

**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 31<sup>st</sup> March, 2022 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 5 times during financial year 2021-22. The details are as follows:

Date of Meeting	Board Strength	No.of Directors present
19 <sup>th</sup> April, 2021	6	6
30 <sup>th</sup> June, 2021	6	6
11 <sup>th</sup> August, 2021	6	6
11 <sup>th</sup> November, 2021	6	6
10 <sup>th</sup> February, 2022	6	6

The last AGM was held on 28<sup>th</sup> September, 2021 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 directorship	No.of Board committees in which Chairman(C) Member(M)
1	Sri T Mohandas Pai	Promoter Non-Executive Director	5	No	2	1(C)
2.	Sri Bharath Krishna Nayak	Managing Director	5	Yes	1	-
3.	Sri Airody GiridharPai	Non-Executive Independent	5	No	1	1(C) 2(M)
4.	MrsVimal C Kamath	Non-Executive Independent	5	Yes	0	3(M)
5.	Mr.Sujir Prabhakar	Non-Executive Independent	5	Yes	1	1(C) 2(M)
6.	Mr. T SachinPai	Non-Executive Director	5	Yes	4	-

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• 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> </ul>

	<ul style="list-style-type: none"> <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 Chandrashekhhar 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 30<sup>th</sup> June, 2021, 11<sup>th</sup> August, 2021, 11<sup>th</sup> November, 2021 and 10<sup>th</sup> February, 2022. 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
30 <sup>th</sup> June, 2021	3
11 <sup>th</sup> August, 2021	3
11 <sup>th</sup> November, 2021	3
10 <sup>th</sup> February, 2022	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.

#### **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
30 <sup>th</sup> June, 2021	3
11 <sup>th</sup> August, 2021	3
10 <sup>th</sup> February, 2022	3

Details of remuneration for the year ended 31<sup>st</sup> March, 2022:

- 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 Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provide 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 10 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:

<b>Name</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Mr. T Mohandas Pai	Non-Executive Chairman	10
Mr. Sujir Prabhakar	Independent Director	10
Mr. Airody Giridhar Pai	Independent Director	10

Mrs Veena Hegde, Company Secretary is the Compliance Officer.

Number of Shareholders Complaints received	:	1
Number of Shareholders Complaints settled	:	1
Number not solved to the satisfaction of the shareholders:		Nil
Number of pending Share transfers	:	Nil

**Details of remuneration paid/payable for the year ended March 31, 2022****Non-executive Directors (NEDs):**

Name of the Director	Sitting Fees Rs.	Commission Rs.	Total Rs.
T Mohandas Pai	6000	Nil	6000
Airody Giridhar Pai	6000	Nil	6000
Vimal C Kamath	6000	Nil	6000
T SachinPai	6000	Nil	6000
Sujir Prabhakar	6000	Nil	6000

**Managing 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
48	26/09/2019	4.00 p.m.	Appointment/Reappointment of Independent Directors
49	28/09/2020	3.30 p.m.	NIL
50	28/09/2021	3.30 p.m.	Re-appointment of Sri T Mohandas Pai as Non-Executive Director.

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

**Postal Ballot:**

The notice of 51<sup>st</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-for-determination-of-materiality-of-events-inf/>).

#### **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 workplace:**

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (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 2021-22 are as below:

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year - Nil
- c. 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 Rs.)

Sl. No	Particulars	2021-22	2020-21
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 2021-22.

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:**

Your Company is mainly engaged in recovery of over dues of Hire Purchase /Lease Accounts, Loans and other dues. Besides this, your Company is also earning rental income through some of the Company owned premises given under lease. Your Company is also a Corporate Agent (Composite) for Life and General Insurance Companies registered under IRDAI and generating some commission income. Apart from this the Company is also earning interest on term deposits, profit from sale of shares and dividend income etc.

**Business Review:**

During the year under review, your company recovered an amount of Rs.759.06 Lakhs from various sources such as demerger Receivables of Rs.5.96 lakhs from Manipal Properties Ltd. Bad debts recovered during the year under report was Rs.652.18 Lakhs as per the detailed note placed in the notes to accounts and Board's Report forming part of the Audited financials statement for the financial year 2021-22. Income from other activities like commission from Insurance Agency, interest on tax refund, interest on term deposit, dividend income, profit on sale of shares and Rental Income was Rs.100.92 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.**

There were no unclaimed/un-encashed public liabilities remains with the Company to be transferred to IEPF Authorities.

**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, 2022 was 16 as against the previous year's figure of 17.

### **13. General Shareholder Information**

- a) Annual general meeting** : 51<sup>st</sup> Annual General Meeting  
**Day & Date** : Wednesday, 28<sup>th</sup> day of September, 2022  
**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 51<sup>st</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** : 22-09-2022 to  
28-09-2022 (both days inclusive)
- d) Dividend** : No Dividend has been recommended by the  
Board of Directors for the year ended 31<sup>st</sup>  
March, 2022.
- 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 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 Shares** : ISIN No. INE613B01010
- c) website:** [www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)

As on 31<sup>st</sup> March, 2022, 1,08,00,386 Equity Shares forming 82.91% of the share capital of the Company stands dematerialized (Previous Year: 1,04,86,993 equity shares forming 80.50% of the Share Capital).

- h) Market Price Data as on 31/03/2022:**

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (Rs.)
Jul-21	16.45	33.70	16.45	33.70	4336	49	1,10,816
Aug-21	35.35	92.95	35.35	92.95	15534	253	10,67,467
Sep-21	97.55	143.90	70.55	70.55	49215	918	52,89,850
Oct-21	67.05	87.00	50.40	57.20	82270	1537	59,03,046
Nov-21	59.95	59.95	45.50	47.95	39586	617	20,35,676
Dec-21	45.65	51.40	43.55	47.10	26741	596	12,64,788
Jan-22	48.35	65.20	45.15	55.20	34139	547	17,67,159
Feb-22	55.80	55.80	38.10	40.75	22356	377	10,32,082
Mar-22	42.25	44.80	37.10	40.00	24940	320	10,38,502

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), Email : [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, 2022**

Category Shares (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	6739	86.3863	865196	8651960	6.6417
5001 - 10000	571	7.3195	401557	4015570	3.0825
10001 - 20000	253	3.2431	359063	3590630	2.7563
20001 - 30000	83	1.0639	205554	2055540	1.5779
30001 - 40000	37	0.4742	132777	1327770	1.0192
40001 - 50000	19	0.2435	85408	854080	0.6556
50001 - 100000	23	0.2948	170450	1704500	1.3084
100001 - and Above	76	0.9742	10806695	108066950	82.958
Total :	7801	100	13026700	130267000	100.00

**l) Pattern of Equity Shareholding as on 31<sup>st</sup> March 2022**

Shareholders	No. of Shares held	Percentage
Promoters and Promoter Group	6,810,736	52.28
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	4,791,522	36.78
<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, 2022, 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, 2022.

Place: Manipal  
Date: 26.05.2022

Sd/-  
G R Nayak  
(CFO)

Place: Manipal  
Date :26.05.2022

Sd/-  
**T Mohandas Pai**  
Chairman  
(DIN 00104336)