

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Code

The Directors present the Company's report on Corporate Governance as on 31<sup>st</sup> March, 2021 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 six Directors, of which one is executive and two non-executives and three 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 2020-21. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
29 <sup>th</sup> June, 2020	7	7
14 <sup>th</sup> September, 2020	6	6
10 <sup>th</sup> November, 2020	6	6
10 <sup>th</sup> February, 2021	6	6

The last AGM was held on 28<sup>th</sup> September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"); out of 6 Directors of the Company, 3 Directors have attended the AGM through video conferencing.

#### 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 Directorships	No. of Board Committees in which Chairman (C) Member (M)
1.	Sri T. Mohandas Pai	Promoter Non-Executive Director	4	No	2	1(C)
2.	Sri Bharath Krishna Nayak	Managing Director	4	Yes	1	-
3.	Sri Airody Giridhar Pai	Non-Executive Independent	4	No	1	1(C) 2(M)
4.	Sri U. Harish P. Shenoy*	Non-Executive Independent	1	No	2	1(C)* 2(M)*
5.	Mrs. Vimal C. Kamath	Non-Executive Independent	4	Yes	0	3(M)
6.	Mr. T. Sachin Pai	Non-Executive Director	4	Yes	4	-
7.	Mr. Sujir Prabhakar	Non-Executive Independent	4	Yes	1	1(C) 2(M)

\*Mr. U. Harish P. Shenoy expired on 26<sup>th</sup> July, 2020. Hence, he was ceased to be the Director and Member of the various Committees as aforesaid with effect from the date of his demise.

While all the Board Members possess the skills identified, their area of core expertise is given below:

Name of the Director	Area of Expertise
T. Mohandas Pai	<ul style="list-style-type: none"> <li>• Leadership/Operational Experience</li> <li>• Industry Experience, Research &amp; Development and Innovation</li> <li>• Financial</li> <li>• Corporate Governance</li> </ul>
Bharath Krishna Nayak	<ul style="list-style-type: none"> <li>• Operational experience</li> <li>• Strategic Planning</li> <li>• Industry Experience, Research &amp; Development and Innovation</li> <li>• Global Business</li> <li>• Financial, Regulatory/Legal &amp; Risk Management</li> <li>• Corporate Governance</li> </ul>
Airody Giridhar Pai	<ul style="list-style-type: none"> <li>• Commercial Experience</li> <li>• Finance</li> <li>• Commercial/Industry Experience</li> </ul>
Vimal C. Kamath	<ul style="list-style-type: none"> <li>• Board Experience</li> <li>• Information Technology</li> <li>• Corporate Governance</li> </ul>
T. Sachin Pai	<ul style="list-style-type: none"> <li>• Leadership/Operational Experience</li> <li>• Strategic Planning</li> <li>• Industry Experience, Research &amp; Development and Innovation</li> <li>• Global Business</li> <li>• Corporate Governance</li> <li>• Information Technology</li> </ul>
Sujir Prabhakar	<ul style="list-style-type: none"> <li>• Leadership/Operational Experience</li> <li>• Strategic Planning</li> <li>• Information Technology</li> <li>• Financial, Regulatory/Legal &amp; Risk Management</li> <li>• Corporate Governance</li> </ul>

iii) Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Director's Name	Category	Number of Equity Shares
T. Mohandas Pai	Non-Independent, Non-Executive Director	58,775
Bharath Krishna Nayak	Managing Director	NIL
Airody Giridhar Pai	Non-Independent, Non-Executive Director	NIL
Vimal C. Kamath	Independent, Non-Executive Director	NIL
T. Sachin Pai	Non-Independent, Non-Executive Director	26,665
Sujir Prabhakar	Independent, Non-Executive Director	NIL

### 3. Audit Committee:

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

Sri Sujir Prabhakar, Chairman

Sri Airody Giridhar Pai, Member

Smt. Vimal C. Kamath, 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 29<sup>th</sup> June, 2020, 14<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 10<sup>th</sup> February, 2021. Ms. Veena Hegde, Company Secretary is the Compliance Officer.

**Objectives of the Committee:**

The primary objective of the Committee is to assist the Board with oversight of:

- i. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures;
- ii. Compliance with legal and regulatory requirements;
- iii. The Company's independent auditors' professional qualifications and independence;
- iv. The performance of the Company's independent auditors and internal auditors; and
- v. Acquisitions and investments made by the Company.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members Present
29 <sup>th</sup> June, 2020	3
14 <sup>th</sup> September, 2020	3
10 <sup>th</sup> November, 2020	3
10 <sup>th</sup> February, 2021	3

**4. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprised of the following members of the Board:

Sri Airody Giridhar Pai, Chairman

Sri Sujir Prabhakar, Member

Smt. Vimal C. Kamath, Member

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 has been reappointed as Managing Director of the Company for the further period of two years with effect from 5<sup>th</sup> December, 2021 upto 4<sup>th</sup> December, 2023 subject to approval of the shareholders at the ensuing Annual General Meeting. He has not drawn any remuneration.

**Objectives and responsibilities of the Committee**

The main objectives and responsibilities of the nomination and remuneration committee of the Board is to:

- i. Assist the Board in discharging its responsibilities relating to compensation of the Company's executive directors, Key Managerial Personnel (KMP) and senior management.
- ii. Evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and senior management.
- iii. Formulate criteria for determining Board composition, Board effectiveness, Board succession, and independent functioning of the Board.
- iv. Oversee the Company's nomination process for the KMP and senior management and identify through a comprehensive selection process, individuals qualified to serve as directors, KMP and senior management consistent with the criteria approved by the Board.
- v. Recommend the appointment and removal of directors, for approval at the AGM.
- vi. Evaluate the performance of the Board, including committees and individual directors.
- vii. Leadership development and succession planning of the organization.
- viii. Develop and maintain corporate governance policies applicable to the Company.
- ix. Devise a policy on Board diversity and sustainability.

Attendance of the Directors at the Nomination and Remuneration Committee Meeting:

Meeting held on	No. of Members Present
29 <sup>th</sup> June, 2020	3
10 <sup>th</sup> November, 2020	3

Details of remuneration for the year ended 31<sup>st</sup> March, 2021:

- 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-7 which is available in the company's website [www.icdslimited.com](http://www.icdslimited.com) under link: <https://icdslimited.com/annual-return>.

iv) Performance evaluation criteria for Independent directors: The Human Resources, Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

#### 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 7 times during the year under report.

##### Objectives and responsibilities of the Committee

The primary objectives of the Committee are to:

- i. Consider and resolve the security holders' concerns or complaints.
- ii. Monitor and review the investor service standards of the Company.
- iii. Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders.
- iv. Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concerns.

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	7
Mr. Sujir Prabhakar	Independent Director	6
Mr. Airody Giridhar Pai	Independent Director	7
Mr. U. Harish P. Shenoy*	Independent Director*	1

\*Mr U. Harish P. Shenoy expired on 26<sup>th</sup> July, 2020. Hence, he was ceased to be the Member of the Committee as aforesaid with effect from the date of his demise.

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 : Nil

shareholders

Number of pending Share transfers : Nil

#### Details of remuneration paid/payable for the year ended March 31, 2021

##### Non-Executive Directors (NEDs):

Name of the Director	Sitting Fees	Commission	Total
T. Mohandas Pai	6,000	Nil	6,000
Airody Giridhar Pai	6,000	Nil	6,000
Vimal C. Kamath	6,000	Nil	6,000
T. Sachin Pai	6,000	Nil	6,000
Sujir Prabhakar	6,000	Nil	6,000

**Managing Director and Executive Director:**

Name of the Director	Salary	Benefits, Perquisites, Allowances	Commission	Total
Bharath Krishna Nayak	NIL	NIL	NIL	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
47	25.09.2018	4.00 p.m.	NIL
48	26.09.2019	4.00 p.m.	Appointment/Reappointment of Independent Directors
49	28.09.2020	3.30 p.m.	NIL

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

**Postal Ballot:**

The notice of 50<sup>th</sup> Annual General Meeting does not contain any item which requires approval by Postal Ballot.

**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. (weblink: <https://icdslimited.com/policy-on-materiality-of-related-party-transaction>).

**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](http://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.

**Prevention on sexual harassment at the work place:**

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act.

The details of complaints received and disposed during the year 2020-21 are as below:

- number of complaints filed during the financial year – Nil
- number of complaints disposed of during the financial year – Nil
- number of complaints pending as on end of the financial year – Nil

**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 `)

Sl. No.	Particulars	2020-21	2019-20
1.	Audit Fees	2,00,000	2,00,000
2.	Tax audit fees	50,000	50,000

The above figure includes fee paid for audit and audit-related services for the financial year 2020-21.

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. No non-compliances have been reported.

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](http://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. **Policy on Determination of Material Subsidiaries:**

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.(weblink:<https://icdslimited.com/policy-for-determining-material-subsidiaries/>)

12. **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 `296.11 lakhs from various sources such as `24.99 lakhs from demerger Receivables from Manipal Properties Ltd. Income from other activities like service charges under Insurance Agency, Dividend Income, capital advance recovered, security deposit refund and Rental Income is `271.12 lakhs.

**Payment of Public Liabilities:**

The Final installment payable under the Scheme of Arrangement was on 30<sup>th</sup> 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. These amounts have been transferred to IEPF.

**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 already remitted entire unclaimed/un-uncashed amounts to IEPF Authorities in the previous year.

**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 31<sup>st</sup> March, 2021 was 17 as against the previous year's figure of 25.

13. **General Shareholder Information**

a) Annual General Meeting : 50<sup>th</sup> Annual General Meeting

Day & Date : Tuesday, 28<sup>th</sup> day of  
September, 2021

Time : 3.30 p.m.

Venue : Through Video Conference or Other Audio Visual Means being Registered Office of the Company deemed to be the venue of the 50<sup>th</sup> Annual General Meeting and for proceedings of the AGM

b) Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March

c) Date of Book Closure : 25-09-2021 to 28-09-2021 (both days inclusive)

d) Dividend : No Dividend has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2021

e) Registered Office : Syndicate House, Manipal – 576 104

f) Listing on Stock : The equity shares are listed on

Exchanges National Stock Exchange of India Ltd. and BSE Ltd. Company has received final approval for revocation of suspension from both Exchanges vide their respective communication dated 25.06.2021. Accordingly the Company's shares started trading in NSE and BSE effective 2<sup>nd</sup> July, 2021

**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 : ISIN No. INE613B01010

Shares

c) Website : [www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)

As on 31<sup>st</sup> March, 2021, 1,04,86,993 Equity Shares forming 80.50% of the share capital of the Company stands dematerialized (Previous Year: 1,04,80,688 equity shares forming 80.46% of the Share Capital).

h) Market Price Data as on 31.03.2021: Not Available.

**Note:** There had been no trading in our Equity Shares in NSE & BSE from June, 2002 till July 01, 2021.

i) Registrar and Share Transfer Agent for Physical and De-mat Shares:

Cameo Corporate Services Ltd.  
Subramanian Building

No.1, Club House Road

Chennai – 600 002

Phone : (044-28460390), E-mail : [investor@cameoindia.com](mailto: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 De-mat and physical form effective March, 2003. Prior to 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 31<sup>st</sup> March, 2021**

Category Shares (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4581	83.1699	730223	7302230	5.6055
5001 - 10000	499	9.0595	347065	3470650	2.6642
10001 - 20000	213	3.8671	299175	2991750	2.2966
20001 - 30000	65	1.1801	162747	1627470	1.2493
30001 - 40000	33	0.5991	118600	1186000	0.9104
40001 - 50000	16	0.2904	72022	720220	0.5528
50001 - 100000	24	0.4357	180759	1807590	1.3876
100001 - And Above	77	1.3979	11116109	111161090	85.3332
<b>Total</b>	<b>5508</b>	<b>100</b>	<b>13026700</b>	<b>130267000</b>	<b>100</b>

l) **Pattern of Equity Shareholding as on 31<sup>st</sup> March 2021**

Shareholders	No. of Shares held	Percentage
Promoters and Promoter Group	6,801,304	52.21
Financial Institutions	684,813	5.26
Banks	1,172	0.01
Other Corporate Bodies	338,457	2.60
Foreign Corporate Bodies	400,000	3.07
Others including Public	4,800,954	36.85
<b>TOTAL</b>	<b>13,026,700</b>	<b>100.00</b>

- m) **Plant Locations: NIL**
- n) **Company's Website : [www.icdslimited.com](http://www.icdslimited.com)**
- o) **Address for Investor's Correspondence:**  
Secretarial Department  
*ICDS Ltd.*  
Regd. Office: Syndicate House, MANIPAL – 576 104  
Phone: (0820) 2701500  
Email: [info@icdslimited.com](mailto:info@icdslimited.com) & [veenahegde@icdslimited.com](mailto:veenahegde@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, 2021, 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, Company Secretary AGM- Secretarial, AGM-Legal and AGM-Finance & Accounts as on March 31, 2021.

Place : Manipal  
Date : 11.08.2021

*Sd/-*  
**G. R. Nayak**  
(CFO)

*Sd/-*  
**T. Mohandas Pai**  
*Chairman*  
(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 31<sup>st</sup> March, 2021 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.

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 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, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of 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 our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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.

For **CS Shrinivas M. Devadiga**

*Sd/-*  
**Shrinivas Mutta Devadiga**  
Membership No. 22381  
C P No.: 10372  
UDIN: A022381C000765596

Place : Bangalore  
Date : 10.08.2021