increase/(decrease) in Trade Payables and other liabilities	4,223	(7,077)
Cash generated from operations	(7,749)	1,402
Less: Interest paid	(10,043)	(3,756)
Income Tax (paid)/refunded	(1,713)	(1,468)
Net cash from/(used in) operating activities	(19,505)	(3,822)
(B) Cash flow from Investing activities		
Purchase of Fixed and Leased Assets	(260)	(54)
Sale of Fixed & Leased Assets	94	44
Sale of Investments	60	23,485
Decrease/(increase) in restricted deposits/bank balances	(3,154)	31,055
Decrease/(Increase) in non-current fixed deposit	(3,800)	-
Interest received	2,459	6,106
Dividend received	2,050	1,370
Net cash from/(used in) investing activities	(2,551)	62,006
(C) Cash flow from Financing activities:		
Increase/(Decrease) of Bank Borrowing	(42)	(34,701)
Net Cash from/(used in) Financing Activities	(42)	(34,701)
Net Increase/(Decrease) in Cash equivalents (A+B+C)	(22,098)	23,483
Cash and Cash Equivalents at Beginning of the Year	26,745	3,262
Cash and Cash Equivalents at End of the Year	4,647	26,745

Notes: 1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by Institute of Chartered Accountants of India.
2. Previous year figures have been regrouped, rearranged and reclassified wherever necessary.

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.: 101720W

Sd/-
Chandan Lala
Partner
Membership No.: 35671

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

Sd/-
Bharath K. Nayak
Director
DIN-00776729

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

Sd/-
G. R. Nayak
Chief Financial Officer

Place : Mumbai
Date : May 18, 2016

Place : Manipal
Date : May 18, 2016

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, 2016

Part “A” – Subsidiaries

(Amount in Rs.)

Name of Subsidiary Company	Manipal Hotels Ltd.	Manipal Properties Ltd.
Issued & Subscribed Capital	5,00,000	10,00,000
Reserves & Surplus	(5,11,685)	45,87,764
Total Assets	78,64,857	3,34,70,777
Total Liabilities	78,64,857	3,34,70,777
Investments	1,100	2,85,49,520
Turnover	(32,692)	67,33,724
Profit/(Loss) before Tax	(32,692)	34,24,769
Provision for Tax	–	8,17,394
Profit/(Loss) after Tax	(32,692)	26,07,375
Proposed Dividend	–	–
% of shareholding	100.00%	99.89%

- 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 not associate companies / joint ventures of the Company as on 31st March, 2016.

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

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

Sd/-
Bharath K. Nayak
Director
(DIN-00776729)

Sd/-
G. R. Nayak
Chief Financial Officer

Place : Manipal
Date : 18.05.2016

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FORM NO. MGT-11
PROXY FORM

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

Name of the Member(s)
Registered Address
E-mail Id Folio No./Client ID DP ID
I/We, being the member(s) of shares of the above named company. Hereby appoint
Name : E-mail Id:
Address:
Signature, or failing him
Name : E-mail Id:
Address:
Signature, or failing him
Name : E-mail Id:
Address:
Signature, or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to be held on Monday, the **26th September, 2016 at 4.00 p.m.** at Rotary Hall, Manipal – 576 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
Ordinary Business:			
1.	To adopt statement of Profit & Loss, Balance Sheet, Report of Board and Auditor's for the financial year 31st March, 2016		
2.	Re-appointment of Mrs. Vimal C. Kamath, Director who retires by rotation and being eligible offers herself for re-appointment.		
3.	To ratify appointment of M/s Chaturvedi & Shah, Chartered Accountants as Statutory Auditors & fixing their remuneration		
Special Business:			
4.	Adoption of new set of Articles of Association of the Company <i>Inter-alia</i> pursuant to the Companies Act, 2013.		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2016

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder

Signature of the Shareholder
across Revenue Stamp

- Note:** 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2) The proxy need not be a member of the Company.

ATTENDANCE SLIP

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

45th Annual General Meeting on Monday, the 26th September, 2016 at 4.00 p.m.

Full name of the members attending
(In block capitals)

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

Name of Proxy

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

I hereby record my presence at the 45th Annual General Meeting of the Company held on Monday, the 26th September, 2016 at 4.00 p.m.

(Member's/Proxy's Signature)

- Note:** 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3) A Proxy need not be a member of the Company.
4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

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BOOK-POST

If undelivered please return to :



Syndicate House
MANIPAL – 576 104

Form A

(For audit report with unmodified opinion on standalone annual financial statements)

1.	Name of the Company	ICDS Limited CIN : L65993KA1971PLC002106
2.	Annual Financial Statements for the year ended – Standalone	31 st March, 2016
3.	Type of Audit Observation - on standalone financial statements	Unqualified
4.	Frequency of Observation	Not Applicable

For ICDS Limited

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

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No.101720W



Chandan Lala
Partner
Membership No.35671



Bharath K Nayak (DIN 00776729)
Chairman of Audit Committee



G R Nayak
Chief Financial Officer

Place : Manipal
Date : 18/05/2016



Place: Mumbai
Date: 18/05/2016

Regd. and Admn. Offices:

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

CIN - L65993KA1971PLC002106

Form B

(For Audit Report with modified opinion on consolidated annual financial statements)

1.	Name of the Company	ICDS Limited CIN : L65993KA1971PLC002106
2.	Annual Financial Statements for the year ended – consolidated	31 st March, 2016
3.	Type of Audit Qualification - on consolidated annual financial statements	Qualified
4.	Frequency of Qualification	Repetitive in the Independent Auditor's Report on Consolidated Financial Statements from financial year 2010-11 onwards.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.	Notes to accounts – refer note no. 2.14(b) of the Annual Consolidated Financial Statements.
6.	Additional comments from the board/audit committee chair	Nil

For ICDS Limited



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



Bharath K Nayak (DIN 00776729)
Chairman of Audit Committee



G R Nayak
Chief Financial Officer

Place : Manipal
Date : 18/05/2016



For Chaturvedi & Shah

Chartered Accountants
Firm Registration No.101720W



Chandan Lala
Partner
Membership No.35671



Place: Mumbai
Date: 18/05/2016

Regd. and Admn. Offices:

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

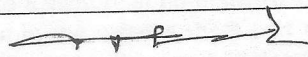
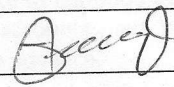


ANNEXURE 1

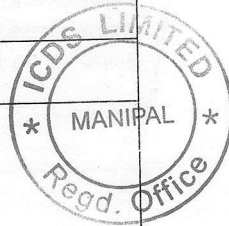
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications (for Audit Report with modified opinion on consolidated annual financial statements) for the Financial Year ended March 31, 2016.
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Name of the Company: ICDS LTD (CIN: L65993KA1971PLC002106)

(Rs. in Lakhs)

Name of the Company: ICDS LTD (CIN: L65993KA1971PLC0021007)				
I.	Sl.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Total income	503.35	503.35
	2	Total Expenditure	452.16	530.46
	3	Net Profit/(Loss)	51.19	(27.11)
	4	Earnings Per Share	0.39	(0.21)
	5	Total Assets	2,447.99	2,369.69
	6	Total liabilities	2,447.99	2,369.69
	7	Net worth	1,362.18	1,283.88
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification :	Enclosed Schedule – 1	
	b.	Type of Audit Qualification :	Qualified	
	c.	Frequency of Qualification :	Repetitive in the Independent Auditor's Report on Consolidated Financial Statements from financial year 2010-11 onwards.	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management Views :	Notes to accounts – refer note no. 2.14(b) of the Annual Consolidated Financial Statements.	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		i. Management's estimation on the impact of audit qualification	Not Applicable	
		ii. If management is unable to estimate the impact, reasons for the same	Not Applicable	
		iii. Auditors' Comments on (i) or (ii) above	Not Applicable	
III.	Signatories:			
	For ICDS Limited			
	T Mohandas Pai Chairman & Whole-time-Director			
	Bharath K Nayak Chairman of Audit Committee			
	G R Nayak Chief Financial Officer Place : Manipal Date : 09.08.2016			
	Statutory Auditor Chaturvedi & Shah, Chartered Accountants Firm Registration No.101720W Chandan Lala, Partner, Membership No.35671 Place : Mumbai Date : 09.08.2016			



Name of the Company: ICDS LTD (CIN: L65993KA1971PLC002106)

Extracts from Independent Auditors Report on Consolidated Financial Statements

Basis for Qualified Opinion:

- a) In the case of Manipal Hotels Limited (MHL), one of the wholly owned subsidiary of the Company, the auditors of the subsidiary have expressed their inability to opine on the ultimate recoverability of unsecured short term loans and advances of Rs.7,830 thousands net of provision) as stated in Note 2.14(b) of the consolidated financial statements. Auditors of the subsidiary have further commented that a provision for the same would have eroded the Networth of the MHL and thereby raising a doubt over the "Going Concern Assumption". The accounts of the MHL, however have been prepared on a "going concern basis" in view of Management perception as stated in Note 2.14(b) of the consolidated financial statements. Our audit report for the year ended March 31, 2015 was similarly modified.
- b) If the observation made in sub-paragraph (a) above had been considered, the loss of the group for the year under consideration would have been Rs. 2,711 thousands (profit of the group for the previous year ended March 31, 2015: Rs. 1,123 thousands) as against the reported profit of Rs. 5,119 thousands (previous year ended March 31, 2015: Rs. 8,953 thousands) and the accumulated losses would have been Rs. 35,213 thousands (as at March 31, 2015: Rs. 40,332 thousands) as against reported accumulated loss of Rs. 27,383 thousands (as at March 31, 2015: Rs. 32,502 thousands).

Qualified Opinion

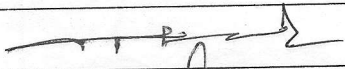
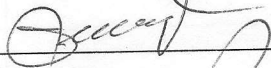
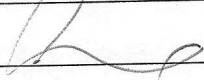
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Extracts from Notes to Consolidated Financial Statements

Note No. 2.14(b) of Notes to Consolidated Financial Statements:

Unsecured Short term Loans includes Rs 7,830 thousands (March 31, 2015 : Rs 7,830 thousands) [net of provisions of Rs.5,688 thousands (March 31, 2015 : Rs. 5,688 thousands)] towards advances given on Capital account by Manipal Hotels Ltd ("MHL" / subsidiary company) to a venture in hotel industry, the balance of which is subject to confirmation. The capital advance as stated in the balance sheet (net of provisions) is considered good and recoverable. The subsidiary Company's ability to continue as a "Going Concern" largely depends upon the recovery of the aforesaid amount. The MHL accounts have been prepared on a "Going Concern" basis on the assumption that it will be able to recover the advance.

For ICDS Limited

T Mohandas Pai Chairman & Whole-time-Director	
Bharath K Nayak Chairman of Audit Committee	
G R Nayak Chief Financial Officer	

Place : Manipal

Date : 09.08.2016

