



Regd. Office: Syndicate House, Manipal – 576 104

# **45th Annual Report**

## **2015 – 2016**



<b>Chairman &amp; Whole-time Director</b>	: T. Mohandas Pai
<b>Directors</b>	: H. N. S. Rao Bharath K. Nayak K. M. Udupa A. Giridhar Pai U. Harish P. Shenoy Vimal C. Kamath
<b>Company Secretary</b>	: Ms. Varsha Agrawal
<b>CFO</b>	: G. R. Nayak
<b>Auditors</b>	: M/s Chaturvedi & Shah <i>Chartered Accountants, Mumbai</i>
<b>Registered Office</b>	: Syndicate House, Upendra Nagar Manipal – 576 104 CIN - L65993KA1971PLC002106
<b>Bankers</b>	: SYNDICATEBANK CORPORATION BANK ICICI BANK LTD.
<b>Registrar and Share Transfer Agent</b> (For Physical and Demat Shares)	: Cameo Corporate Services Ltd. Subramanian Building No. 1, Club House Road Chennai – 600 002

## NOTICE

NOTICE is hereby given that the 45<sup>th</sup> ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Monday, **the 26<sup>th</sup> September, 2016 at 4.00 p.m.** at Rotary Hall, Ananth Nagar, Manipal – 576 104, Udupi District to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Mrs. Vimal C. Kamath [DIN 07182821] who retires by rotation and being eligible offers herself for reappointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 28.09.2015 the appointment of M/s Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No.101720W), as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the Calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee and agreed upon between the auditors and the Board of Directors."

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

#### **Adoption of new set of Articles of Association of the Company *inter-alia* pursuant to the Companies Act, 2013.**

"**RESOLVED THAT** pursuant to the provisions of Section 5 and 14 of the Companies Act, 2013 ("the Act"), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force, the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

By Order of the Board

#### **Registered Office:**

Syndicate House  
Manipal – 576 104  
Date : 18.05.2016

Sd/-

**T. Mohandas Pai**  
Chairman & Whole-time Director  
DIN-00104336

## NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The Company has transferred unclaimed dividend declared upto the financial year ended 31<sup>st</sup> March, 1995 to the General Revenue Account of the Central Government. Those who have not encashed their dividend warrants, for whatever reason, for the period to and including 31<sup>st</sup> March, 1995 are requested to claim the amount from the Registrar of Companies, Karnataka, Bangalore.

Unclaimed dividend for the year ended 31<sup>st</sup> March, 1996, 31<sup>st</sup> March, 1997 and 31<sup>st</sup> December, 1997 has been transferred by the Company to "Investor Education and Protection Fund" set up by the Central Government and no claims shall lie against the fund or the Company in respect of the amounts so transferred.

8. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31<sup>st</sup> March, 2016 may visit the Company's corporate website [www.icdslimited.com](http://www.icdslimited.com) or send their queries at least 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.
9. The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:

(A) Name : Mrs. Vimal Chandrashekar Kamath  
 Date of Birth : 21.06.1944  
 Expertise in specific functional areas : Basically Mrs. Vimal C. Kamath is a social worker and donor to various cultural, social and educational associations and is deeply involved in their activities. Worked as Chemist in British Drug House, Bombay, worked as Life Insurance Agent and Consultant for nearly 20 years in Goa. She was AIR Panaji, Goa and Panaji Doordarshan artist for 20 years.

She was a member of SAG (Sports Authority of Goa) for 2 years and was Goa State tennis player and represented in Nationals for nearly 15 years. Presently she is a Trustee in Bharathiya Vikas Trust, Manipal.

List of other directorships held : Nil  
 Chairman/Member of the Committees of the Board : Nil  
 Chairman / Member of the Committees of the Board of other Companies in which she is Director. : Nil

10. The register of members and Share Transfer Book will remain closed from Friday, 23<sup>rd</sup> September, 2016 to Monday, 26<sup>th</sup> September, 2016 (both days inclusive) in connection with 45<sup>th</sup> Annual General Meeting.

**11. The Instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 23.09.2016 10.00 a.m. and ends on 25.09.2016 upto 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013**

##### **Item No. 4**

The existing Articles of Association ('AOA') of the Company are based on the Companies Act, 1956. Further, several Articles in the existing AOA are no longer in conformity with the Companies Act, 2013 ('the Act').

With the coming into force of the Act, several clauses of the existing AOA require alteration, deletion or amendment. Hence, it is considered prudent to replace the extant AOA completely with the new set of draft Articles of Association of the Company.

In terms of the Section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors or Key Managerial Personnel of neither the Company nor their relatives are in any way, concerned with or interested, financially or otherwise, in the Special Resolution at Item No.4 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the existing Articles of Associations and of the proposed new set of Articles of Association will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days.

By Order of the Board

##### **Registered Office:**

Syndicate House  
Manipal – 576 104  
Date : 18.05.2016

Sd/-  
**T. Mohandas Pai**  
Chairman & Whole-time Director  
DIN-00104336

## BOARDS' REPORT – 2015-16

To,  
The Members,

Your Board of Directors have pleasure in presenting their 45<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### 1. FINANCIAL SUMMARY

The following table brings out the financial performance of the Company during the F.Y. 2015-16:

	(Rs. in '000)	
	31 March 2016	31 March 2015
Income from Operations	3,99,31	4,54,02
Other Income	5,112	67,20
Write back of provisions	742	80,68
<b>Total Income</b>	<b>4,57,85</b>	<b>6,01,90</b>
<b>Less: Operating Expenses</b>	<b>4,03,62</b>	<b>4,26,67</b>
	<b>54,83</b>	<b>1,75,23</b>
<b>Less: Interest</b>	<b>13,86</b>	<b>33,24</b>
<b>Profit/(Loss) before Depreciation</b>	<b>40,97</b>	<b>1,41,99</b>
<b>Less: Depreciation</b>	<b>12,40</b>	<b>13,92</b>
<b>Profit/(Loss) after Depreciation before Tax</b>	<b>28,57</b>	<b>1,28,07</b>
<b>Less: Provision for Income Tax/ (write back)</b>	<b>2,00</b>	<b>8,30</b>
<b>Profit/(Loss) after Tax</b>	<b>26,57</b>	<b>1,19,77</b>
<b>Add : (Loss) brought forward</b>	<b>(6,47,17)</b>	<b>(7,66,94)</b>
<b>(Loss) carried forward</b>	<b>(6,20,60)</b>	<b>(6,47,17)</b>

### COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned income of Rs.4.58 crores (including sale of telephone handsets and accessories of Rs. 2.04 crores) as against Rs.6.02 crores in the corresponding period of the previous year- (which also included income from sale of telephone handsets and accessories of Rs.2.75 crores) from recovery of overdues from HP/Lease/Bills Discounting/Loan Parties, Commission from insurance related activities, service charges earned from telephone bill recovery services, dividend and interest. The operating expense incurred during the reporting period was Rs.4.03 crores as against Rs.4.27 crores in the previous year. The accumulated losses which was at Rs.6.47 crores as on 31<sup>st</sup> March, 2015 has been reduced to Rs.6.21 crores on 31<sup>st</sup> March, 2016. The net worth of the Company as on 31<sup>st</sup> March, 2016 went up to Rs.10.15 crores (Rs.9.89 crores in the corresponding period of previous year).

### Scheme of Arrangement

The details of unclaimed public liabilities with the Company as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka have been covered in the Corporate Governance Report. However, the total liability unpaid as on 31<sup>st</sup> March, 2016 was Rs.1.98 crores which does not include cheques issued to the investors but not presented amounting Rs.2.93 crores.

### Future Business Plans

As reported in the earlier years, the company stopped NBFC business as per the undertaking given to H'ble High Court of Karnataka while considering the company's application for scheme of arrangement. Since then company was focusing its activities on recovery of overdues. The company's net owned funds has become positive and meets the minimum required NOF stipulated by Reserve Bank of India for Non-Banking Finance Business. The Company has applied RBI for registering it as a Non-Deposit taking NBFC for pursuing business of Hire Purchase/Lease finance.

### Fee based Activities

In order to generate some income to partly meet the establishment expenses, your Company is engaged as Corporate Agent for Life and General Insurance Companies, and also acting as address verification agents for Fullerton India Credit Company Limited and Tata Teleservices Limited at Coimbatore. Besides, your company has taken up distributorship of MTS Mobile Phones & accessories of SistemaShyam Teleservices Ltd., Videocon and Intex brand handsets at Coimbatore and Salem areas in Tamil Nadu. The company is also focusing on collecting overdues from HP/Lease/Loans/Bills discounted parties.

### DIVIDEND

Since the Company has carried forward losses in the current year, the Directors express their inability to recommend Dividend.

### SHARE CAPITAL

The paid up Share Capital as on 31<sup>st</sup> March, 2016 was Rs.13,02,67,000/-. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

### DEPOSITS

The Company has not accepted any deposits from the public/ shareholders during the year under review as per Section 73 of the Companies Act, 2013.

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the



Stock Exchange, Corporate Governance Report and Auditor's Certificate regarding Compliance of conditions of Governance are made part of this Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mrs. Vimal C. Kamath [DIN 07182821], Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

Details of remuneration paid to the Directors and Key Managerial Personnel are given in the **Annexure I** forming part of the Boards' Report.

A brief profile of the Directors seeking confirmation/appointment, nature of expertise in specific functional area, name of other public companies in which he/she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS 2 on General Meetings) is appended to the Notice.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings were convened and held on 19.05.2015, 07.08.2015, 06.11.2015, 25.01.2016 and 18.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The role and terms of reference of Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement 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 19.05.2015, 07.08.2015, 06.11.2015 and, 25.01.2016.

#### **AUDIT COMMITTEE**

The Audit Committee comprises independent directors namely Mr. Bharath K. Nayak, (Chairman), Mr. K. M. Udupa, Mr. A. Giridhar Pai and Mr. U. Harish P. Shenoy as other members. All the recommendations made by the Audit Committee were accepted by the Board. Details of Audit Committee meetings are enumerated in the Corporate Governance Report.

#### **REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY**

Since the company is still carrying over the losses Corporate

Social Responsibility Committee pursuant to provisions of Section 135(1) of the Companies Act, 2013 has not been formed for the time being.

#### **PARTICULARS OF EMPLOYEES**

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner.

Your Company through its risk management process strives to contain impact and likelihood of the risks from time to time.

#### **SUBSIDIARY / ASSOCIATE COMPANIES**

The Consolidated Financial Statements of the Company and its subsidiaries and associates, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual Accounts of the subsidiaries / associates and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary / associate companies and will be available to investors seeking information at any time.

Salient features of financial statements of subsidiary/ associate companies pursuant to Section 129(3) of the Companies Act, 2013 have been covered in the Financial Statements in Form AOC-1 .

#### **RELATED PARTY TRANSACTION**

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. Details of the transactions with related parties are provided in the Note No.2.30 of accompanying financial statements. Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith Mar.ked as **Annexure II**.

#### **BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, Board has carried out an annual



performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out are detailed below:

The performance evaluation of Chairman and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors evaluated the parameters viz., level of engagement, duties, responsibilities, performance, obligations and governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

#### AUDITORS

The Auditors, Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 101720W) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment to hold office till the conclusion of the 46<sup>th</sup> AGM to be held in the Calendar year 2017.

#### AUDITORS' REPORT

In respect of the comments made by the auditors in their independent auditors report on consolidated financial statement, in the Para "Basis for Qualified Opinion" relevant explanation given by the Company vide Note No.2.14(b) to the Financial Statements is self explanatory.

#### SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made thereunder, Sri Shrinivas Devadiga, Practicing Company Secretary (Membership No.22381 CoP No.10372) from Bangalore has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as **Annexure IV** to this report. As per Section 134 (3f) of the Companies Act, 2013 Company is required to make comments on the adverse remarks / comments on the Secretarial Auditors Report.

1. As per the Secretarial Auditor's Report placed before the Board, the Secretarial auditor have opined that the Company has not appointed Company Secretary:

The Directors reiterate that the Company in search of a suitable candidate for the post of Company Secretary which may be completed in the next quarter.

2. As per the Secretarial Auditor's Report placed before the Board, the Secretarial auditor have opined that the Company has not registered the lease agreement which are entered by Company having tenure more than 11 months.

Your Directors reiterate that they will review all such agreements and noted the observations for compliance.

#### INTERNAL FINANCIAL CONTROL

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information

complying with applicable statutes and policies safeguarding of assets prevention and detection of frauds accuracy and completeness of accounting records. The Company has appointed Internal Auditor with dedicated internal audit team. The Internal Audit Reports were reviewed periodically by the Audit Committee. Further the Audit Committee annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) and adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

#### EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is attached as a part of this Annual Report as **ANNEXURE I**.

**Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

There are no such material changes to be reported in this regard.

#### Change in nature of Business:

There is no change in nature of business.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

Your Directors wish to state that there have been no significant or material orders that were passed by the Regulators or Courts or Tribunals which may impact the going concern status and operations of the Company in future.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans: Nil

Details of Guarantee / Security Provided: Company has not provided any guarantee / Security during the financial year.

Investments made are of the nature quoted/unquoted equity shares and investment in property. Particulars of such investments are provided in the financial statements vide Note Nos.2.08.

#### OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of Women at work place,



a new Act The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 has been notified on 9<sup>th</sup> December, 2013. In terms of the said Act, Your Company has constituted an Internal Complaints Committee to look into complaints of sexual harassment at work place of any women employee. The company has adopted a policy for prevention of sexual harassment of women at work place and has set up internal committee for implementation of the said policy. During the year, your Company has not received any complaint of sexual harassment of any women employee.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

- a. No. of complaints received : Nil
- b. No. of complaints disposed off : Nil

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company did not have any activity in relation to conservation of energy or technology absorption. The company had no foreign exchange earnings or outgoings during the year under report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, that —

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and

- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 28.9.2015), with the Ministry of Corporate Affairs.

#### **VIGIL MECHANISM**

The Company has a Whistle Blower Policy for Directors and employees and adopted the Whistle Blower Policy in terms of Section 177 (9) and (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to report genuine concerns, if any about unethical behavior, wrongful conduct and violation of Company's code of conduct or ethics. The Whistle Blower Policy is available on the Company's website [www.icdslimited.com](http://www.icdslimited.com).

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the services and co-operation extended by our Bankers, Investors and Members of Staff of the Company, during the year under report. Your directors also wish to thank the shareholders for their support.

Your directors also wish to place on record their deep sense of appreciation of the services rendered by the staff members at all levels.

For and on behalf of the Board of Directors

Place : Manipal  
Date : 18.05.2016

Sd/-  
**(T. Mohandas Pai)**  
Chairman & Whole-time Director  
(DIN-00104336)