

ICDS Ltd,
Regd. Office: Syndicate House, Manipal 576 104

Mintues of the proceedings of the 40th Annual General Meeting of the Members of ICDS Ltd, Manipal held on Monday, 19th September, 2011 at 4.00 p.m. at Rotary Golden Jubilee Children's Sports Complex, Manipal 576 104.

Present:

1. Sri T Mohandas Pai, Chairman & Whole-time Director
2. Sri H N S Rao, Director
3. Sri Bharath K Nayak, Director
4. Sri K M Udupa, Director
5. Sri A Giridhar Pai, Director and
6. Sri U Harish P Shenoy, Director

33 Shareholders in person, 28 by proxy and 7 by Bodies Corporate by Authorised Representatives.

1. Sri T Mohandas Pai, Chairman presided. Necessary quorum being present he called the meeting to order and conducted the proceedings.
2. Chairman invited the members of the Board of directors present to sit along with him.
3. Notice of the meeting was taken as read with the consent of the members.
4. Mr Prabhakar Pai, Manager (Secretarial) read the Auditors Report.
5. Chairman invited the attention of the members to the Register of Director's Shareholding and Proxy Register kept on the table for their inspection.
6. Chairman welcomed the members and addressed them as under:

"...Dear Shareholders,

I welcome you to the 40th Annual General Meeting of your Company. The Directors' Report and audited accounts for the year ended 31st March, 2011 are already in your hands now and with your permission I shall take them as read.

FINANCIAL PERFORMANCE

During the year under review the Company has earned income of Rs.6.72 Crores (Rs.6.27 Crores in the corresponding period of the previous year) from recovery of over dues 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 expenses incurred during the reporting period was Rs.1.45 Crores as against Rs.1.54 Crores in the previous year. Consequent to the recovery of demerger receivables of Rs.6.26 crores provisions made earlier to the extent of Rs.6.92 Crores (Previous Year Rs.12.17 Crores) was written back. (Previous year Rs.7.52 Crores). The accumulated losses which was at Rs.24.82 Crores as on 31st March, 2010 has been reduced to Rs.13.38 Crores on 31st March, 2011.



The Company is continuing the fee based activities like Insurance Agency for both Life and General Insurance and also providing other services like collection of telephone bills for Telephone Service Provider. Besides, the company is focusing on collecting overdues from HP/Lease/Loans/Bills discounted parties.

SCHEME OF ARRANGEMENT

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, Company has repaid all the six installments. Out of Rs.13.81 Crores representing interest accrued on the public liabilities upto 15th July, 2002, Rs.11.50 crores has been paid as on 30th June, 2011.(As on the recent date the payable amount is only Rs.3.44 crs). Your Company has filed an affidavit on 31st August, 2010 to that effect, before the Hon'ble High Court of Karnataka. The Hon'ble High Court has taken note of the same on 12th October, 2010.

The Company has sent letters under certificate of posting to all the investors, asking them to surrender the original investment certificates and claim the interest accrued. As on 31st August, 2011 out of total liability of Rs.239.10 crores, an amount aggregating to Rs.235.66 Crores has been repaid. The details are given below :

1 st Instalment	Rs. 56.98 Crores
2 nd Instalment	Rs. 51.78 Crores
3 rd Instalment	Rs. 51.78 Crores
4 th Instalment	Rs. 34.85 Crores
5 th Instalment	Rs. 28.71 Crores
6 th Instalment	Rs. 11.56 Crores

Total :	Rs.235.66 Crores
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Arrangements are in place to pay the claims received from investors as and when the original investment certificates lodged by such investors.

BUSINESS PLANS

The company , in terms of the undertaken given to the H'ble High Court of Karnataka is not doing any NBFC Business. As the company has fully complied with the terms of scheme of arrangements as per the sanctioned scheme and paid all the installments. The net worth of the Company (Net Owned funds) as on 31st March, 2011, has become positive at Rs.2.98 Crs. The company is planning to apply to Reserve Bank of India for registration as an NBFC for undertaking business of Hire Purchase and Lease Financing.

Your Company has been giving adequate focus on recovery of dues under Hire Purchase, Lease and other portfolios. Simultaneously the Company is also concentrating on cost reduction measures to the extent possible to minimize the operational expenses.



ACKNOWLEDGEMENT

On behalf of the Board of Directors and on my own behalf, I take this opportunity to place on record the co-operation and support extended by the Shareholders, Depositors, Investors, Customers, Bankers and Employees at all levels.

Thank you".

7. Chairman invited queries, if any, from the members present and offered to explain.
8. In the absence of any questions, Chairman proposed and Prof. U R Kamath seconded the following resolution, namely;

"RESOLVED that the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon be and are hereby received, approved and adopted."

The resolution was put to vote and passed unanimously.

9. Mr H N Prabhu proposed and Mr B Sadashiva Pai seconded the following resolution as an ordinary resolution, namely;

"RESOLVED that Mr Bharath K Nayak, Director retiring by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company".

The resolution was put to vote and passed unanimously.

10. Mr B Gokuldas Pai proposed and Mr D Sreepathi seconded the following resolution as an ordinary resolution, namely;

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby re-appointed as 'Statutory Auditors' of the Company to hold the office until conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit of the Books of Account of the Company."

The resolution was put to vote and carried unanimously.



11. Mr K V Shanbhag proposed and Mr H N S Rao seconded the following resolution as an Ordinary Resolution, namely;

"RESOLVED that Mr K M Udupa, who was appointed as an Additional Director by the Board of Directors at its meeting held on 12th November, 2010 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The resolution was put to vote and carried unanimously.

12. Mr Prof. U R Kamath proposed and Mr B Sadashiva Pai seconded the following resolution as an Ordinary Resolution, namely;

"RESOLVED that Mr A Giridhar Pai, who was appointed as an Additional Director by the Board of Directors at its meeting held on 12th November, 2010 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The resolution was put to vote and carried unanimously.

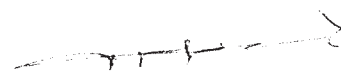
13. Mr N G Kamath proposed and Mr H N S Rao seconded the following resolution as an Ordinary Resolution, namely;

"RESOLVED that Mr U Harish P Shenoy, who was appointed as an Additional Director by the Board of Directors at its meeting held on 12th November, 2010 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

There being no other business, meeting concluded with a vote of thanks to the Chair.

Place : Manipal

Date : 20th September, 2011


Chairman