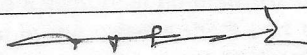
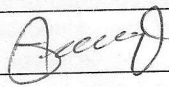
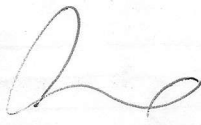


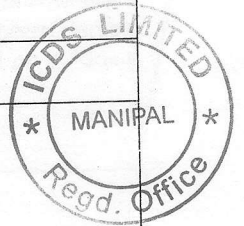
ANNEXURE 1

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: L65993KA1971PLC002100)				
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

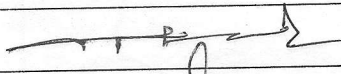
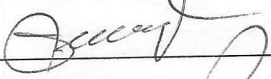
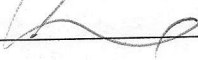
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so 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

