



Regd. Office: Syndicate House, Manipal – 576 104

# **49th Annual Report**

## **2019 – 2020**



<b>Chairman</b>	: Mr. T. Mohandas Pai
<b>Managing Director</b>	: Mr. Bharath Krishna Nayak
<b>Directors</b>	: Mr. Sujir Prabhakar Mr. T. Sachin Pai Mr. Airody Giridhar Pai Mrs. Vimal C. Kamath Mr. Harish P. Shenoy (upto 26.7.2020)
<b>Company Secretary</b>	: Mrs. Veena Hegde
<b>CFO</b>	: Mr. G. R. Nayak
<b>Auditors</b>	: M/s. Pathak H. D. & Associates <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

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## NOTICE

NOTICE is hereby given that the 49<sup>th</sup> ANNUAL GENERAL MEETING of Members of ICDS Limited will be held on Monday, **the 28<sup>th</sup> September, 2020 at 3.30 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2020 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 Sri Tonse Sachin Pai [DIN: 00795780] who retires by rotation and being eligible, offers himself for reappointment.

### Registered Office:

Syndicate House  
Manipal 576 104  
Date : 29.06.2020

By Order of the Board

Sd/-  
**T. Mohandas Pai**  
Chairman  
DIN: 00104336

### NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms and pursuant to the General Circular No. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (collectively "**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("**SEBI Circular**") read with and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the 49<sup>th</sup> Annual General Meeting ("AGM") of the Company is being held through VC/OAVM Facility, which does not require physical presence of Members at the venue. The proceedings of the 49<sup>th</sup> AGM shall be deemed to be made at the Registered Office of the Company situated at Syndicate House, Manipal, Udupi District, Karnataka – 576 104 India (deemed venue for the AGM).
2. Corporate Members intending to attend the meeting through VC/OAVM are requested to send a scanned copy of the certified true copy of Board Resolution / Power of Attorney from the Corporate Member's registered email address authorizing their representatives to attend the AGM on their behalf, at the email ID, [info@icdslimited.com](mailto:info@icdslimited.com). Further, the Corporate Members are requested to also state the Client ID/DP ID in which the Company's shares are held.
3. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent. As per Regulation 40 of SEBI Listing Regulations (as amended), requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.
5. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 49<sup>th</sup> Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company (Email ID: [info@icdslimited.com](mailto:info@icdslimited.com)) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
6. **General Instructions for accessing and participating at the 49<sup>th</sup> AGM through Electronic Means (VC/OAVM)**
  - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  - ii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders

(Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- iii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- iv. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- v. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.icdslimited.com](http://www.icdslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- vi. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## 7. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 25.09.2020 10.00 a.m. and ends on 27.09.2020 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 21.09.2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Board of Directors has appointed CS.Shrinivas M. Devadiga (Membership No. ACS 22381), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (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" module.
- (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. Shareholders 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 e-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 Shareholders 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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**8. Process for those Shareholders whose Email Addresses are not registered with the Depositories for obtaining Login Credentials for E-Voting for the Resolutions proposed in this notice:**

- i. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- ii. For Demat shareholders – please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.
- iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**9. Instructions for shareholders attending the AGM through VC/OAVM are as under:**

- i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- iii. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast 48 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

**10. Instructions for shareholders for e-voting during the AGM are as under:**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### 11. Note for Non-Individual Shareholders and Custodians

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - ii. 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).
  - iii. 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.
  - iv. 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.
  - v. 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.
  - vi. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@icdslimited.com](mailto:info@icdslimited.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
12. 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) or call 1800225533.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
13. Since the 49<sup>th</sup> AGM shall be held through VC/OAVM facility only and physical presence of the Members at the venue is not required, the route map is not annexed to this Notice.
14. The register of members and Share Transfer Book will remain closed from Friday, 25<sup>th</sup> September, 2020 to Monday, 28<sup>th</sup> September, 2020 (both days inclusive) in connection with 49<sup>th</sup> Annual General Meeting.

#### **Details of the Directors seeking appointment/reappointment in the forthcoming Annual General Meeting : [Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]**

Name	: Mr. Tonse Sachin Pai
Date of Birth	: 10.03.1976
Expertise in specific functional areas	: Mr. Tonse Sachin Pai (Bachelor of Computer Engineering and Mathematics), aged about 44 years, has got an overall 20 years' experience in the field of business, Industrial management and administration with a proven track record.
List of other directorships held	: Best Sellers Apparels Pvt. Ltd., Manipal Technologies Ltd., The Canara Land Investments Ltd.
Chairman/Member of the Committees of the Board	: Nil
Chairman/Member of the Committees of the Board of other Companies in which he is Director.	: Nil

## BOARDS' REPORT – 2019-20

To,  
The Members,

Your Board of Directors have pleasure in presenting their 49<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### FINANCIAL SUMMARY:

The following table brings out the financial performance of the Company during the F.Y. 2019-20:

	(₹ in '000)	
Particulars	31-Mar-2020	31-Mar-2019
Income from Operations	1,93,58	2,78,58
Other Income	1,64,26	72,11
<b>Total Income</b>	<b>3,57,84</b>	<b>3,50,69</b>
Less: Operating Expenses	2,28,79	1,99,68
Less: Fair value loss on Investments	1,33,92	3,17,61
Less: Interest	566	3,06
<b>Profit/(loss) before Depreciation</b>	<b>(10,53)</b>	<b>(1,69,66)</b>
Less: Depreciation	33,00	12,65
<b>Profit/(loss) after Depreciation before Tax</b>	<b>(43,53)</b>	<b>(1,82,31)</b>
Less: Provision for Income Tax	6,60	1,43
<b>Profit/(loss) after Tax</b>	<b>(50,13)</b>	<b>(1,83,74)</b>
Opening balance of retained earnings	3,31,63	5,19,04
Profit / (loss) for the year [a]	(50,13)	(1,83,74)
Other comprehensive income/(loss) [b]	(4,45)	(3,67)
Total comprehensive income/(loss) [a+b]	(54,58)	(1,87,41)
<b>Closing balance of retained earnings</b>	<b>2,77,05</b>	<b>3,31,63</b>

### COMPANIES STATE OF AFFAIRS:

During the year under review the Company has earned Income of ₹3,57,84 thousand as against ₹3,50,69 thousand in the corresponding previous year. The Income for the year basically consists of recovery of dues, commission from Insurance related activities, Dividend, and Interest. The operating expense for the year is ₹2,28,79 thousand as against ₹1,99,68 thousand in the previous year. The increase in operational expenses is mainly on account of legal expenses incurred in connection with the Income Tax Block Assessment Case wherein the company had to defend its case by engaging eminent Lawyers. The provision for the fair value of investments (reduction in the value of investments is ₹1,33,92 thousand as against ₹3,17,61 thousand in the previous year. The profit/(loss) after tax for the year after adjusting the provision stands at (₹50,13) thousand as against (₹1,83,74) thousand in the Previous year. There is marginal erosion in the Net Worth of the company due to the losses incurred. The Net worth of the company as at March 31, 2020 stands at ₹19,13,06 thousand as against ₹19,67,64 thousand as at March 31, 2019.

### FUTURE BUSINESS PLANS:

The Company had stopped NBFC business after the filing of

scheme of arrangement with the Hon'ble High Court of Karnataka, Bangalore. As the Company had repaid the entire public liabilities (subject to Note No. 23(a) of the financials) has applied for fresh Certificate of Registration (COR) with Reserve Bank of India, as Non-deposit taking NBFC. Reserve Bank of India has made certain suggestions most of which the Company has complied with and requested Reserve Bank of India to issue the COR with an assurance that the other suggestions will be implemented post issuance of COR. Reserve Bank of India vide its letter dated 26<sup>th</sup> December, 2018, informed the company that the company's request for the COR has been rejected and advised the company to approach the Appellate Authority for redressal of grievances if any. The company accordingly has filed an application before the Appellate Authority and presented its case. The company is awaiting the Order from the Appellate Authority.

### LISTING OF COMPANY'S SHARES IN NSE & BSE:

The Company shares were listed in BSE and NSE. The trading in shares were suspended by BSE in the year 1999 and by NSE in 2002. The Company started pursuing removal of suspension of trading in both the Stock Exchanges for the last few years by visiting the Stock Exchanges in person and through consultants. The Company has been putting in its best efforts to get the suspension revoked at the earliest and we are hopeful of getting suspension revoked shortly.

### 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. The company is also focusing on collecting over dues from HP/Lease/Loans/Bills discounted portfolios.

### TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves during the financial year.

### DIVIDEND:

In view of the losses incurred during the year and in order to conserve the resources for future business your directors expressed their inability to recommend dividend during the year under report.

### SHARE CAPITAL:

The paid-up Share Capital as on 31<sup>st</sup> March, 2020 was ₹13,02,67,000. During the year under review, the Company has not issued any shares and also 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 the Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report and Auditor's Certificate regarding Compliance of conditions of Governance are made a part of this Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:****Change in Directors**

Mr. T. Sachin Pai [DIN: 00795780], Non-Executive Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

Details of remuneration paid to the Directors and Key Managerial Personnel are given in the Form MGT-9 which is available in the Company's website under link [https://icdslimited.com/wp-content/uploads/2020/08/ICDS\\_MGT-9-Extract-of-Annual-Return-2020-1.pdf](https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.pdf). 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.

**DECLARATION BY INDEPENDENT DIRECTORS:**

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 four Board Meetings were convened and held on 28.05.2019, 08.08.2019, 13.11.2019, and 11.02.2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**AUDIT COMMITTEE:**

The Audit Committee comprises independent directors namely Mr. Sujir Prabhakar (Chairman), 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.

The role and terms of reference of Audit Committee cover the areas mentioned in 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 28.05.2019, 08.08.2019, 13.11.2019, and 11.02.2020.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as per the provisions of Section 135(1) of the Companies Act, 2013 as the said provisions are not applicable to the Company for the time being.

**PARTICULARS OF EMPLOYEES:**

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 and subsequent amendments thereto.

Particulars of top ten employees of the Company in terms of remuneration drawn during the year 2019-20 presented as an annexure to the Board Report during the Board Meeting is preserved separately and the same will be made available to any shareholders on request made to the company in writing.

**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 subsidiary Manipal Properties Limited, prepared in accordance with Indian Accounting Standard 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 subsidiary company and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the subsidiary company and will be available to investors seeking information at any time.

Salient features of financial statements of subsidiary company 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.38 of accompanying standalone 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 marked as **Annexure I**.

**BOARD EVALUATION:**

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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:**

Pursuant to the provisions of the Companies Act, 2013, the Company at its 46<sup>th</sup> AGM held on 25th September, 2017 had



appointed M/s Pathak H D & Associates, Chartered Accountants, Mumbai (FRN: 107783W) as the Statutory Auditors of the Company for period of five years till the conclusion of the 51<sup>st</sup> annual general meeting to be held in the year 2022.

#### AUDITORS' REPORT:

Auditors report does not contain any qualifications, reservations or adverse remarks.

#### SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Act and Rules made there under, CS. Shrinivas M. 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 II to this report. Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks. The Comments made by the Secretarial Auditors are corresponding explanations given by the Board are as under:

Sl. No.	Comment by Secretarial Auditor	Board's Reply
1	Company was received show cause notice in the previous year by ROC for violation of Section 203(1) R/W Section 203(4) of the Companies Act, 2013 for non-appointment of Company Secretary from 01.04.2014 to 08.08.2016.	Company has made an application for Adjudication of penalties with Registrar of Companies, Karnataka and the matter pending with Registrar of Companies, Karnataka.
2	SEBI amended the clause relating to 'board of directors' in the Listing Regulations and inserted regulation 17(1A) of SEBI (LODR), 2015 as amended from time to time, w.e.f. 01.04.2019: No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.	Company has appointed Mr. Tonse Pai Mohandas DIN-00104336 as Director (Category- Non-Executive, Non-Independent) and Chairman of the Company and ratified his earlier appointment dated 26.09.2019 on 21.03.2020 through Postal Ballot.

Sl. No.	Comment by Secretarial Auditor	Board's Reply
3	Company was received Notice from NSE with Ref: NSE/LIST/16008 dated 30 <sup>th</sup> March 2020, reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of annual report by listed entities, 1. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies. 2. Detail of fees paid to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	The management of the Company replied to the Stock Exchange, they will incorporate necessary disclosures in the financial year ended 31.03.2020 with comparative figures for the previous financial year ended 31.03.2019. Due to the outbreak of pandemic COVID-19, Company express its difficulties to comply, which was cause to shutdown of office as the whole country was under lockdown.

#### 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 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) is 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 available on the Company's website [www.icdslimited.com](http://www.icdslimited.com) (link: [https://icdslimited.com/wp-content/uploads/2020/08/ICDS\\_MGT-9-Extract-of-Annual-Return-2020-1.pdf](https://icdslimited.com/wp-content/uploads/2020/08/ICDS_MGT-9-Extract-of-Annual-Return-2020-1.pdf)). As per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual return for financial year 2018-19 is placed on website of the company i.e. [www.icdslimited.com/annual return](http://www.icdslimited.com/annual return).

**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 No.11.

**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 called 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 2019-20:

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.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report,

which is a part of this report and is also available on website [www.icdslimited.com](http://www.icdslimited.com)

**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 —

- in the preparation of the annual accounts, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors have prepared the annual accounts on a going concern basis; and
- 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 Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 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. 26.09.2019), with the Ministry of Corporate Affairs. The Company has since transferred the unclaimed amounts under the Scheme of Arrangement to IEPF, subject to Note No. 24 (a) of the Balance Sheet.

**DETAILS OF FRAUD REPORT BY AUDITOR:**

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

**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).

**SECRETARIAL STANDARDS:**

The Company has complied with all the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

**IMPACT OF COVID-19 ON ECONOMY:**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however,