

**S. N. ANANTHASUBRAMANIAN & CO.  
COMPANY SECRETARIES**

**10/26, BRINDABAN, THANE – 400 601**

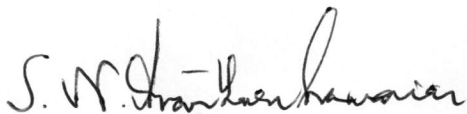
Tel 25345648 / 2543 2704 : Fax 2539 0292 – email [sna@snaco.net](mailto:sna@snaco.net): website [www.snaco.net](http://www.snaco.net)

To,  
The Chairman of the Meeting,  
Tamilnad Mercantile Bank Limited  
[CIN U65110TN1921PLC001908]  
57, V. E. Road,  
Thoothukudi – 628002

Dear Sir,

At the outset, I would like to thank the Board of Directors of the Bank for appointing me as the Scrutinizer for the Remote e-Voting and Voting at the Meeting by the members of the Bank, at the 88<sup>th</sup>, 89<sup>th</sup>, 90<sup>th</sup>, 91<sup>st</sup>, 92<sup>nd</sup> and 93<sup>rd</sup> Annual General Meetings of the Bank held on Friday, 29<sup>th</sup> January, 2016.

I am pleased to submit the Scrutinizer's Report which is comprehensive and self explanatory.



**S. N. ANANTHASUBRAMANIAN**  
**Date: 12<sup>th</sup> February 2016**  
**Place: Chennai**

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**SCRUTINIZER'S REPORT**

NAME OF THE BANK	Tamilnad Mercantile Bank Limited
MEETINGS	88 <sup>th</sup> to 93 <sup>rd</sup> Annual General Meetings
DATE & TIME	Friday, January 29, 2016 from 10.00 a.m.
VENUE	Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi- 628003

**1. Appointment as Scrutinizer:**

I was appointed as Scrutinizer at the meeting of the Board of Directors of the Bank held on 8<sup>th</sup> January 2016 for the remote e-voting as well the voting at the Meeting conducted at the 88<sup>th</sup> to 93<sup>rd</sup> Annual General Meetings (AGMs) of **Tamilnad Mercantile Bank Limited** hereinafter referred to as **the Bank** held on Friday, January 29, 2016 from 10.00 a.m. onwards at Manickam Mahal, 1/1A, Tiruchendur Road, Thoothukudi- 628003.

**2. Dispatch of Notice convening the Meeting**

The Bank informed that, on the basis of the Register of Members, for the purpose of remote e-Voting, the Bank completed dispatch of the Notice of e-Voting;

- On **4<sup>th</sup> January, 2016** by email to **1,684** Members who had registered their email-ids with the Bank;
- On **4<sup>th</sup> January, 2016** in physical form by Registered Post by to **18,782** Members.

**3. Cut-off date**

The voting rights were reckoned as on **Friday, 22<sup>nd</sup> January, 2016**, being the Cut-off date for the purpose of deciding the entitlements of Members for the Remote e-Voting and Voting at the Meetings.



*Report of Scrutinizer on remote e-Voting & voting by Shareholders of Tamilnad Mercantile Bank Limited  
at the 88<sup>th</sup> to 93<sup>rd</sup> AGMs*

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**4. Remote E-voting**

**4.1 Agency:**

The Bank appointed **National Securities Depository Limited (NSDL)** as the agency for providing the Remote e-voting platform.

**4.2 Remote e-voting:**

Remote e-Voting was open for three days from **9.00 a.m. on Tuesday, 26<sup>th</sup> January, 2016 to 5.00 p.m. on Thursday, 28<sup>th</sup> January, 2016** and members were required to cast their votes electronically conveying their assent or dissent in respect of all Ordinary and/or Special Resolutions and selection of Directors contained in the Notice convening the AGMs dated 20<sup>th</sup> December 2015 and Addendum to the Notice dated 18<sup>th</sup> January 2016 on e-Voting platform provided by NSDL.

**5. Voting at the AGM:**

5.1 As prescribed under Rule 20 (4)(xiii) of the Companies (Management and Administration) Amendment Rules, 2015, for the purpose of ensuring that Members who have cast their votes through Remote e-voting do not vote again at the general meetings, the Scrutinizer shall have access after closure of period of remote e-voting and before the start of general meeting, to only such details relating to members who have cast their votes through remote e-voting, such as their names, folios, number of shares held but not the manner in which they have voted.

5.2 Accordingly, NSDL, the e-Voting Agency provided me with the names, folio numbers and shareholding of the Members who had cast their votes through Remote e-voting.

**6. Scrutiny of Proxies**

In accordance with Section 105 (6) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 the

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last date fixed for receipt of proxy forms from shareholders who wished to appoint proxies was on 27<sup>th</sup> January 2016 (48 hours before the commencement of respective meetings).

The Bank received in all 5923 proxy forms from the Members upto the aforesaid appointed time and date.

With the assistance of Karvy Computershare Private Limited, a SEBI registered Registrar and Transfer Agents, who were engaged by the Bank for the process, the proxy forms and authorization letters were scrutinized with respect to whether:-

1. the Member appointing the proxy was a member as on 22<sup>nd</sup> January 2016, the cut-off date fixed for the purpose of Voting at the Annual General Meetings;
2. the proxy form was filled in and complete in all respects;
3. the requisite revenue stamp was affixed in the proxy form;
4. the signature of the member in the proxy forms matched with the signature made available by the Bank;
5. the proxy form submitted by corporate shareholders was accompanied by a Board Resolution authorizing the issue of the proxy form;
6. the proxy form was submitted on behalf of deceased shareholders where transmission of shares was pending; and
7. the member had cast his / her vote in the remote e-voting; and
8. more than fifty members had granted proxy in favour of one person; and
9. more than one proxy form received from the same member.

It was observed that:

- a) in some of the folios where specimen signatures was not available with the Bank, we could not verify the signatures and as per industry practice, we gave the benefit of doubt and approved the proxy forms;
- b) in some of the forms, we found that the Member's signature did not exactly match with the signatures available with the Bank, and we gave the benefit of doubt and approved the proxy form.



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- c) In many of the forms, we found that signatures of the Members were attested by Notary Public (most of them on a single date and at the same time);

Few of the findings are as under:

- a) Signature in the form was in English and the signature with the Bank was in Tamil or vice versa;
- b) Signature in the form was in long form and the signature with the Bank was in short form or vice versa;
- c) Signature in the form appeared to be scribbled while proper signature was available with the Bank;
- d) Notary had attested signature of Members who were purportedly deceased as per the list made available by the Bank;
- e) Forms contained the Notarial Stamp but his signature was found missing.

With a view to ensure correctness of the process, we verified the forms more than once.

After a thorough scrutiny of the proxy forms based on the aforesaid parameters, the Register of Proxies was prepared (consolidated for all the AGMs).

The details of proxy forms rejected and not considered (AGM wise) are annexed herewith.

## **7. Tab Voting**

The Bank had engaged the services of **NSDL**, to conduct Tab based Voting at the AGMs held on 29<sup>th</sup> January 2016 through electronic means.

As per the direction of the Chairman of the Meeting, NSDL also conducted Tab based Voting on 2<sup>nd</sup> February 2016 in respect of those Proxy Forms wherein the signatures had been attested by Notary but the signatures had not matched with the signatures made available by the Bank and accordingly not considered as valid Proxy Forms for attendance and voting at the AGMs held on 29<sup>th</sup> January 2016.



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**8. Counting Process**

After all the Members and Proxy Holders who were present at the AGMS held on 29<sup>th</sup> January 2019 and Proxy Holders as indicated in 7 above on 2<sup>nd</sup> February 2016 had cast their votes, NSDL closed Tab Voting Process.

The remote e-voting results on the NSDL e-voting platform were unblocked in the presence of the Chairman of the Meeting 2<sup>nd</sup> February 2016 at which point of time Mr. Tamilarasu and Mr. S. Vaikundarajan shareholders of the Bank were also present.

The List of Members who had cast their votes on Tab Voting(s)) held at the AGMs held on 29<sup>th</sup> January 2016 and 2<sup>nd</sup> February 2016 was well as downloaded the List of Members who had cast their votes through Remote e-Voting from NSDL.

**9. Results**

9.1 I observed that

- a) 5,579 members had cast their votes through Remote e-voting; and
- b) 1,340 members (either by themselves or through their Proxies or Authorised Representatives had cast their votes at the AGMs held on 29<sup>th</sup> January 2016; and
- c) 1,937 Members through their Proxies had cast their votes at the Voting held on 2<sup>nd</sup> February 2016.

9.2 The Consolidated Results (Remote e-Voting and Tab Voting held at the AGMs with respect to each item on the agenda as set out in the Notice of the AGMs dated 20<sup>th</sup> December 2015 is enclosed.

9.3 The Results of the Tab Voting held on 2<sup>nd</sup> February 2016 with respect to each item on the agenda as set out in the Notice of the AGMs dated 20<sup>th</sup> December 2015 is also enclosed.



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**10. Voting Rights and Restrictions**

In terms of Section 12(2) of Banking Regulation Act, 1949, no person holding shares in a banking company shall, in respect of any shares held by him, exercise voting rights in excess of ten percent of the total voting rights of all the shareholders of the banking company.

The Reserve Bank of India has issued circulars from time to time to restricting the voting rights of groups to 5% of the total voting rights of all shareholders of the Bank.

Further, in terms of the order passed by the Hon'ble High Court of Madras on November 26, 2015 in writ Petition No. 11159 of 2011, the voting rights of a particular group of shareholders referred to in that Order, also needs to be restricted.

The Bank has provided us with the folio numbers of the Members along with the voting rights they were entitled to. Further, votes cast, if any, on behalf of deceased members pending transmission of shares held by them need not be considered for the purpose of the results

In view of the aforesaid, at our request NSDL has recomputed the results after exercising aforesaid voting restrictions.

Based on the aforesaid, the recomputed results are also enclosed.



**S. N. ANANTHASUBRAMANIAN**

**Date: 12<sup>th</sup> February 2016**

**Place: Chennai**