

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance in a broader perspective deals with performance, conformance and report thereby ensuring greater transparency, better internal control and improved efficiency. The company is committed to ensure high standards of transparency and accountability compliance and responsibility in every sphere of management practice and equity in all areas of its operation and in all its dealings with the shareholders and multiple stakeholders. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times and will constantly endeavour to improve on these aspects on an ongoing basis.

### 1. BOARD OF DIRECTORS

#### a) Composition

The Board consists of 7 Directors as on 31st March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement and the provisions of the Companies Act, 2013 by way of appointment of four Independent Directors including Mrs. Chitra Murali, as woman Director. The day-to-day management of the company is carried on by the President & Whole Time Director of the company.

| Category                                 | No of Directors |
|--|-----------------|
| President & Whole Time Director          | 1               |
| Nominee Directors                        | 2               |
| Non-executive Independent Directors      | 3               |
| Non-executive Independent woman Director | 1               |

All Independent Directors possess the requisite qualifications and are very experienced in their own fields and are not liable to retire by rotation. All Nominee Directors except the President & Whole Time Director are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

| Name of Director               | Category   | Number of Directorships in other companies |        | Number of Committee Memberships in other companies |        |
|--------------------------------|--|--|--------|--|--------|
|                                |  | Chairman                                   | Member | Chairman   | Member |
| 1. Shri B Rajkumar             | Nominee of Indian Bank                                   | --   | 1      | --   | --     |
| 2. Shri T M Nagarajan          | Independent Director                                     | --   | 1      | 1  | --     |
| 3. Shri P M Venkatasubramanian | Independent Director                                     | --   | 6      | 8  | 5      |
| 4. Shri G R Sundaravadivel     | Independent Director                                     | --   | 3      | 1  | 5      |
| 5. Smt Chitra Murali           | Independent Director                                     | --   | --     | --   | --     |
| 6. Shri Banabihari Panda       | President & Whole Time Director - Nominee of Indian Bank | --   | 1      | --   | --     |
| 7. Shri K Udaya Bhaskara Reddy | Nominee of Indian Bank                                   | --   | 1      | --   | 2      |

#### Notes

- i) Other directorships exclude foreign companies, private limited companies and alternate directorships.
- ii) Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned as per clause 49 of the Listing agreement.

### b) Board Meetings and Attendance at Board Meetings

The Board met 5 times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

| S.No | Date       | Board Strength | No. of Directors present |
|------|------------|----------------|--------------------------|
| 1    | 23.04.2014 | 7              | 7                        |
| 2    | 09.08.2014 | 7              | 7                        |
| 3    | 20.10.2014 | 7              | 7                        |
| 4    | 07.02.2015 | 7              | 7                        |
| 5    | 28.03.2015 | 7              | 7                        |

The company places before the Board all those details as required under Annexure 1 A to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The President & Whole Time Director appraise the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

### c) Disclosure of relationship between directors inter-se:

There is no inter-se relationship within the Directors of the company

### d) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

| S.No. | Name                        | No. of Board Meetings held | No. of Board Meetings attended | Attendance at the last AGM |
|-------|-----------------------------|----------------------------|--------------------------------|----------------------------|
| 1     | Shri B Rajkumar             | 5                          | 5                              | Attended                   |
| 2     | Shri T M Nagarajan          | 5                          | 5                              | Attended                   |
| 3     | Shri P M Venkatasubramanian | 5                          | 5                              | Attended                   |
| 4     | Shri G R Sundaravadivel     | 5                          | 5                              | Attended                   |
| 5     | Smt Chitra Murali           | 5                          | 5                              | Attended                   |
| 6     | Shri Banabihari Panda       | 5                          | 5                              | Attended                   |
| 7     | Shri Rajeevan Pillai G*     | 5                          | 1                              | NA                         |
| 8     | Shri K Udaya Bhaskara Reddy | 5                          | 4                              | Attended                   |

\*upto 09.08.2014

## 2. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The audit committee comprised of the following directors for the year ended 31st March 2015:

| Name of the Director        | Position |
|-----------------------------|----------|
| Shri T M Nagarajan          | Chairman |
| Shri P M Venkatasubramanian | Member   |
| Shri G R Sundaravadivel     | Member   |
| Smt Chitra Murali           | Member   |
| Shri K Udaya Bhaskara Reddy | Member   |

As on 31st March 2015 the committee comprised of four independent directors and one nominee director, all of whom are financially literate and have relevant finance / audit exposure. The President & Whole Time Director is a permanent invitee to the meetings of the committee. The Company Secretary acts as the Secretary to the committee. The composition of the audit committee is as per clause 49 of the listing agreement. The audit committee met 4 times during the year on 23.04.2014, 09.08.2014, 20.10.2014 & 07.02.2015.

The details are as follows:

#### Attendance of each Director at Audit Committee Meetings

| Name of the Director          | Number of audit committee meetings attended |
|-------------------------------|---|
| Shri T M Nagarajan            | 4   |
| Shri P M Venkatasubramanian   | 4   |
| Shri G R Sundaravadivel       | 4   |
| Smt Chitra Murali             | 4   |
| Shri Rajeevan Pillai G        | 1   |
| Shri K Udaya Bhaskara Reddy * | 3   |

\*appointed with effect from 09.08.2014

### 3. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

- I) Brief description of the role of the committee, *inter-alia*, include the following:
- Formulation of the criteria for determining qualifications of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of Independent Directors and the Board;
  - Devising a policy on Board diversity;
  - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- II) The composition of the Nomination and Remuneration Committee as at March 31, 2015 and the details of Members participation at the Meeting of the Committee are as under:

| Sl.No | Name of Director and position                      | Meeting / Attendance<br>07.02.2015 |
|-------|--|------------------------------------|
| 1     | Shri P M Venkatasubramanian, Chairman of Committee | Present                            |
| 2     | Shri G R Sundaravadivel, Member                    | Present                            |
| 3     | Shri Banabihari Panda, Member                      | Present                            |
| 4     | Shri K Udaya Bhaskara Reddy, Member                | Present                            |

This committee recommends the appointment/reappointment of executive directors and the appointments of Key Managerial Personnel (KMP) from the level of CFO and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry and service regulations relating to the organisation from where KMP is on deputation. The Remuneration Committee comprises of non-executive and independent directors. Shri P M Venkatasubramanian, is the Chairman of the committee. Shri G R Sundaravadivel, Shri Banabihari Panda and Shri K Udaya Bhaskara Reddy are the other members. The Company Secretary is the secretary to the committee. During the financial year 2014-2015 the committee met on 07.02.2015.

#### (III) REMUNERATION POLICY:

The company has adopted the Remuneration Policy on 07.02.2015 which inter alia provides for the following:

- Criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- b) Determination of remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies,
- c) Evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- d) Provision of reward to them linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**(IV) CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:**

A Non-Executive Director shall be entitled to receive only sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**4. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The functions of the Committee include the following:

- 1) Approval of share transfers & share transmission/share transposition.
- 2) Issue of duplicate share certificates
- 3) Issue of share certificates for split
- 4) Rematerialization and consolidation of shares
- 5) Redressal of shareholders/ stake holders grievances

Smt Chitra Murali, non-executive director is the Chairperson of the committee. Shri Banabihari Panda and Shri K Udaya Bhaskara Reddy are the other members of the committee.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 19 times during the year 2014-2015. The committee approved the transfer of 5100 shares in physical form.

**Complaints received and redressed during the year 2014-2015**

| S.No. | Nature of Complaints                 | Number of Complaints |
|-------|--------------------------------------|----------------------|
| 1     | Regarding annual report              | 10                   |
| 2     | Revalidation of dividend warrant     | Nil                  |
| 3     | Issue of duplicate share certificate | Nil                  |
| 4     | Issue of duplicate dividend warrant  | Nil                  |
| 5     | Procedure for transmission           | Nil                  |
| 6     | General queries                      | 43                   |
| 7     | Non receipt of dividend              | Nil                  |
| 8     | Correction in share certificate      | Nil                  |
| 9     | Change of address                    | 24                   |
| 10    | Unclaimed dividend                   | 5                    |
| 11    | Correction in dividend cheque        | Nil                  |
|       | <b>Total</b>                         | <b>82</b>            |

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri M S Vaidyanathan, Vice President & Company Secretary is the compliance officer of the Company.

#### 5. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 07.02.2015 to review the performance of non-Independent Directors and the Board as a whole, to review the performance of the President & Whole Time Director of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

During the year, the Company had also conducted a Familiarisation programme for Independent Directors of the Company on 28.03.2015.

#### 6. REMUNERATION PAID TO DIRECTORS

Of the total 7 directors, one is President & Whole Time Director. The President & Whole Time Director of the company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of Indian Bank and also in terms of appointment as Whole Time Director by the members of the company. The non-executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

##### a. Managerial Remuneration:

Rs.Lakhs

| Name                 | Designation                     |                    | 2014-15 | 2013-14 |
|----------------------|---------------------------------|--------------------|---------|---------|
| Mr. Banabihari Panda | President & Whole Time Director | Salary             | 13.50   | 12.64   |
|                      |                                 | Contribution to PF | 0.65    | 0.65    |

##### b. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-2015

| Name of the Director        | Board Meeting (Rs) | Audit Committee Meeting (Rs) | Remuneration Committee Meeting (Rs) | Stakeholders' Relationship Committee Meeting (Rs) | Independent Directors' meeting | Total  |
|-----------------------------|--------------------|------------------------------|-------------------------------------|---|--------------------------------|--------|
| Shri T M Nagarajan          | 20000              | 16000                        |                                     |   | 4000                           | 40000  |
| Shri P M Venkatasubramanian | 20000              | 16000                        | 4000                                |   | 4000                           | 44000  |
| Shri G R Sundaravadivel     | 20000              | 16000                        | 4000                                |   | 4000                           | 44000  |
| Smt Chitra Murali           | 20000              | 16000                        |                                     | 2000  | 4000                           | 42000  |
|                             | 80000              | 64000                        | 8000                                | 2000  | 16000                          | 170000 |

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2015.

##### c. Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015 none of the Directors of the company hold equity shares in the company.

#### 7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Annual General Meetings of the Company:

| Venue   | Financial Year | Date & Time                     |
|---|----------------|---------------------------------|
| "IMAGE" M.R.C Nagar, R A Puram, Santhome, Chennai – 600 028 | 2011-2012      | 6th July, 2012 at 3 p.m.        |
|   | 2012-2013      | 23rd September, 2013 at 11 a.m. |
|   | 2013-2014      | 27th September, 2014 at 11 a.m. |

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

| AGM/EGM                     | Subject                                     |
|-----------------------------|---|
| 25th AGM held on 27.09.2014 | As detailed below                           |
| 24th AGM held on 23.09.2013 | No special resolution was passed at the AGM |
| 23rd AGM held on 06.07.2012 | No special resolution was passed at the AGM |

#### **E-Voting/Poll: (Details of E-voting/Poll carried out at AGM/EGM) -**

The following items were approved by the shareholders of the company through special resolutions through E-Voting for the year 2013-14

- a. Delisting of the shares of the company from BSE Ltd.
- b. Fixing the borrowing powers of the Board of Directors of the company to a maximum of Rs.1000 crores in supersession of the Ordinary Resolution passed on 10.07.1996 and pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force).
- c. Approving for creation of Mortgage/Charge on the movable and immovable properties of the Company.

Further, as stipulated under the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement, E voting / poll was provided for the resolutions to be passed at the AGM and all the resolutions were approved by the shareholders.

The following items were approved by the shareholders of the company through special resolutions through Postal Ballot in August 2013.

Amending the Object Clause in the Memorandum of Association of the Company pursuant to Section 17 of the Companies Act, 1956 read with Section 192 A of the Act and the Companies (Passing of resolution by Postal Ballot) Rules, 2011

No items were approved by the shareholders of the company through special resolutions through Postal Ballot for the year 2011-12.

#### **8. SUBSIDIARY COMPANIES**

The company does not have any subsidiary.

#### **9. RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management (which is available in the company's website address [www.indbankonline.com](http://www.indbankonline.com)) with the following objectives:

- ◆ Provide an overview of the principles of risk management
- ◆ Explain approach adopted by the Company for risk management
- ◆ Define the organizational structure for effective risk management
- ◆ Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- ◆ Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

#### **10. WHISTLE BLOWER POLICY**

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The key directions/actions will be informed to the President & Whole Time Director of the Company. The same is available in the company's website address [www.indbankonline.com](http://www.indbankonline.com)

## 11. DISCLOSURES

### RELATED PARTY TRANSACTION:

There have been no related party transactions with the company's promoters, directors, the management or relatives which may have potential conflict with the interests of the company at large. However there is an arrangement of overdraft against own deposits of the company with Indian Bank to meet the requirement of its operations in normal course of business. The necessary disclosures regarding this arrangement is given in the notes to accounts.

## 12. COMPLIANCES

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

## 13. MEANS OF COMMUNICATION

- The unaudited quarterly results of the company are published in leading newspapers such as News Today in English and Malai Sudar in Tamil. These are not sent individually to the shareholders.
- The company's website address is: [www.indbankonline.com](http://www.indbankonline.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id [investors@indbankonline.com](mailto:investors@indbankonline.com) to enable the shareholders to register their grievances.
- Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts.

## 14. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.indbankonline.com](http://www.indbankonline.com). As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-2015.

## 15. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting

|                     |  |
|---------------------|--|
| Date and time :     | 26th September 2015 at 11.00 a.m.              |
| Venue :             | IMAGE, MRC Nagar, Chennai 600028               |
| Book Closure Date : | 20.09.2015 to 26.09.2015 (both days inclusive) |
| Financial Year :    | 1st April 2014 to 31st March 2015              |

- Board Meetings during the Financial Calendar 2015-2016 (tentative)

|             |                                    |
|-------------|------------------------------------|
| 1st Quarter | In the first week of August 2015   |
| 2nd Quarter | In the first week of November 2015 |
| 3rd Quarter | In the first week of February 2016 |
| 4th Quarter | In the second week of May, 2016    |

- Particulars of Dividend for the year ended 31.03.2015 – Nil
- Listing of Shares

The company's shares are listed in BSE Ltd and National Stock Exchange(NSE). The Listing fees for the financial year 2015-16 have been paid to BSE Ltd and to National Stock Exchange where the company's shares are listed.

Stock Code: BSE – 511473 NSE – INDBANK

**e. Stock Market Data**

| Market price data                                   |                                       |       |       |       |            |          |           |         |
|---|---------------------------------------|-------|-------|-------|------------|----------|-----------|---------|
| Performance in comparison with stock exchange index |                                       |       |       |       |            |          |           |         |
| Month   | Indbank Merchant Banking Services Ltd |       |       |       | BSE Sensex |          | NSE Nifty |         |
|   | BSE                                   |       | NSE   |       | BSE        |          | NSE       |         |
|   | High                                  | Low   | High  | Low   | High       | Low      | High      | Low     |
| April 2014  | 4.49                                  | 3.76  | 4.50  | 3.85  | 22939.31   | 22197.51 | 6869.85   | 6650.40 |
| May 2014  | 5.51                                  | 3.81  | 5.50  | 3.80  | 25375.63   | 22277.04 | 7563.50   | 6638.55 |
| June 2014   | 7.02                                  | 4.80  | 7.20  | 5.00  | 25725.12   | 24270.20 | 7700.05   | 7239.50 |
| July 2014   | 6.70                                  | 5.26  | 6.70  | 5.15  | 26300.17   | 24892.00 | 7840.95   | 7422.15 |
| August 2014   | 5.79                                  | 4.66  | 5.70  | 4.75  | 26674.38   | 25232.82 | 7968.25   | 7540.10 |
| September 2014                                      | 7.09                                  | 4.70  | 7.05  | 4.60  | 27354.99   | 26220.49 | 8180.20   | 7841.80 |
| October 2014  | 6.22                                  | 4.54  | 6.30  | 4.45  | 27894.32   | 25910.77 | 8330.75   | 7723.85 |
| November 2014                                       | 7.48                                  | 5.40  | 6.90  | 5.30  | 28822.37   | 27739.56 | 8617.00   | 8290.25 |
| December 2014                                       | 10.43                                 | 5.65  | 10.50 | 5.35  | 28809.64   | 26469.42 | 8626.95   | 7961.35 |
| January 2015  | 16.20                                 | 8.22  | 16.40 | 8.15  | 29844.16   | 26776.12 | 8996.60   | 8065.45 |
| February 2015                                       | 15.48                                 | 11.11 | 15.30 | 11.00 | 29560.32   | 28044.49 | 8941.10   | 8470.50 |
| March 2015  | 14.60                                 | 9.70  | 14.20 | 9.80  | 30024.74   | 27248.45 | 9119.20   | 8925.55 |

**f. Shareholding Pattern as on 31st March 2015**

|          | Category   | No. of Folios | No. of shares held in physical form | No. of Shares held in demat | Total No. of shares held | % of shareholding |
|----------|--|---------------|-------------------------------------|-----------------------------|--------------------------|-------------------|
| <b>A</b> | <b>Promoters holding</b>   |               |                                     |                             |                          |                   |
| 1        | Promoters<br>-Indian Promoters   | 1             |                                     | 28773800                    | 28773800                 | 64.84             |
|          | -Foreign Promoters   | --            |                                     | --                          | --                       | --                |
| 2        | Person acting in concert   | --            |                                     | --                          | --                       | --                |
|          | <b>Sub-total</b>   | 1             |                                     | 28773800                    | 28773800                 | 64.84             |
| <b>B</b> | <b>Non-Promoters holding</b>   |               |                                     |                             |                          |                   |
|          | Institutional Investors  |               |                                     |                             |                          |                   |
|          | A Mutual funds and UTI   | 10            | 97000                               |                             | 97000                    | 0.22              |
|          | B Banks, financial institutions, insurance companies (Central/State Government institutions/Non Government institutions) | 5             | 1300                                | 48600                       | 49900                    | 0.11              |
|          | C FIs  | 1             | 2700                                |                             | 2700                     | 0.01              |
|          | <b>Sub-total</b>   | 16            | 101000                              | 48600                       | 149600                   | 0.34              |
| <b>C</b> | <b>Others</b>  |               |                                     |                             |                          |                   |
|          | A Private Corporate Bodies   | 378           | 145000                              | 1972359                     | 2117359                  | 4.77              |
|          | B Indian Public  | 43122         | 2870431                             | 9850503                     | 12720934                 | 28.67             |
|          | C NRIs/OCBs  | 94            |                                     | 391677                      | 391677                   | 0.88              |
|          | D Clearing Member and others   | 288           | 1                                   | 224829                      | 224830                   | 0.50              |
|          | <b>Sub-total</b>   | 43882         | 3015432                             | 12439368                    | 15454800                 | 34.82             |
|          | <b>Grand Total</b>   | <b>43899</b>  | <b>3116432</b>                      | <b>41261768</b>             | <b>44378200</b>          | <b>100.00</b>     |



**g. Distribution of Shareholding as on 31st March 2015**

| Number of Equity Shares held | Number of Share holders | Number of Shares | % of Capital  |
|------------------------------|-------------------------|------------------|---------------|
| Up to 500                    | 40673                   | 5095681          | 11.48         |
| 501-1000                     | 1586                    | 1391579          | 3.14          |
| 1001-2000                    | 776                     | 1225942          | 2.76          |
| 2001-3000                    | 272                     | 704827           | 1.59          |
| 3001-4000                    | 145                     | 524529           | 1.18          |
| 4001-5000                    | 135                     | 647353           | 1.46          |
| 5001-10000                   | 168                     | 1221912          | 2.75          |
| 10001 AND ABOVE              | 144                     | 33566377         | 75.64         |
| <b>Total</b>                 | <b>43899</b>            | <b>44378200</b>  | <b>100.00</b> |

**h. Registrar and Share Transfer Agents**

M/s Cameo Corporate Services Limited, having its registered office at "Subramaniam Building" No.1, Club House Road, Chennai – 600002 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

**i. Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:**

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend as on March 31, 2015 is as follows:

| Financial Year | Unpaid/ Unclaimed dividend as on 31.03.2015 (Rs.) | Date of declaration | Date of transfer to IEPF |
|----------------|---|---------------------|--------------------------|
| 2007-08        | 2384874.00  | 21.06.2008          | 21.07.2015               |
| 2008-09        | 1437648.75  | 19.08.2009          | 25.09.2016               |

- ◆ Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.
- ◆ Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

**j. Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- ◆ Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- ◆ Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- ◆ It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.

- ◆ Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- ◆ As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

**k. Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. A total number of 41261768 equity shares representing 92.98 % of the paid up equity capital have been dematerialized as on 31st March 2015.

**l. Information to Shareholders**

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

**m. Address for Correspondence**

|  |   |
|--|---|
| To contact Registrars & Share Transfer Agents for matters relating to shares | M/s Cameo Corporate Services Ltd,<br>"Subramaniam Building"<br>No 1, Club House Road,<br>Chennai – 600002.<br>Email : cameo@cameoindia.com                        |
| For any other general matters or in case of any difficulties / grievance     | Mr. M S Vaidyanathan<br>Vice President & Company Secretary and Compliance Officer<br>Tel : 91-94457 97101<br>Fax : 044 24313093<br>E-mail : msv@indbankonline.com |

**DECLARATION BY PRESIDENT & WHOLE TIME DIRECTOR ON CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place : Chennai

Date : 06.05.2015

President & Whole Time Director

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of Indbank Merchant Banking Services Limited, Chennai**

We have examined the compliance of the conditions of Corporate Governance by Indbank Merchant Banking Services Limited ("the Company") for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s.A V DEVEN & CO.,  
Chartered Accountants,  
FRN No.:000726S**

Place:Chennai-83  
Date : 12.05.2015

**(CA. R. Raghuraman)  
Partner  
(M.No.201760)**