

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, 2020 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 and four Independent Directors including a woman director.

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

i) Number of Board Meeting and Attendance of Directors:

The Board met 4 times during financial year 2019-2020. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
28 th May, 2019	7	7
8 th August, 2019	7	7
13 th November, 2019	7	7
11 th February, 2020	7	7

The last AGM was held on 26th September, 2019 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 Non-Executive	4	Yes	4	1(C)
2.	Sri Bharath KrishnaNayak	Managing Director	4	Yes	3	-
3.	Sri AirodyGiridhar Pai	Non-Executive Independent	4	Yes	1	3(M)
4.	Sri U Harish P Shenoy	Non-Executive Independent	4	Yes	2	1(C) 2(M)
5.	MrsVimal C Kamath	Non-Executive Independent	4	Yes	0	1(M)
6.	Mr T SachinPai	Non-Executive	4	Yes	3	-
7.	MrSujirPrabhakar	Non-Executive Independent	4	No	0	1(C)

3. Audit Committee:

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

Sri SujirPrabhakar, Chairman
Sri AirodyGiridharPai, 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,theCommittee met on 28thMay, 2019, 8th August, 2019, 13th November, 2019 and 11th February, 2020. Mrs.VeenaHegde, Company Secretary is the Compliance Officer.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members present
28 th May, 2019	4
8 th August, 2019	4
13 th November, 2019	4
11 th February, 2020	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 Bharath Krishna Nayak is the Managing Director of the Company and he does not draw any remuneration.

Details of remuneration for the year ended 31st March, 2020:

i) Managing 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: https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.pdf

5. Stakeholders Relationship Committee:

The Committee review and redress shareholders grievances/complaints on matters relating to transfer/transmission of shares, non-receipt of Annual Report etc. Minor Grievances are redressed by the Company Secretary / Share Transfer Agents. The Committee met 8 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	Non Executive Chairman	8
Mr Udipi Harish Shenoy	Independent Director	8
Mr Airody Giridhar Pai	Independent Director	8

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
46	25/09/2017	4.00 p.m.	NIL
47	25/09/2018	4.00 p.m.	NIL
48	26/09/2019	4.00 p.m.	Appointment/Reappointment of Independent Directors

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

Postal Ballot:

Company has obtained approval of the members through Postal Ballot for a special resolution on 21st March, 2020 for continuation of Mr. Tonse Mohandas Pai, [DIN-00104336] as Director (Category- Non Executive, Non-Independent) and Chairman of the Company and ratify his reappointment on 26th September 2019 as Director, who offered himself for reappointment at 48th AGM of the Company, be liable to retire by rotation, who has already attained the age of seventy five (75) yrs., beyond April 1, 2019 on the existing terms and conditions of appointment.

7. Disclosures :

Related Party Transactions:

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

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

Whistle Blower Policy:

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

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

(Amount in Rs.)

Sl. No	Particulars	2019-20	2018-19
1	Audit Fees	2,00,000	2,50,000
2	Tax audit fees	50,000	50,000
3	Certification	40,000	NIL

The above figure includes fee paid for audit and audit-related services for the financial year 2019-20.

9. Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years. – NIL

10. 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.

11. Management Discussion and Analysis Report:

Review of Operations:

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

Business Review:

During the year under review, your company recovered an amount of Rs.379.93 Lakhs from various sources such as Rs.55.15 lakhs from recovery of Bad and Doubtful Debts; Rs.50 lakhs from demerger Receivables from Manipal Properties Ltd. Income from other activities like Sale of Shares, Sale of Properties, service charges under Insurance Agency, Dividend Income and Rental Income is Rs.274.78 lakhs

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, some Investors have not surrendered the original certificates of investments to take back their investment and interest. Further some of the investors have not either presented the cheque issued in their favour in settlement of their dues or the instruments were lost in transit.

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

Your Company has remitted unclaimed/un-encashed amounts to IEPF during the period under report subject to note number 24(a) of the Balance sheet..

Discussion on Financial Performance:

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

Human Resource Development:

There has been no material development on the Human Resources front. The number of people employed as on 31st March, 2020 was 25 as against the previous year's figure of 26.

12. General Shareholder Information

- a) Annual general meeting : 49th Annual General Meeting
 Day & Date : Monday, 28th day of September, 2020
 Time : 3.30 p.m.
 Venue : Through Video Conference
 or Other Audio Visual Means with
 Registered Office of the Company
 deemed to be the venue of the 49th
 Annual General Meeting and for proceedings of
 the AGM
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book Closure : 25-09-2020 to
 28-09-2020 (both days inclusive)
- d) Dividend : No Dividend has been recommended by the
 Board of Directors for the year ended 31st
 March, 2020.
- 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: The Company hereby confirms that it has made the payment of Annual Listing Fees to BSE Limited and National Stock Exchange of India Limited.

- g) a) Stock Code : ICDSLTD. EQ. (NSE) 511194 (BSE)
- b) Dematerialization of Shares : ISIN No. INE 613B01010
- d) website: www.nseindia.com & www.bseindia.com

As on 31st March, 2020, 1,04,80,688 Equity Shares forming 80.46% of the share capital of the Company stands dematerialized (Previous Year: 1,03,82,439 equity shares forming 79.71% 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 Stakeholders' Relationship Committee approves all share transfer and transmission upon its receipt from the Registrars.

k) **Distribution of Equity Shareholding as on 31st March, 2020**

Category Shares (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 100	2012	37.1080	115027	1150270	0.8830
101- 5000	2493	45.9793	605320	6053200	4.6467
5001 - 10000	499	9.2032	347586	3475860	2.6682
10001 - 20000	213	3.9284	298807	2988070	2.2938
20001 - 30000	60	1.0861	149248	1492480	1.1457
30001 - 40000	32	0.5706	114245	1142450	0.8770
40001 - 50000	15	0.2761	67664	676640	0.5194
50001 - 100000	21	0.4602	158234	1582340	1.2146
100001 - And Above	77	1.3991	11170569	111705690	85.7513
Total :	5422	100.00	1,30,26,700	13,02,67,000	100.00

l) **Pattern of Equity Shareholding as on 31st March 2020**

Shareholders	No. of Shares held	Percentage
Promoters and Promoter Group	6,801,304	52.21
Financial Institutions	684,813	5.26
Banks	1172	0.01
Other Corporate Bodies	338,457	2.60
Foreign Corporate Bodies	400,000	3.07
Others including Public	4,800,954	36.85
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: veenahegde@icdslimited.com & info@icdslimited.com**DECLARATION****DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

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

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Managing Director, Chief Financial Officer, AGM- Legal, Company Secretary and AGM Secretarial as on March 31, 2020.

For ICDS Ltd.

Sd/-

T Mohandas Pai*Chairman*

(DIN 00104336)

Place: Manipal

Date :29.06.2020