ICDS Limited

Regd.Office: Syndicate House, Manipal 576104 Udupi Dt. Karnataka
CIN | L65993KA1971PLC002106
www.icdslimited.com

Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2020

Rs. in Lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020 (Note no.2)	Dec 31, 2019 (Unaudited)	March 31, 2019 (Note no.2)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	Revenue from operations	31.19	45.75	105.03	181.39	298.54
2	Other Income	8.42	10.31	47.00	167.21	74.91
3	**Total Revenue (1+2)**	**39.61**	**56.06**	**152.03**	**348.60**	**373.45**
4	**Expenses**					
	Employee benefits expenses	20.40	20.37	16.98	85.61	80.73
	Finance Costs	1.96	1.92	2.01	7.96	6.04
	Depreciation and amortisation expenses	10.44	8.04	3.72	34.54	14.19
	Other expenses	136.10	27.91	46.34	291.21	446.48
	Total expenses	**168.90**	**58.24**	**69.05**	**419.32**	**547.44**
5	**Profit/(loss) before exceptional items (3-4)**	**(129.29)**	**(2.18)**	**82.98**	**(70.72)**	**(173.99)**
6	Exceptional items - gain/(loss)	-	-	-	-	-
7	**Profit/(loss) before tax (5+6)**	**(129.29)**	**(2.18)**	**82.98**	**(70.72)**	**(173.99)**
8	Tax expense					
	i. Current tax	(14.40)	1.00	1.50	8.85	11.22
	ii. Deferred tax	1.71	-	1.43	1.71	1.43
	iii. Income tax for earlier years	(0.05)	-	-	(0.05)	-
9	**Profit / (loss) for the period (7-8)**	**(116.55)**	**(3.18)**	**80.05**	**(81.23)**	**(186.64)**
10	**Other comprehensive income, net of income tax**					
	i. Items that will not be reclassified to profit or loss					
	Remeasurements of net defined benefit plans	(6.16)	-	(5.10)	(6.16)	(5.10)
	Income tax effect	1.71	-	1.43	1.71	1.43
	ii. Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	**(4.45)**	**-**	**(3.67)**	**(4.45)**	**(3.67)**
11	**Total comprehensive income for the period (9+10)**	**(121.00)**	**(3.18)**	**76.38**	**(85.68)**	**(190.31)**
	Net Profit / (Loss) attributable to :					
	Equity Holders of the Parent	(116.55)	(3.18)	80.05	(81.23)	(186.64)
	Non-Controlling Interest	-	-	-	-	-
	Other comprehensive income / (loss) attributable to :					
	Equity Holders of the Parent	(4.45)	-	(3.67)	(4.45)	(3.67)
	Non-Controlling Interest	-	-	-	-	-
	Total Comprehensive income / (loss) attributable to :					
	Equity Holders of the Parent	(121.00)	(3.18)	76.38	(85.68)	(190.31)
	Non-Controlling Interest	-	-	-	-	-
12	Paid up equity share capital (Face value of Rs 10 each)	1,302.67	1,302.67	1,302.67	1,302.67	1,302.67
13	Other Equity Excluding Revaluation Reserve				840.83	926.51
14	**Earnings per share (of Rs 10/ each) (not annualised):**					
	(a) Basic (in rupees)	(0.89)	(0.02)	0.61	(0.62)	(1.43)
	(b) Diluted (in rupees)	(0.89)	(0.02)	0.61	(0.62)	(1.43)

PATHAK H.D. & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

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Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2020

Notes:

1 The consolidated Financial results for the quarter and year ended March 31, 2020 have been reviewed and approved by the Audit Committee and approved by the Board of Directors of ICDS Limited at their meeting conducted on June 29, 2020.

2 The figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures upto the third quarter of the relevant financial years.

3 The Group has identified three reportable segments viz Financial Services (recovery of loans and advances), trading, rent on premises and others. 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 of the Group has been prepared in accordance with Ind AS 108 'Operating Segments' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder.

4 Other income includes dividend income, interest income and unwinding interest income on financial assets. Other expenses also includes Fair value gain/(loss) on financial assets.

5 The Group does not foresee any diminution in the value of investments and balances due from subsidiary and the provisions made in the books are adequate and the management is hopeful of recovery of the same at the stated values.

6 The Group has not recognised Deferred Tax Assets arised on unused losses and unused allowances (net of deferred tax Liabilities) as a matter of prudence.

7 The accounts of ICDS Limited ("ICDS" / "the Company") have been prepared on "going concern basis", in view of networth being positive with postive cashflows following the successful implementation of the scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka and the Company's plans to foray into new business of Non Banking Finance Company (Non-Deposit taking) in future for which application filed by the Company's has been rejected by the Reserve Bank of India ('RBI'). The Company has filed an appeal against the said rejection by RBI before Appellate Authority for NBFC, which is pending adjudication and the Company is hopeful of obtaining a favorable order in this regard.

8 With respect to the Income Tax Demand of Rs. 1,024.04 Lakhs raised by the Income Tax Department on the Company following the order of Hon'ble High Court of Karnataka disallowing depreciation on leased assets with respect to Block Assessment pertaining to assessment years from 1987-88 to 1997-98, the Supreme Court vide order dated February 12, 2020 has disposed the matter setting aside the orders of the Hon'ble High Court, Income Tax Appellate Tribunal ('ITAT') and Commissioner of Income Tax (Appeals) - I ('CIT-A') and has remanded the matter back to the CIT-A for reconsideration of the matter afresh on its own merits in accordance with law including by examining the additional material / circumstances to be produced by the parties. The Company however has not received any notices from CIT-A as at date. The Company has deposited Rs. 761.71 Lakhs (March 31, 2019: Rs. 640.28 Lakhs) against the said demanded Tax. The Company has also offered one of its immovable property as security which is free of any encumbrances.The Company however during the previous year, had been legally advised based on the decisions of the Appellate authorities/Courts and the interpretations of other relevant provisions, 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. In view of the same, the Company's management is confident that CIT-A may consider the appeals favorably and expects the deletion of disallowance of depreciation. The Company further expects on consideration of its appeal favorably by the CIT-A, the demand raised on account block assessment would get vacated and accordingly no provision currently for tax in the books is considered necessary.

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

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Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2020

Notes:

9 Voluntary Exit Scheme (VES) : The Company subsequent to the year ended March 31, 2020 has issued a circular dated June 03, 2020, announcing a package of retirement under Voluntary Exit Scheme ('VES') to be offered to certain category of staff subject to certain conditions which is further subject to the approval of the Board of the Company. In terms of the said circular the staff would be paid an amount equivalent to 100% of monthly basic pay for each full month of service available as on July 01, 2020 till attaining superannuation along with leave encashment. As at the date of signing the accounts, only four employees have opted for the said scheme and the Company has determined a liability of Rs. 4.84 Lakhs to be paid to the said employees. The Company however has not accounted for the said liability as it is of the opinion that the event arose after Balance Sheet date requiring no adjustment in the accounts. The Company is further of the view that the said treatment will be given once approved by the Board and accordingly no adjustments are required to be made in the consolidated financial results as at March 31, 2020.

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

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

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

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

11 Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right of use asset recognised at an amount equal to prepayments recognised in the balance sheet immediately before the date of initial application. Accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

12 The investors can view the Consolidated financial results of ICDS Limited available on the Stock Exchange websites www.bseindia.com, www.nseindia.com and company's website www.icdslimited.com.

13 Figures pertaining to previous period(s) have been regrouped and rearranged, wherever necessary to conform to the classification adopted in the current quarter.

For and on behalf of the board of
ICDS Limited

T Mohandas Pai	Bharath Krishna Nayak	G R Nayak
Chairman	Managing Director	Chief Financial Officer
DIN: 00104336	DIN: 00776729	

Place : Manipal
Date : June 29, 2020

PATHAK H.D. & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

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Consolidated Balance Sheet as at March 31, 2020

Rs. in Lakhs

Sl. No.	Particulars	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	**ASSETS**		
A	**Non-current assets**		
	Property, plant and equipment	3.09	4.98
	Right of Use Assets	398.68	-
	Investment property	709.63	733.03
	Financial assets		
	Investments	92.17	110.83
	Loans	63.60	57.84
	Other financial assets	53.00	187.09
	Deferred tax assets (net)	-	-
	Other non-current assets	7.22	100.13
	Non-current tax assets(net)	781.47	666.41
		2,108.86	2,160.31
B	**Current assets**		
	Financial assets		
	Investments		
	Trade receivables	157.44	290.04
	Cash and cash equivalents	10.55	7.59
	Bank balances other than above	11.57	12.28
	Loans	301.88	222.35
	Other financial assets	3.00	3.30
	Other current assets	4.11	26.42
		2.82	25.32
	Total Assets (A+B)	491.37	587.30
		2,600.23	**2,747.61**
2	**EQUITY AND LIABILITIES**		
C	**Equity**		
	Equity share capital	1,302.67	1,302.67
	Other equity	1,180.71	1,266.39
		2,483.38	2,569.06
D	**Non-current liabilities**		
	Financial liabilities		
	Other financial liabilities	40.99	72.28
	Other non-current liabilities	2.27	5.45
		43.26	77.73
E	**Current liabilities**		
	Financial liabilities		
	Short term borrowings	20.14	71.66
	Trade payables		
	(a) Total outstanding dues of micro and small enterprises	-	-
	(b) Total outstanding dues of creditors other than (a) above	9.60	7.17
	Other financial liabilities	37.01	12.44
	Other current liabilities	6.65	8.15
	Short term provisions	0.19	-
	Current Tax Liabilities (Net)	-	1.40
		73.59	100.82
	Total equity and liabilities (C+D+E)	2,600.23	2,747.61
		-	-

For and on behalf of the board of
ICDS Limited

T Mohandas Pai
Chairman
DIN: 00104336

Bharath Krishna Nayak
Managing Director
DIN: 00776729

G R Nayak
Chief Financial Officer

Place : Manipal
Date : June 29, 2020

PATHAK H.D. & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

Manipal Post Office

ICDS Limited

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Consolidated Cash Flow Statement for the year ended March 31, 2020

Rs. in Lakhs

	Particulars	2019-20	2018-19
(A)	**Cashflow From operating activities**		
	Profit/(loss) before tax	(70.72)	(173.99)
	Adjustments for:		
	Depreciation and amortization expense	34.54	14.19
	Interest expenses	2.46	2.17
	Profit on sale of fixed assets	(31.82)	(0.02)
	Fair value loss on financial instruments	133.92	317.61
	Unwinding interest income	(5.42)	(4.90)
	Unwinding rental income	(4.94)	(3.49)
	Unwinding interest expenses	5.09	3.61
	Unwinding rental expenses	-	18.07
	Loss / (profit) on sale of investments	(90.03)	-
	Loss / (profit) on disposal of subsidiary	-	(0.17)
	Interest on term deposits	(27.26)	(19.72)
	Dividend income	(12.12)	(8.50)
	Reversal of provisions no longer required	(15.57)	(97.73)
	Bad debts written off	-	18.74
	Provision for doubtful input Credit	4.53	-
	Operating profit before working capital changes	(77.34)	65.87
	Adjustments for change in working capital		
	(Increase)/ decrease in trade receivables	(2.96)	(13.61)
	(Increase)/ decrease in loans and advances, other assets	28.27	89.76
	Increase/(decrease) in trade payables, other liabilities and provision	(15.21)	(201.74)
	Cash generated from operations	(67.24)	(59.72)
	Less: Interest paid	-	(122.59)
	Income Tax (paid)/refunded	(125.26)	(77.94)
	Net cash from/(used in) operating activities	(192.50)	(260.25)
(B)	**Cash flow from Investing activities**		
	Purchase of property, plant and equipment	(7.40)	(3.47)
	Sale of property, plant and equipment and investment property	48.09	0.02
	Sale of investments	107.37	-
	Sale of Investment in subsidiary	-	3.00
	Decrease/(increase) in restricted deposits/bank balances	53.54	202.87
	Interest received	31.93	34.31
	Dividend received	12.12	8.50
	Net cash from/(used in) investing activities	245.65	245.23
(C)	**Cash flow from Financing activities:**		
	Increase/(decrease) of Bank Borrowing	(51.52)	17.62
	Interest paid on Bank Borrowing	(2.34)	(2.17)
	Net Cash from/(used in) Financing Activities	(53.86)	15.45
	Net Increase/(Decrease) in Cash equivalents (A+B+C)	(0.71)	0.43
	Cash and Cash Equivalents at Beginning of the Year	12.28	14.82
	Less : Cash and cash equivalents on account of cessation of subsidiary	-	(2.97)
	Cash and Cash Equivalents at End of the Year	11.57	12.28
		-	-

For and on behalf of the board of
ICDS Limited

T Mohandas Pai
Chairman
DIN: 00104336
Place : Manipal,
Date : June 29, 2020

Bharath Krishna Nayak
Managing Director
DIN: 00776729

G R Nayak
Chief Financial Officer

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Consolidated Segment Information for the Quarter and Year ended March 31, 2020

Rs. In Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2020 [Note (a)]	Dec 31, 2019 (Unaudited)	March 31, 2019 [Note (a)]	March 31, 2020 (Audited)	March 31, 2019 (Audited)
I. Segment Revenue					
a) Financial Services (Recovery activities)	51.60	6.37	74.00	83.27	161.43
b) Trading activities	-	-	-	-	-
c) Rent on premises	28.80	38.24	38.51	144.13	182.38
d) Others	0.79	1.14	1.12	3.99	4.73
Total	81.19	45.75	113.63	231.39	348.54
Less: Intersegment Revenue	50.00	-	8.60	50.00	50.00
Net Sales/Revenue from Operations	31.19	45.75	105.03	181.39	298.54
II. Segment Results: (Profit)(+)/ Loss (-) before tax and after interest) (refer note (b) below)					
a) Financial Services (Recovery activities)	71.65	(22.91)	65.64	5.34	37.91
b) Trading activities	(78.61)	17.17	1.04	(121.80)	(317.61)
c) Rent on premises	(12.05)	27.17	26.08	68.12	131.71
d) Others	0.20	0.12	0.37	0.76	3.54
Total	(18.81)	21.55	93.13	(47.58)	(144.45)
Add/(Less): (i) Other Un allocable Expenditure (Net)	(73.98)	(33.91)	(16.94)	(145.07)	(63.61)
(ii) Other Unallocable Income	(36.50)	10.18	6.79	121.93	34.07
Total Profit/(loss) Before Tax	(129.29)	(2.18)	82.98	(70.72)	(173.99)
Less: Provision for taxation	(12.74)	1.00	2.93	10.51	12.65
Total Profit/(loss) After Tax	(116.55)	(3.18)	80.05	(81.23)	(186.64)
III. Segment assets					
a) Financial Services (Recovery activities)	274.35	615.81	541.12	274.35	541.12
b) Trading activities	158.88	251.64	291.48	158.88	291.48
c) Rent on premises	1,382.34	1,212.04	1,239.79	1,382.34	1,239.79
d) Others	1.03	0.50	1.61	1.03	1.61
e) Unallocable Assets	783.63	654.57	673.61	783.63	673.61
Total	2,600.23	2,734.56	2,747.61	2,600.23	2,747.61
IV. Segment Liabilities					
a) Financial Services (Recovery activities)	38.43	44.67	93.69	38.43	93.69
b) Trading activities	-	7.04	-	-	-
c) Rent on premises	78.42	78.47	84.86	78.42	84.86
d) Others	-	-	-	-	-
e) Unallocable Liabilities	-	-	-	-	-
Total	116.85	130.18	178.55	116.85	178.55

Notes:

a) The figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the unaudited year to date figures upto the third quarter of the relevant financial years.

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

c) Figures pertaining to previous period(s) have been regrouped and rearranged, wherever necessary to conform to the classification adopted in the current quarter.

For and on behalf of the board of
ICDS Limited

T Mohandas Pai
Chairman
DIN: 00104336

Bharath Krishna Nayak
Managing Director
DIN: 00776729

G R Nayak
Chief Financial Officer

Place : Manipal
Date : June 29, 2020

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