

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on Corporate Governance encompasses the goal of achieving transparency, accountability, compliance in all spheres of its operations and in dealing with the shareholders, employees, the Government and the creditors. The Company believes in establishing a framework which would enable in strengthening the decision making processes and enhance the overall effectiveness of the organization.

**2. Board of Directors**

**2.1 Composition of the Board:**

The Board of Directors as at 31<sup>st</sup> March, 2011 comprises of six directors comprises of 5 (Four) Non-Executive Directors and 1 (One) Executive Director. The directors on the Board are senior, competent and highly respected persons from their receptive fields:

Sr. No.	Name of the Director	Category of Director
1	Mr. Nirmal Khetan	Chairman - Director
2	Mr. Aji P George	Executive Director
3	Mr. M N Baliga	Non-Executive Director
4	Mr. Uttreshwar Vyas	Non-Executive Director
5	Mr. Anil Bhandari	Non-Executive Director

**2.2 Meeting and Attendance Record of Directors**

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. During the year under review, the Board met 5 (Six) times on the following dates:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1	29/04/2010	4	27/10/2010
2	31/07/2010	5	28/01/2011
3	25/08/2010		

Sr. No.	Name of the Director	No. of Meeting held	No. of Meeting Attended	Attendance at the last AGM
1	Mr. Nirmal Khetan	6	0	Attended
2	Mr. Aji P George	6	6	Attended
3	Mr. M N Baliga	6	2	Not attended
4	Mr. Uttreshwar Vyas	6	4	Not attended
5	Mr. Anil Bhandari	6	6	Attended

**3. Audit Committee:**

The Audit committee constituted by the Board of directors as per the provisions under Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, the Audit Committee reconstitutes and comprises which three members viz. Mr. Nirmal Khetan, Mr. M N Baliga and Mr. Uttreshwar Vyas, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Nirmal Khetan, a Chartered Accountant, is the Chairman of the committee.

The audit committee while reviewing the Annual Financial Accountants of India. Compliance of the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India, 5 (Five) Audit Committee Meetings were held during 2010-11. The dates on which the said meetings were held as follows:

Sr. No.	Date of Audit Committee Meeting	Sr. No.	Date of Audit Committee Meeting
1	29/04/2010	4	27/10/2010
2	31/07/2010	5	28/01/2010
3	25/08/2010		

**4. Remuneration Committee**

The remuneration committee reconstitutes and comprises of Mr. Nirmal Khetan, Mr. Aji P George and Mr. Uttreshwar Vyas.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments conditions of Managing / Whole time Directors and Managing Director:

There was no meeting of Remuneration Committee during the Financial Year 2010-11.

**5. Share Transfer & Shareholders'/Investor Grievance Committee:**

The Share Transfer & Shareholders'/Investor Grievance committee comprises of Mr. Nirmal Khetan, Mr. Aji P George and Mr. Uttreshwar Vyas. The committee looks into redressal of Shareholders/ Investors complaints in the matter of share transfer, non-receipt of dividend, annual report etc. The status report of shareholders complaints and redressal thereof is prepared and placed before Shareholders / Investors Grievance Committee. No sitting fees are paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/ number of pending share transfer transactions (as on 31st March, 2011) is given below:

**Complaints Status: 01.04.2010 to 31.03.2011**

Sr. No.	Particulars	Remarks
1	Number of shareholders' complaints received so far	11
2	Number not solved to the satisfaction of shareholders	NIL
3	Number of pending complaints	NIL

**Compliance Officer:**

Mr. Aji P George, the Executive Director of the Company has been appointed as the Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

**6. GENERAL BODY MEETINGS:**

(a) The location and time, where last three years Annual General Meetings are as follows:

Year	Venue	Date & Time
2007-08	304, Kaling, B/h. Bata Show Room, Near Mt. Carmel School, Ashram Road, Ahmedabad – 380 009	29 <sup>th</sup> September 2008 at 11.00 a.m.
2008-09	304, Kaling, Near Mt. Carmel School, B/h. Bata Showroom, Ashram Road, Ahmedabad - 380 009	30 <sup>th</sup> September 2009 at 4.00 p.m.
2009-10	304, Kaling, Near Mt. Carmel School, B/h. Bata Showroom, Ashram Road, Ahmedabad - 380 009	28 <sup>th</sup> September 2010 at 4.00 p.m.

b) All the resolutions including special resolutions set out in the respective notices were unanimously passed by the shareholders. No resolution was put through postal ballot last year as per provisions of Section 192A of the Companies Act, 1956 and the rules framed there under.

**7. DISCLOSURES:**

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large.

During the year, Securities and Exchange Board of India vide its ex-parte order dated 24<sup>th</sup> June, 2010 imposed monetary penalty of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) without issuing any opportunity of being heard and show cause notice giving under section 19 H (1) of the Depositories Act, 1996, read with Rule 5 of the Depositories (Procedures for holding inquiry and imposing penalties by adjudicating officer) rules, 2005.

Subsequently, the Company challenged the said order before the Securities Appellate Tribunal (SAT) and said authority set-aside the ex-parte order dated 24<sup>th</sup> June, 2010 passed by adjudicating officer.

**8. MEANS OF COMMUNICATION :**

The Quarterly Results and Half Yearly Un-audited Financial Results and the Annual Audited Financial Results are disclosed/uploaded at Company's website named [www.indocreditcapital.com](http://www.indocreditcapital.com). The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient. The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

**9. General Shareholders' Information :**

**9.1 Annual General Meeting :**

Day, date and time	Friday, 30 <sup>th</sup> September, 2011 at 4.00 p.m.
Venue	304, Kaling, Near Mt. Carmel School, Ashram Road, Ahmedabad – 380 009

**9.2 Financial Calendar : (2011-12 - Tentative)**

First Quarter Results	:	Last week of July, 2011
Second Quarter Results	:	Last Week of October, 2011
Third Quarter Results	:	Last Week of January, 2012
Fourth Quarter Results	:	Last Week of April, 2012

**9.3 Book Closure :** 24<sup>th</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive)

**9.4 Dividend :** No dividend has been recommended.

**9.5 Listing of Equity Shares on Stock Exchanges at :**

The names and addresses of the Stock Exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

Sr. No.	Name of Stock Exchanges	Stock Code
1	<b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	BSE – 526887
2	<b>Ahmedabad Stock Exchange Ltd.</b> Khamdhenu Complex, Opp. Sahajanad College, Panjarapole Ahmedabad - 380 015	ASE –

**9.6 Market Price Date :** High and low during each month in the financial year 2010-11 on the Stock Exchanges:

Month and Year	BSE	
	High (Rs.)	Low (Rs.)
April – 2010	NIL	NIL
May – 2010	NIL	NIL
June – 2010	NIL	NIL
July – 2010	NIL	NIL
August – 2010	NIL	NIL
September – 2010	NIL	NIL
October – 2010	NIL	NIL
November – 2010	NIL	NIL
December – 2010	NIL	NIL
January – 2011	NIL	NIL
February – 2011	NIL	NIL
March – 2011	NIL	NIL

The Company has nothing to report as no trade has been reported to take place due to suspension of trading of shares of the Company on The Bombay Stock Exchange Limited.

**9.7 Registrar and Transfer Agent :**

Registrar and Transfer Agent of the Company is:

MCS Limited

101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009

Tel : +91 - 079 – 26582278

Fax : +91 - 079 – 26584027

Email : mcaahmd@yahoo.co.in

**9.8 Share Transfer System**

The Registrar and Share Transfer Agent deal with Shares transfer both in physical and demat mode. The demat shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee of Directors of the Company. Transfer of physical shares is made within the time stipulated by the Stock Exchanges.

**9.9 Distribution of Shareholding (as on 31<sup>st</sup> March, 2011) :**

Category	Number of Shareholders	Perce. %	Number of Shares	Perce. %
1 to 500	9971	87.80	1666043	23.04
501 to 1000	790	6.96	655728	9.07
1001 to 2000	330	2.91	505120	6.99
2001 to 3000	90	0.79	225710	3.12
3001 to 4000	47	0.41	166500	2.30
4001 to 5000	26	0.23	124199	1.72
5001 to 10000	45	0.40	319600	4.42
10001 to 50000	36	0.32	797700	11.03
50001 to 100000	8	0.07	651800	9.01
100001 to above	13	0.11	2118400	29.30
<b>Total</b>	<b>11356</b>	<b>100.00</b>	<b>7230800</b>	<b>100.00</b>

**9.10 Shareholding Pattern as on March 31, 2011:**

Sr. No.	Category	No of Shares held	Percentage (%) of shareholding
1.	Promoters Directors & their Relatives	1049500	14.51
2.	NRI/OCBs	4200	0.05
3.	Private Corporate Bodies	303150	4.20
4.	Others	5873950	81.24
	<b>Total</b>	<b>7230800</b>	<b>100.00</b>

**9.11 Dematerialisation of Shares and Liquidity :**

The particulars of shares in physical and demat held by the share holders as on 31st March, 2011:

Particulars	No. of Shares	% Shareholding
Physical	6399110	88.50
<b>Demat</b>		
NSDL	692750	9.58
CDSL	138940	1.92
<b>Total</b>	<b>7230800</b>	<b>100.00</b>

**9.12 Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : N. A.**

**9.13 Plant Location : N. A.**

**9.14 Address for Correspondence :**

a) Investor Correspondence:  
MCS Limited  
101, Shatdal Complex, 1<sup>st</sup> Floor,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad – 380 009  
Tel : 079 - 26582878  
Fax: 079 – 26584027  
Email : mcaahmd@gmail.com

b) Any other query :  
Indo Credit Capital Ltd.  
Registered Office : 304, Kaling,  
Near Mt. Carmel School,  
Ashram Road, Ahmedabad – 380 009  
Tel : 079 - 26580366  
Fax: 079 - 26580366  
E-mail: indocredit@rediffmail.com  
Website: www.indocreditcapital.com

**To the Members of  
Indo Credit Capital Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Indo Credit Capital Limited, for the year ended on 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

We have conducted our review on the basis of the relevant records and documents mentioned by the Company and furnished to us, for the review.

In our opinion and to the best of our information and according to the explanation given to us and the representative made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that 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 **Naimish N Shah & Co.**  
*Chartered Accountants*

Ahmedabad  
26<sup>th</sup> August, 2011

**PRANAV SHAH**  
*Partner*

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**DECLARATION**

We, Directors of M/s. Indo Credit Capital Limited, hereby declare that all the members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct, for the year ended March 31, 2011.

**By order of the Board of Directors**

Place : Ahmedabad  
Date : 26<sup>th</sup> August, 2011

**Anil Bhandari**      **AJI P GEORGE**  
**Director**          **Executive Director**

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**CEO / CFO Certificates**

To,  
The Board of Directors  
Indo Credit Capital Limited  
Ahmedabad

I have reviewed the financial results and the cash flow statement of Indo Credit Capital Limited for the financial year ended 31<sup>st</sup> March, 2011, and certify that :

- (a) These results and statements, to the best of my knowledge and belief:
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which I am aware, and the steps taken and proposed to be taken to rectify these deficiencies.
- (d) I have also indicated to the Auditors and the Audit Committee:
  - (i) significant changes in the internal controls with respect to financial reporting during the year
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) To the best of my knowledge and belief, there are not instances of fraud involving either the Management or employees having a significant Role in the Company's internal control systems with respect to financial reporting.

**Date : 26<sup>th</sup> August, 2011**  
**Place : Ahmedabad**

**AJI P GEORGE**  
**EXECUTIVE DIRECTOR**