

ICDS Ltd.
Syndicate House, Manipal- 576 104 (Karnataka)
CIN: L65993KA1971PLC002106

CORPORATE GOVERNANCE REPORT

Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31st March, 2018 as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Philosophy:

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

2. Board of Directors:

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

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

i) Number of Board Meeting and Attendance of Directors:

The Board met 4 times during financial year 2017-2018. The details are as follows:

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

The last AGM was held on 25th September, 2017 and out of 7 Directors of the Company, 6 Directors were attended the AGM.

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

Sl No.	Name of the Directors	Category of 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	4	Yes	4	3(M)
2.	Sri H N S Rao	Non-Executive	4	Yes	4	1(C)
3.	Sri Bharath K Nayak	Non-Executive	4	Yes	4	2(C)
4.	Sri K M Udupa	Non-Executive	4	Yes	0	2(M)
5.	Sri Airody Giridhar Pai	Non-Executive	2	Yes	1	2(M)
6.	Sri U Harish P Shenoy	Non-Executive	3	Yes	2	5(M)
7.	Mrs Vimal C Kamath	Non-Executive	4	Yes	0	-

3. **Audit Committee:**

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

Sri Bharath K Nayak, Chairman
 Sri K M Udupa, Member
 Sri Airody GiridharPai, Member
 Sri U Harish P Shenoy, Member

The role and terms of reference of Audit Committee cover the areas mentioned under Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 30th May, 2017, 12th September, 2017, 11th December, 2017 and 8th February, 2018. Mrs Veena Hegde, Company Secretary is the Compliance Officer.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members present
30 th May, 2017	4
12 th September, 2017	3
11 th December, 2017	3
8 th February, 2018	3

4. **Nomination and Remuneration Committee:**

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

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

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

- i) Whole-Time Director: Nil
- ii) Non-Executive Directors & Independent Directors: Non-Executive Directors and Independent Directors were paid remuneration by way of sitting fees for attending Board Meetings.
- iii) Key Managerial Personnel: details of remuneration paid to Company Secretary and Chief Financial Officer of the Company has been furnished in the Form MGT-9 which is available in the company's website www.icdslimited.com under link: http://www.icdslimited.com/sites/default/files/ICDS_Form_MGT-9_Extract_of_Annual_Return_2018.pdf

5. Stakeholders Relationship Committee:

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

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

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

Mrs Veena Hegde, Company Secretary is the Compliance Officer.

Number of Shareholders Complaints received	:	Nil
Number of Shareholders Complaints settled	:	Nil
Number not solved to the satisfaction of the shareholders	:	Nil
Number of pending Share transfers	:	Nil

6. Annual General Meetings:

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

AGM No.	Date	Time	Special Resolution required
44	28/09/2015	4.00 p.m.	NIL
45	26/09/2016	4.00 p.m.	Adoption of new set of Articles of Association of the Company inter-alia pursuant to the Companies Act, 2013.
46	25/09/2017	4.00 p.m.	NIL

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

Postal Ballot:

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

7. Disclosures :

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

Related Party Transactions:

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

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

Whistle Blower Policy:

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

Compliance with Accounting Standards:

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

8. Means of communication:

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

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

Management Discussion and Analysis Report:

Review of Operations:

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

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

Business Review:

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

Payment of Public Liabilities

The Final installment payable under the Scheme of Arrangement was on 30th June, 2010. In spite of sending letters, reminders to various investors, 5,044 investors have not surrendered the original certificates of investments to take back their investment and interest. Further some of the investors have not either presented the cheque issued in their favour in settlement of their dues or the instruments were lost in transit. The aggregate amount of investments still lying with the Company is Rs.182 Lakhs. In addition, interest payable to the investors as per the Scheme of Arrangement upto 15th July 2002 amounting to Rs.127 Lakhs has not yet been claimed by the investors as they are required to claim by producing original investment certificates. Arrangements are in place to pay the claims received from investors as and when the original investment certificates lodged by such investors.

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

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

Discussion on Financial Performance:

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

Human Resource Development:

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

General Shareholder Information

- a) Annual general meeting : 47th Annual General Meeting
 Day & Date : Tuesday, 25th day of September, 2018
 Time : 4.00 p.m.
 Venue : Rotary Hall, Ananth Nagar
 Manipal 576 104, Udupi District
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book Closure : 22-09-2018 to
 25-09-2018 (both days inclusive)
- d) Dividend : No Dividend has been recommended by the
 Board of Directors for the year ended 31st
 March, 2018.
- e) Registered Office : Syndicate House, Manipal 576 104.
- f) Listing on Stock Exchanges : The equity shares are listed on National Stock
 Exchange of India Ltd. and Bombay Stock
 Exchange Ltd. However shares are being suspended
 from both Exchanges, application for revocation of
 suspension have been filed and same are under
 process with both the Exchanges.

Note: Annual Listing Fee has been paid upto date.

g) a) Stock Code : ICDSLTD. EQ. (NSE) 511194 (BSE)

b) Dematerialization of Shares : ISIN No. INE 613B01010

c) Email : cmlist@nse.co.in

d) website: www.nseindia.com

As on 31st March, 2018, 86,29,181 No. Equity Shares forming 66.24% of the share capital of the Company stands dematerialized (Previous Year: 85,08,643 No. equity shares forming 65.32% of the Share Capital).

h) Market Price Data : Not Available.

Note: There had been no trading in our Equity Shares in National Stock Exchange from June, 2002.

i) Registrar and Share Transfer Agent for Physical and Demat Shares:

Cameo Corporate Services Ltd,

Subramanian Building

No.1, Club House Road

Chennai 600 002

Phone : (044-28460390), Email : investor@cameoindia.com

j) Share Transfer System:

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

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

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

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

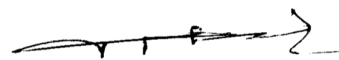
Shareholders	No. of Shares held	Percentage
Foreign Body Corporate	400,000	3.07
Directors, Relatives, Friends and Associates	6,693372	51.38
Financial Institutions	684,813	5.26
Banks	1172	0.01
Other Corporate Bodies	339,017	2.60
Others	4,908,326	37.68
TOTAL	13,026,700	100.00

- 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
Email: hnsrao@icdslimited.com

DECLARATION

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

For ICDS Ltd.



T Mohandas Pai

Chairman & Whole-time-Director
(DIN 00104336)

Place: Manipal
Date :29.05.2018





CS. Shrinivas Mutta Devadiga
COMPANY SECRETARY

Bangalore

**Certificate on
Compliance of Corporate Governance**

To: The Members of ICDS Limited

I have examined the Compliance of the conditions of Corporate Governance by ICDS Ltd ("the Company") for the year ended 31st March, 2018 as per the relevant provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

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

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

We state that,

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



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Bangalore

Mumbai



CS. Shrinivas Mutta Devadiga
COMPANY SECRETARY

Bangalore

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: 29/05/2018